Place Matters: The Role of Placemaking in Economic Development
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The International Economic Development Council

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Introduction

The membership of the International Economic Development Council (IEDC) has expressed interest in learning more about the connections between placemaking and economic development. Consequently, IEDC’s Economic Development Research Partners (EDRP) program commissioned the following paper, *Place Matters: The Role of Placemaking in Economic Development*. Its aim is threefold: to explain how placemaking is increasingly relevant to the field of economic development, to identify the role of the economic developer in placemaking activities, and to share examples of how creative, successful, and cutting-edge placemaking initiatives are used to enhance traditional economic development efforts.

What is Placemaking?

“The rules of placemaking haven’t changed since ancient times...What attracted wayfarers to the main boulevards of ancient cities were entertainment, comfort, variety, walkability, sustenance, convenience, people-watching, safety and security, commons areas, and natural elements, such as trees, gardens, and water features. A successful place was enhanced by evocative or triumphal entrances, signage, iconic wayfinders, memorable architecture, and beautiful landscapes.” – Landscape architect Trent Noll

To most economic development professionals, the concept of placemaking is older than the term. While definitions vary among different groups, the most widely understood definition of placemaking is the practice of creating or enhancing a community’s assets to improve its overall attractiveness and livability. This includes large-scale projects such as the creation of public spaces and alternative transportation infrastructure, but also small-scale efforts such as pop-up retail and downtown beautification.

In Minneapolis, the city used placemaking principles to transform an abandoned railroad corridor into the Midtown Greenway, a 5.5-mile bicycle corridor connecting several of
the city’s neighborhoods and commercial nodes. Since the corridor’s opening in 2000, more than $750 million in building permit activity and more than 2,700 housing units have been constructed within a quarter-mile of the trail. Creative, adaptive, and authentic amenities like the Midtown Greenway contribute to Minneapolis's high quality of life, and help the state attract top talent to feed its creative and research industries.

In Memphis, a placemaking project helped the long-vacant Tennessee Brewery Building find new life. The 1870s-era building at the edge of downtown was at risk of demolition in 2014, when a group of private citizens partnered with local government to intervene. The group transformed the brewery’s open-air courtyard into a pop-up beer garden and opened it to the public. The beer garden was designed as a “pre-vitalization” experiment, showcasing how the building could be repurposed for future use. Branded as the “Tennessee Brewery Untapped,” the pop-up attracted thousands of people during its six-week run. As a result, the property subsequently was acquired and redeveloped into a mixed-use project with offices, housing, and ground-floor retail.

These projects and countless others illustrate the variety of forms placemaking can take.
According to Mark Wyckoff of the Land Policy Institute at Michigan State University, “placemaking is not a single new tool; it is a set of best practices for improving the effectiveness and outcomes long-targeted by community and economic development professionals.”

Traditionally, placemaking has been associated with the planning profession. The concept first originated in the 1960s, when urban planners Jane Jacobs and William H. Whyte posited that inviting public spaces helped create healthy neighborhoods and cities. In recent years, however, as the U.S. economy has become increasingly dependent upon the growth of knowledge industries, placemaking has begun to complement traditional economic development functions such as business retention and expansion, marketing and attraction, real estate development, and entrepreneurship.

Wyckoff refers to places that people care about and want to be in as quality places: “They are active, unique locations, interesting, visually attractive, often with public art and creative activities. They are people-friendly, safe, and walkable with mixed uses; they have good building dimensions relative to the street, and quality façades; they are often alluring with pizzazz.” Below are the key elements, forms, and effects of quality places as defined by Wyckoff:

<table>
<thead>
<tr>
<th>Elements of Quality Places</th>
<th>Characteristics of Good Form</th>
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<tbody>
<tr>
<td>• Mixed uses</td>
<td>• Mass, