



Growing Economic Vibrancy

© Ed McMahon

Urban Land Institute

September , 2015

South Carolina is a Great State





**CHANGES
AHEAD**

There two kinds of change:

- **Planned change**
- **Unplanned change**



“The best way to predict the future is to create it yourself”

Abraham Lincoln

What is changing?

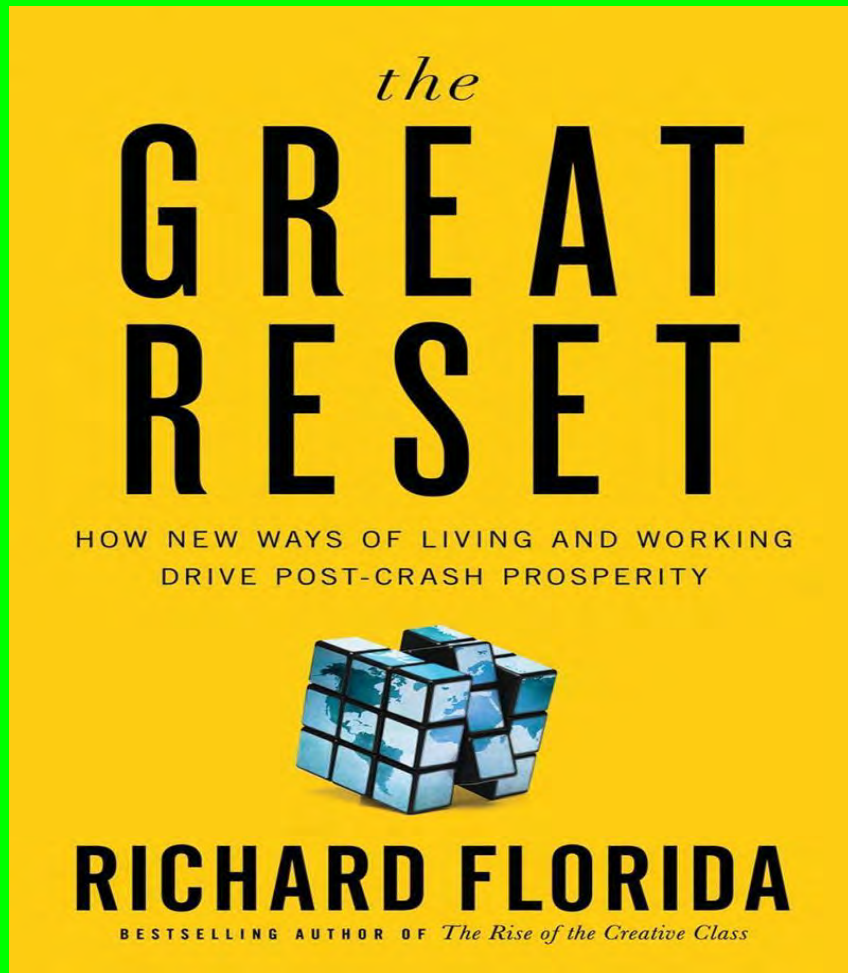
- National and global economy
- Demographics
- Technology
- Consumer attitudes & market trends
- Health care
- Energy sources & prices
- The weather

Employment Changes



- The US saw a 34% decline in manufacturing jobs between 1990 and 2010.
- During the same period the US saw a 57% increase in professional and business service jobs, and
- An 81% increase in jobs in education and health services

How will the Crash Reshape America?



- “How we live, work, shop and get around will change.”
- “Communities that embrace the future will prosper. Those that do not will decline.”

“Communities and regions are in a global competition to attract and retain a talented workforce. Increasingly these talented workers are choosing where they want to live first and figuring out their job situations later.”

CEO's for Cities, Segmentation Study, 2006

Economic Development

20th Century Model

- Public sector leadership
- Shotgun recruitment strategy
- Low cost positioning
- Cheap labor
- Focus on what you don't have
- Quality of life unimportant
- Driven by transactions
- Key Infrastructure = Roads

21st Century Model

- Public/Private Partnerships
- Laser recruitment strategy
- High value positioning
- Highly trained talent
- Focus on what you do have
- Quality of life critical
- Driven by an overall vision
- Key Infrastructure = Education

Business Recruitment



- There are 3141 counties in the US.
- There are 25,375 towns in the US.
- They are all competing for a small number of new plants, factories or distribution centers.

The One Big Thing Rarely Works?



Convention centers



Festival Marketplaces

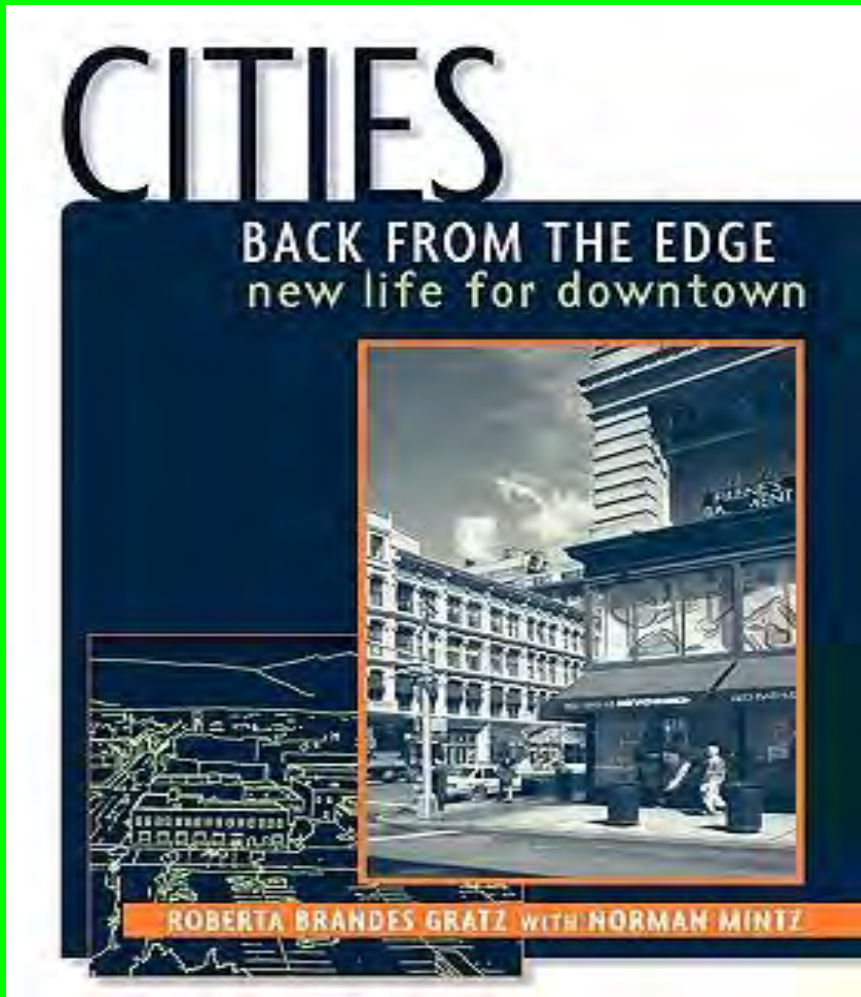


Casinos



Aquariums

What works today?



“ Successful cities
and towns think
small in a big way.”

Roberta Brandes Gratz

Economic Development is About Choices



Should we try to recruit new industry?



Should we try to expand existing businesses?

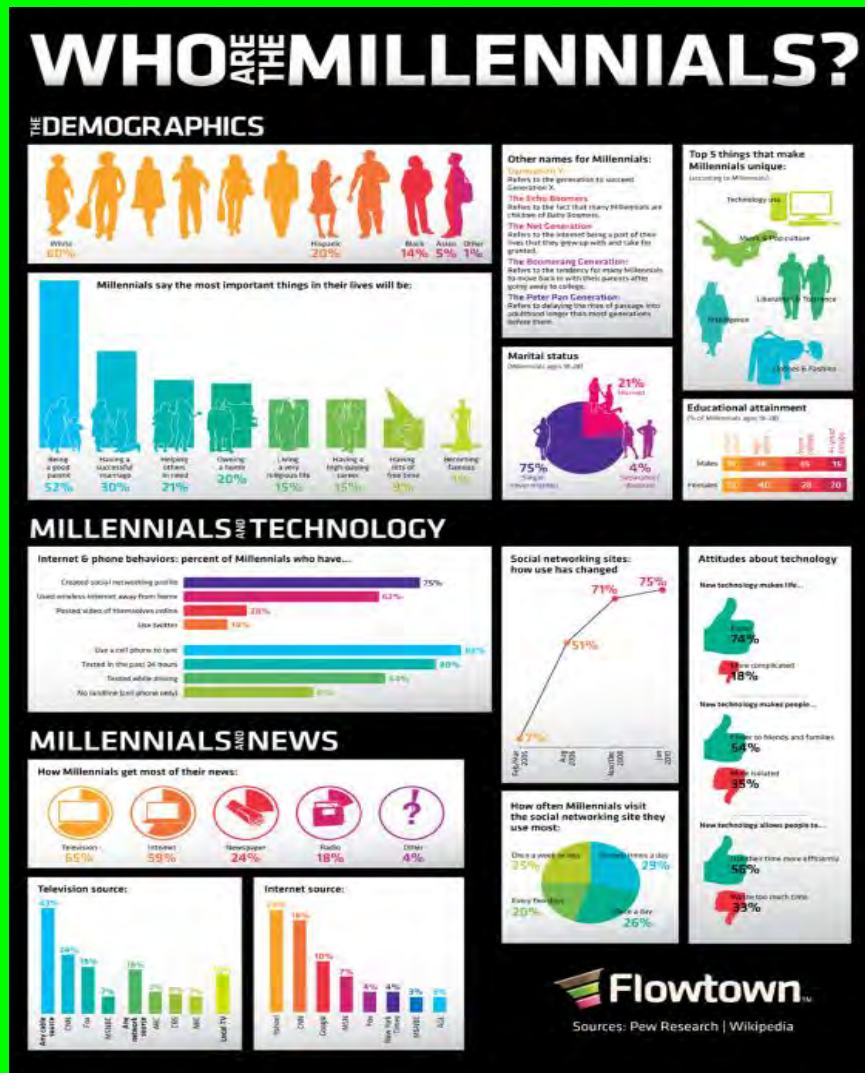


Demographic Shifts

- Baby Boomers and Retirees – 80 million
- Immigrants – 40 million
- Millennials (18 to 32 year olds) – 85 million
- Single-person households – 26%
- 75 % of American households do not have school age children



Young People



- Are getting married later or not at all
- Are postponing home ownership
- Own fewer cars and drive less
- Are concentrating in major metropolitan areas & cool towns
- Favor walkable neighborhoods
- Are adept with technology and social networking
- Are more tolerant
- Use social media to make buying decisions

Technology & Globalization



- “The Death of Distance”
- People can do business anywhere
- Most new jobs are in small and medium sized businesses
- Health care & education
- Industrial recruitment is a small part of new economy

Capital is Footloose



Foster Freiss

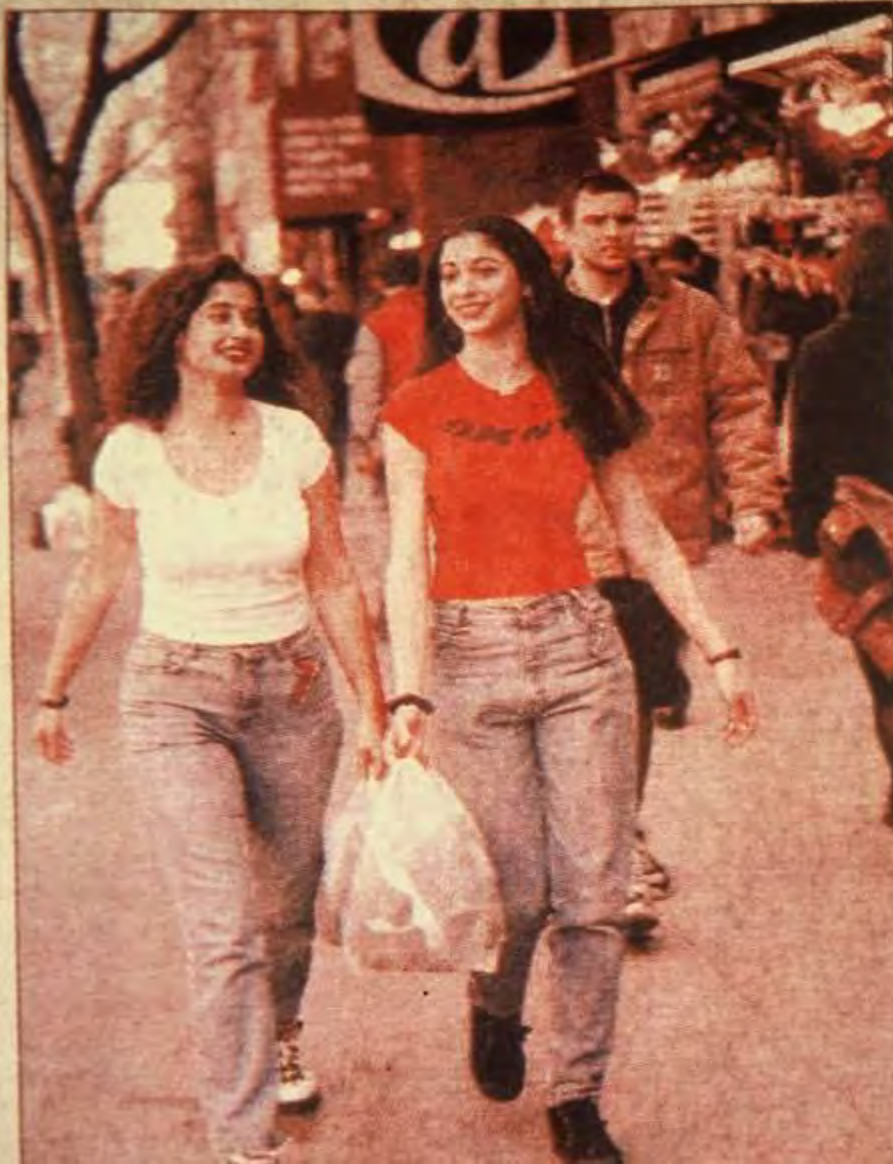


Jackson Hole, Wyoming

Brandywine Funds HQ – Jackson, WY



Consumer attitudes are changing



COVER STORY

Malls are like, totally uncool, say hip teens

The bigger question for retailers is, will parents follow their offspring?

By Bruce Horowitz
USA TODAY

The future of retailing in America may all come down to where Jessica Pfeifer shops. There's one place it's not: the mall.

Anyplace but the mall.

For this 18-year-old high school senior and her 15-year-old sister, Andrea, the mall has become entirely uncool.

Most malls are filled with cubicles that all sell similar stuff. And many teens get the heebie-jeebies being followed around by walkie-talkie wielding security guards and suspicious store clerks who keep flashing them evil eyes.

The Pfeifer sisters live in Manhattan and used to take the train to regional malls. Now they and their friends who live

NEW URBAN NEWS

COVERING DESIGN & DEVELOPMENT OF HUMAN-SCALE NEIGHBORHOODS

VOLUME 7 • NUMBER 1

JANUARY • FEBRUARY 2002

The future belongs to town centers

Despite the recession, retail analyst Robert Gibbs predicts that commercial town center developments will proliferate as the growth in conventional malls stalls.

In recent years, one of the most prominent trends in the shopping center industry has been the emergence of "hybrid malls," large retail centers that incorporate an open air main street with shops, offices, and in some cases housing. Some of these experiments — like Valencia Town Center in California — have been successful, but according to Gibbs, industry trade publications have expressed doubt that the model has staying power.

Gibbs disagrees with this assessment and suggests that conventional malls will have to adopt ideas from the New Urbanism to stay competi-

CONTINUED ON PAGE 7

- No new malls , since 2006
- 15% of existing malls have closed
- 30% of remaining malls being repositioned
- 1 Billion square feet of vacant retail space



Market Trends

- “It is becoming clear that homebuilders old one-size fits all marketing and product approach will not work for buyer groups whose interests & borrowing requirements differ widely, not only from buyers of the recent past, but also from each other.”
- Source: Builder Magazine, July 2009



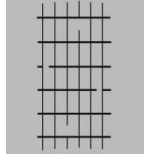
Economic Vitals – Dimensions of Success



- **Talent** – Smart People



- **Innovation** - Ability to generate new ideas



- **Connectivity** – Places where people and goods can easily connect

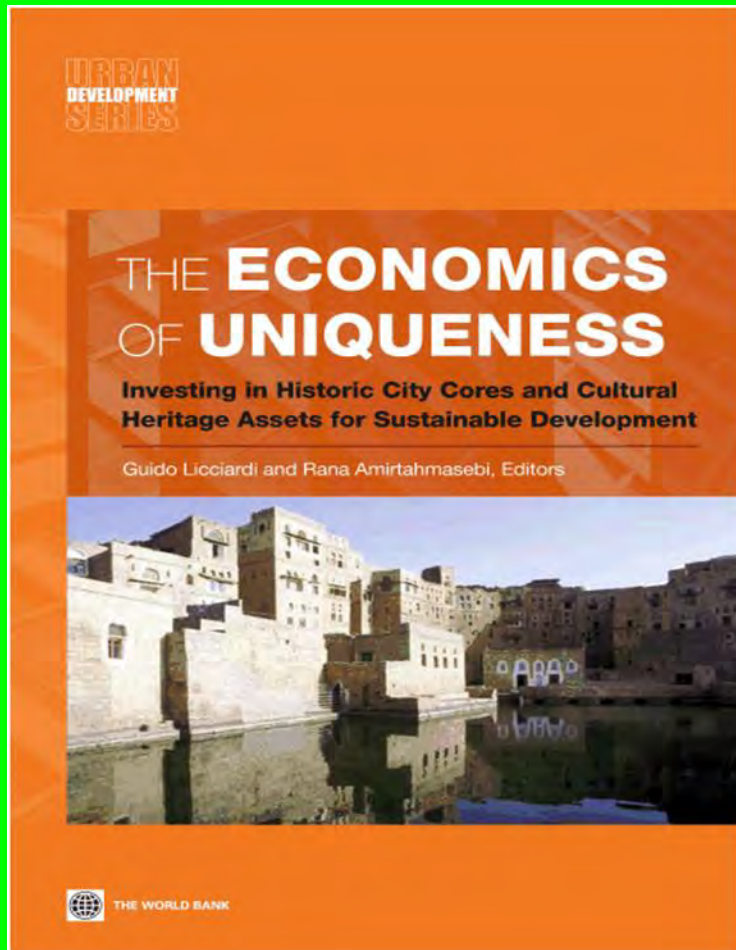


- **Distinctiveness** – Unique characteristics

Sustainable Cities Are Distinctive Cities



Distinctiveness has value!



- “If you can’t differentiate yourself, you will have no competitive advantage.”
- “Sameness is a minus, not a plus in today’s world.”

Distinctive = Having a Special Quality

Synonyms

- Unconventional
- Surprising
- Unusual
- Out-of-the-ordinary
- Unorthodox

Antonyms

- Conventional
- Standard
- Usual
- Regular
- Ordinary

Source: Thesaurus.com

Community Character Matters!



- “We take stock of a city like we take stock of a man. The clothes or appearance are the externals by which we judge.”
- Mark Twain



Welcome to
the City of
FRANKLIN





MIDFIELD
CITY LIMIT

Loveland's
FLOWERS

Marlboro
\$1.10

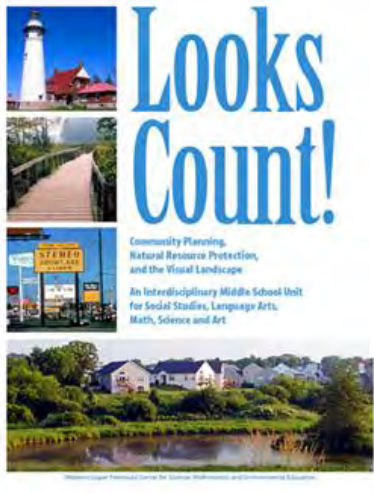
S P E E D
E N

Marlboro

AND OTHER CIGARETTES
SOLD HERE

\$1.10





COMMUNITY IMAGE
IS CRITICAL
TO ECONOMIC VITALITY
AND QUALITY OF LIFE

The Official 2000 Travel Guide

Oregon

Oregon: Things Look Different Here

In the New Economy – Place Matters

Traditional Economy

- Product Driven
- Cost Sensitive
- **Market Driven**



- Making the sneakers



New Economy

- Knowledge Driven
- Value Sensitive
- **Place Driven**



- Designing the sneakers



“The Place is becoming more important than the product”

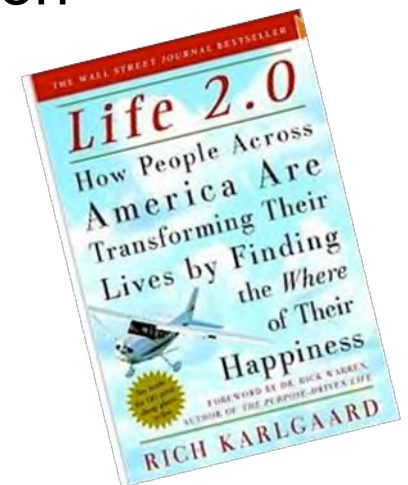
National Association of Homebuilders 2011





“I came for the **place**
and the jobs have
followed.”

Entrepreneur, PhD
Bend, Oregon



Soul of the Community Study



The Economics of Place:

The Value of Building Communities Around People



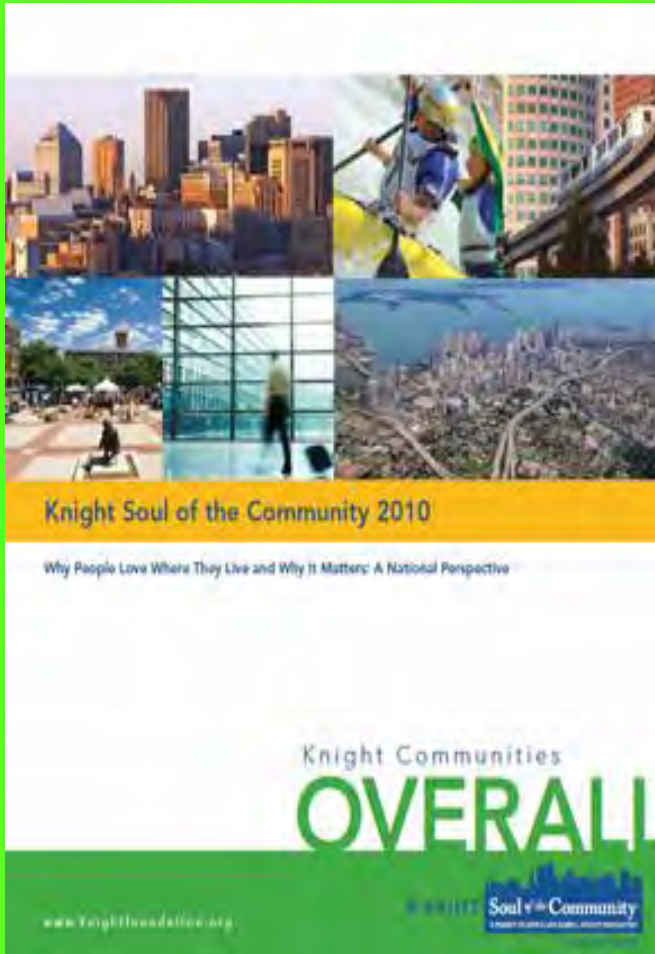
Edited by Colleen Layton, Tawny Pruitt & Kim Cekala

- “Communities with the highest levels of attachment to place also have the strongest economies.”

- Source: Knight Foundation. 2010

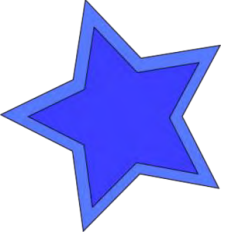
What attaches people to community?

- **Social offerings** – such as, entertainment venues & places to meet
- **Openness** – how welcoming a community is to newcomers
- **Community Aesthetics** – physical beauty and green spaces



“If a building, a landscape or a city is not beautiful, it will not be loved, if it is not loved, it won’t be maintained and improved. In short , it won’t be sustained.”

Doug Kelbaugh, Former Dean, University of Michigan, School of Architecture



The Distinctive Community

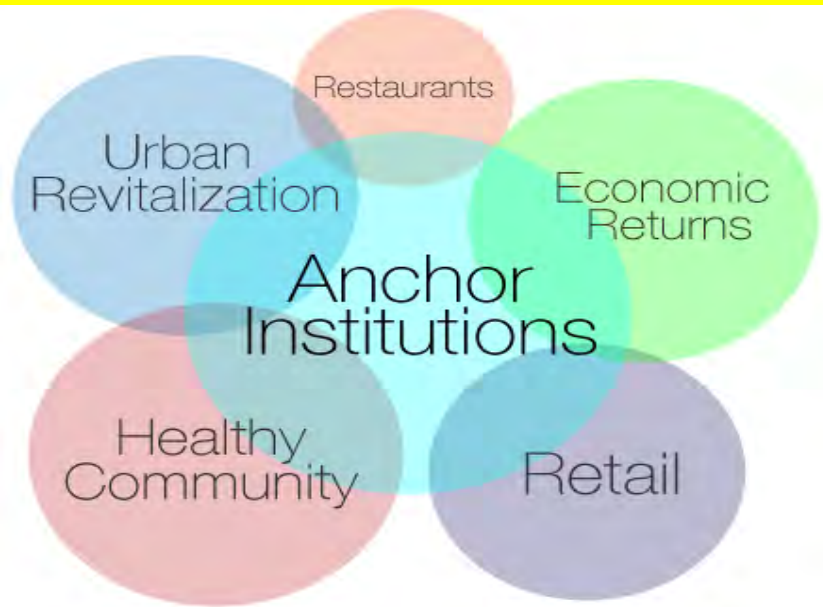
“The unique characteristics of place may be the only truly defensible source of competitive advantage for cities.”

Joe Cortwright, CEO's for Cities

Dimensions of Uniqueness

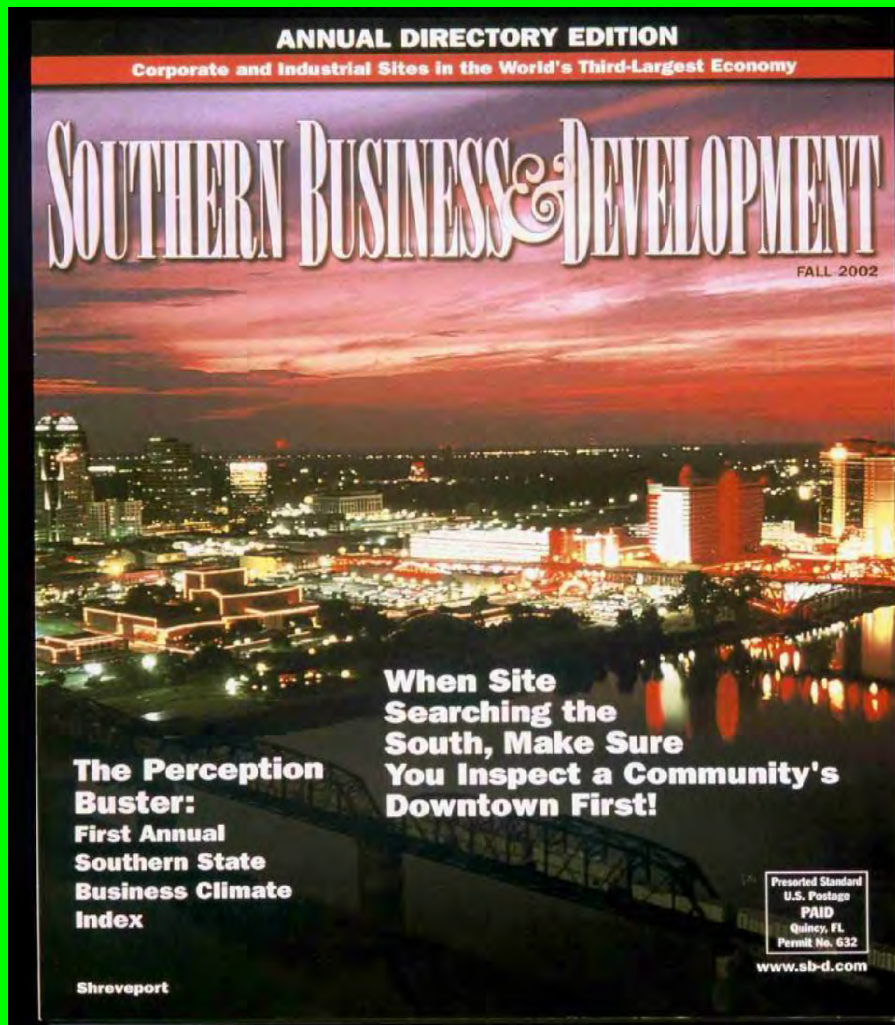
- Anchor institutions
- A vital urban core
- Historic buildings and neighborhoods
- Parks and green space
- Arts and Culture
- Restaurants & Food Variety

Anchor Institutions



- Large institutions, such as universities, hospitals or non-profit organizations.
- Anchors are proven economic engines.
- Some anchor institutions engage with the community
- Others do not.

A Vital Urban Core



Urban Cores

- Urban core plays a decisive role as an icon.
- They are critical as a connecting point and nerve center for a metro area.
- A key asset for metropolitan prosperity



Companies Moving Downtown



Core Values

Why American Companies are Moving Downtown



- A new study by Smart Growth America and Cushman Wakefield reports that 500 American companies have either relocated to, expanded, or opened new offices in “walkable downtown locations” in the past 5 years.
- 247 companies moved from suburban office locations to downtown.
- The average Walk Score of old locations was 52. The average Walk Score of new locations was 88

Companies Move Back Downtown



DaVita HQ's, Denver



Companies move from suburbs to downtown LA

- Amazon
- United Airlines
- Sara Lee
- Blue Cross, Blue Shield
- Pinnacle Airlines
- Quicken Loans
- Zurich Financial Services
- Gensler
- Living Social
- Zappos
- Devon Energy
- Red Hat
- Discovery Corp.

Amazon is moving 7000 employees into downtown Seattle



They will move into 9 new buildings and 2 historic renovations, all in a mixed use neighborhood accessible by train, bus, boat, bike or on foot.

Why Move?



SPARK
A Knowledge Leader Publication

High-Tech Firms are
Trending **#Downtown**

High-tech companies are strategically locating
to create buzz and attract talent.

Colliers
INTERNATIONAL

Accelerating success.

- To attract & retain talented workers
- To build brand identity & corporate culture
- To support creative collaboration
- To be closer to customers & business partners
- To centralize operations

The New Paradigm



- The future belongs to main streets, town centers and mixed use development!



- Strip development is development for the last century!

We're Overbuilt on the Strip



- Ten fold increase in retail space from 1960-2000.
- From 4 to 38 square feet per person.
- US has more than double the retail space per person as Europe.
- There is now more than 1 billion sq. ft. of vacant retail space (mostly in empty big box stores)

Retail space grew 5x faster
than retail sales



Retail is Rediscovering Downtown



King Street, Charleston, South Carolina

Retailers Break the Rules



Mixed use projects



Smaller Footprints



Multi-story buildings



Parking underground or on the roof

Walmart – Washington, DC



Target - Minneapolis



Home Depot – New York



Urban Outfitters, Ithaca, NY



CVS, Baldwin Park, FL

Waffle Houses – Fayetteville, AR



Strip Waffle House

- Located next to Interstate Highway
- Lots of Parking
- Single Use



Downtown Waffle House

- Walkable Street
- No dedicated Parking
- Mixed use use

“Mixed Use Waffle House outperforms Strip Waffle House by 15%”

Source: City of Fayetteville and ISR Working Group
September 22, 2011

The downtown, mixed use project also produces:

- More taxes per acre
- More jobs per acre
- More residents per acre
- More people walk to and from restaurant

We Can Have This:



Spread Out
Single Use
Drivable Only

Or This!

Compact
Mixed-Use
Walkable





Dairy Queen

Dairy Queen

Place Making Dividend



People stay longer,
come back more often
and spend more
money in places that
attract their affection.

Historic Resources

What is the value of historic buildings, neighborhoods and landscapes?



THOMAS CLAYTON WOLFE

A GREAT AMERICAN WRITER


BORN ON THIS SITE

92 WOODFIN STREET

OCTOBER 3, 1900





A two-story brick building with a light-colored brick facade. The ground floor features two large, arched red double doors, each with a small window section at the top. Above the doors is a red horizontal band with a white sign that reads "FIREHOUSE PIZZA". The second floor has two windows, each with a red frame and a small awning above it. The building is set against a clear blue sky, and a sidewalk with some snow is visible in the foreground.

FIREHOUSE PIZZA





MEET THE

PUBLIC
MARKET



FARMERS MARKET







“Among cities and towns with no particular recreational appeal, those that preserve the past continue to enjoy tourism. Those that haven’t receive almost no tourism at all.

Tourists simply won’t go to a city or town that has lost its soul.”

Arthur Frommer

Great Parks Shape Great Cities



Washington



Paris



London



Vancouver

Green Space & Property Values



- “The relationship between rising property values and green spaces is well documented.”
- “Some studies find as much as a 15 to 30 % increase in the value of properties adjacent to parks and open space.”

Where is the most valuable land in NY?





MODELS OPEN

WED & THURS: 4-7 SAT & SUN: 1-5

EAGLE POINTE

An Outstanding New Home Community

**Breathtaking Views
River & Greenbelt Frontage**

**John Hagmeier Homes
Roy Chambers 696-9311**

**The Petersen Group
Janet Petersen 562-1170**



ENTRANCE 3/4 MILES



Washington Park - Before



Washington Park - After



Arts and Culture



- Museums
- Theatres & Playhouses
- Concert Halls
- Art Galleries
- Festivals
- Murals and public art
- Public squares
- Taverns and coffee houses



Des Moines Art Park



4 large companies either expanded their offices or relocated to new offices adjacent to the new Des Moines Art Park

Lowertown Arts District – Paducah, KY

- A crime infested 25 square block neighborhood was revitalized by providing artists with a place to live, work and sell their art



Restaurants & Food



- Ratio of ethnic restaurants to fast food restaurants in metro area.
- Ratio of B&B's, small inns and boutique hotels to chain hotels in metro area.
- Ratio of neighborhood shopping areas to enclosed malls.



The Value of Healthy Food



- The renovated Ferry Terminal Market in San Francisco is one of the city's top 5 visitor destinations.
- It attracts more than 1 million visitors a year and generates \$1,250 per sq. ft. in food sales.



Ferry Terminal Market, San Francisco, CA

Union Market – Washington, DC



Union Market - Before

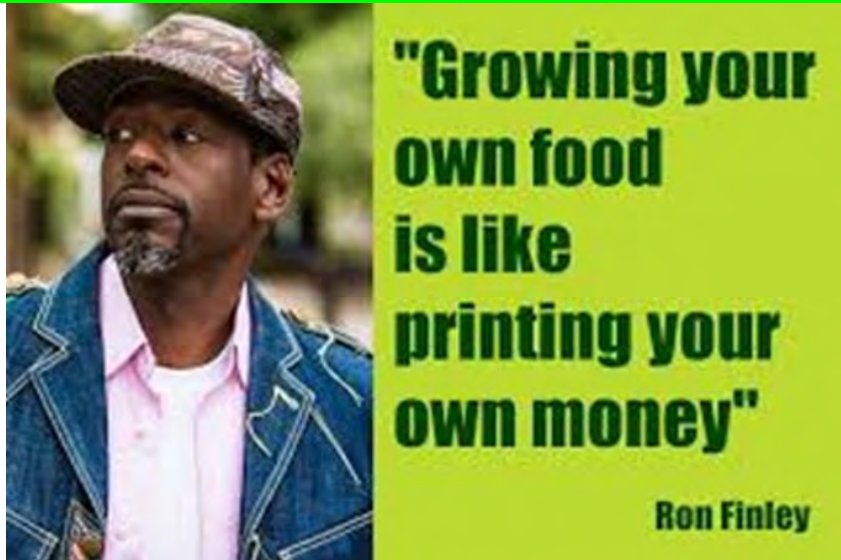
- Union Market in Washington, DC is the heart and soul of a broader district bringing renewed spirit and economic activity to a once blighted neighborhood.



Union Market – After

- The market district currently has more than 100 businesses employing 1,500 people.

Urban Agriculture



Support Local Communities



**WITHOUT YOUR
SALES TAX DOLLARS
I CAN'T DO MY JOB**

SHOP LOCAL



SHOP PHOENIX

WWW.LOCALFIRSTAZ.COM



Eco-friendly printing by **APS**





Neighborhood Shopping Areas

National Malls

The New York Times

Business

Our Love Affair With Malls Is on the Rocks



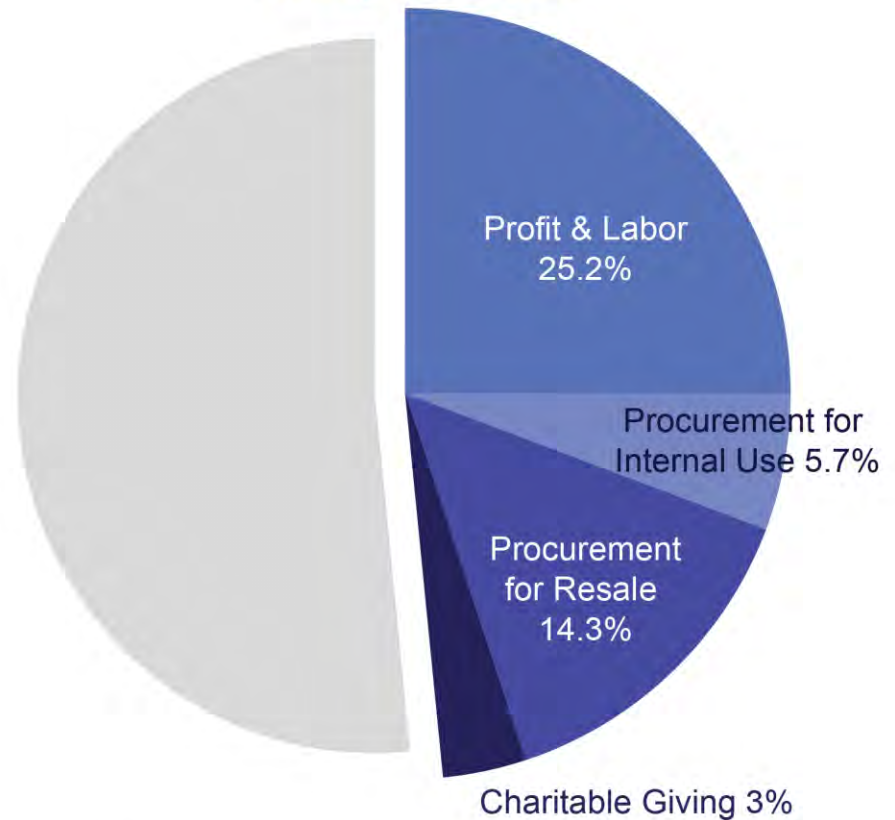
Local Economic Return of Indies v. Chains

Chain Retailers



Local Recirculation of Revenue: 13.6%

Independents



Local Recirculation of Revenue: 48%

*Compiled results from nine studies by Civic Economics, 2012: www.civiceconomics.com
Graph by American Independent Business Alliance: AMIBA.net

Secrets of Successful Communities

1. Develop a shared vision for the future
2. Inventory local and regional assets
3. Build plans around the enhancement of assets
4. Use education, incentives, partnerships, and voluntary initiatives, not just regulation
5. Pick and choose among development proposals
6. Cooperate with neighbors for mutual benefit
7. Protect community character as well as ecology and economics
8. Have strong leaders and committed citizens

Most Polluted City



Model for Community Revitalization









Tennessee River Gorge



Tennessee River Park

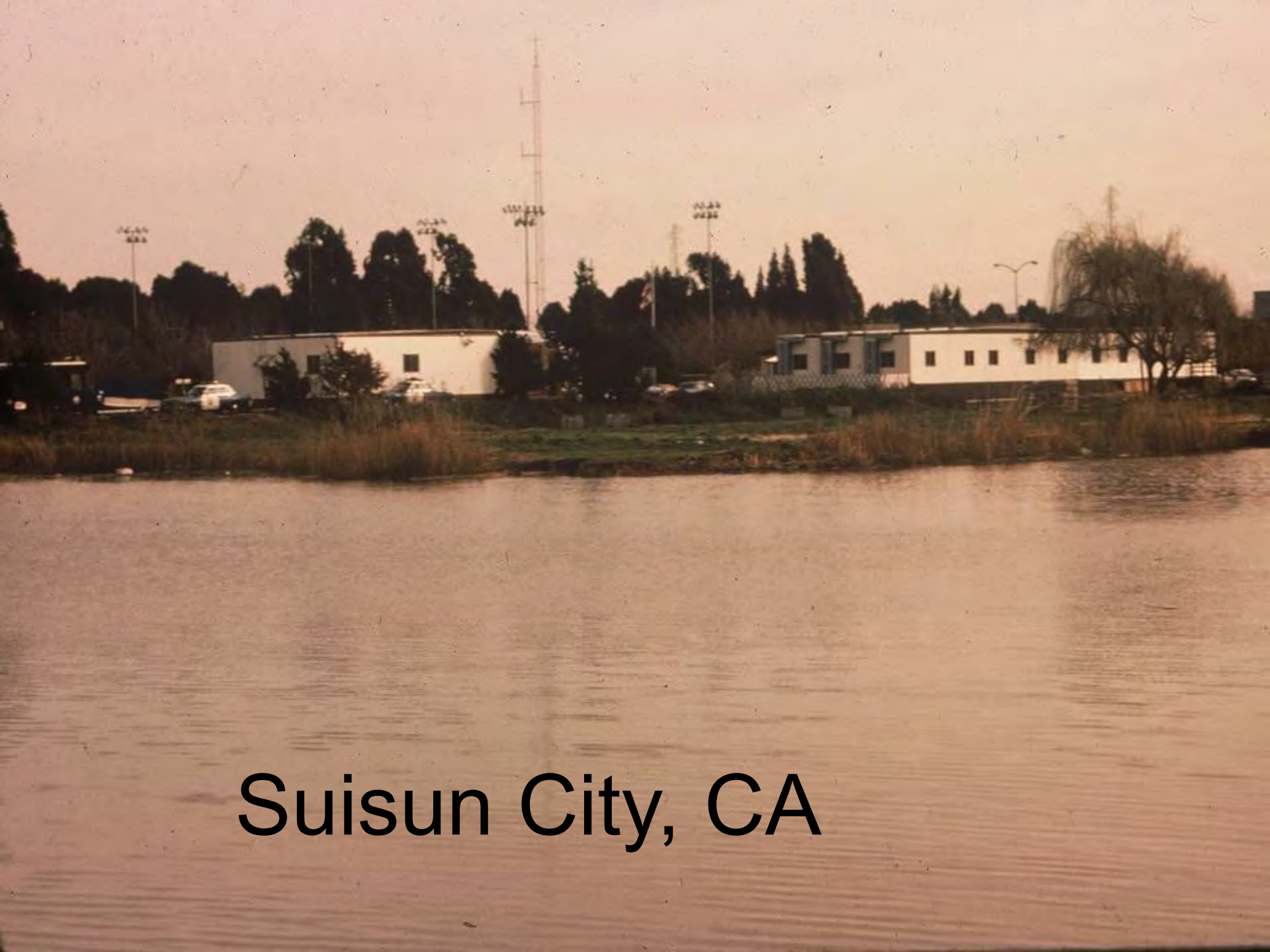


- “The initial segment of the Tennessee River Park near the C.B. Robinson Bridge has become the most loved and used park in Hamilton County. More than 1 million people of all ages, races and economic status use the park annually.”
- The 13 mile river walk has generated more than \$750 million in private development adjacent to the trail.”
- Source: City of Chattanooga

Hamilton County Bridge, over Tennessee River, Chattanooga, Tenn.







Suisun City, CA

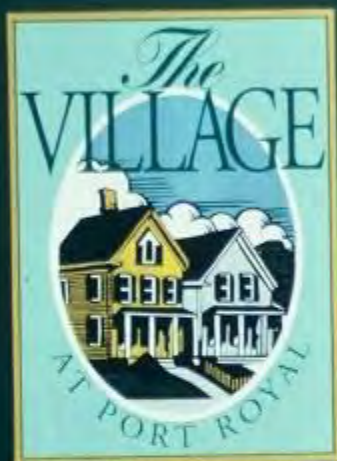




Welcome To
TOWN OF
PORT ROYAL







Developed by Village Renaissance, Inc.

The Village at Port Royal
A Traditional Walking Neighborhood
Forty-one Single Family Homes
Optional Garage / Guest House

For Information Contact:

Billy Keyserling **KEYSERLING REAL ESTATE**
986-2444 **A. BANKS BIC**











PORT ROYAL
ELEMENTARY SCHOOL



VAL SEH

Baccalaureate
Program
School

UNITED STATES POST OFFICE
PORT ROYAL, SOUTH CAROLINA
29935





Inventory Assets

- Natural Resources
- Cultural Resources
- Human Resources
- Economic Resources
- Educational Resources

Sometimes the Assets are Obvious





Sometimes They Are Not Obvious





WWII Torpedo Factory



Torpedo Factory Arts Center



Columbus Riverfront - Before



Columbus Riverfront - After



Flood Wall – Before



Flood Wall Murals



Rapid City, SD - Before



EXISTING CONDITIONS

Rapid City, SD - After



Poughkeepsie High Bridge - Before



Poughkeepsie High Bridge - After



Explore Beyond Regulation

- Education
- Incentives
- Partnerships
- Voluntary Initiatives

Why Do We Educate?



Why Should We Use Incentives?



"IT'S THE LATEST TREND IN REAL ESTATE ... A LITTLE INCENTIVE TO SWEETEN THE DEAL."





Museum of Art

SEEN
MADE

Yazoo City - Before



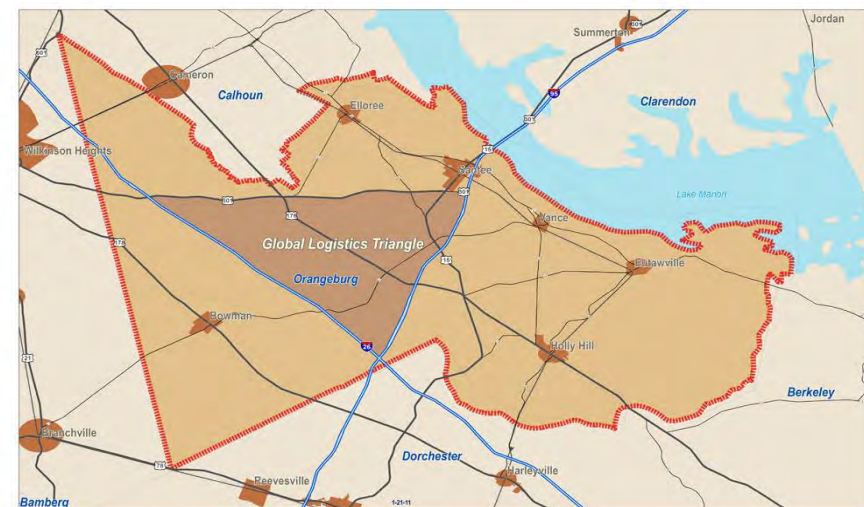
Yazoo City - After



Successful communities
cooperate with their
neighbors for mutual
benefit!



Rural Communities Can Cooperate For Mutual Benefit



**SUCCESSFUL
COMMUNITIES PICK
AND CHOOSE AMONG
DEVELOPMENT
PROPOSALS**

Hometown Heroes

“Never doubt that a small group of committed individuals can change the world. Indeed, it is the only thing that ever has”

-Margaret Mead

It's Not Always Easy



Leadership is important But often unappreciated



“Apart from sanitation, medicine, education, wine, public order, roads, irrigation, public health and a freshwater system, what have the Romans ever done for us?”

Monty Python's, Life of Brian

A Final Thought

Vision counts, but
implementation is priceless!

Thank You

Ed McMahon

Urban Land Institute

emcmahon@uli.org

Closing



Carol Burdette Chairwoman Ten at the Top



Our Upstate Vision Forum



Growing Economic Vibrancy in Downtowns and Rural Communities

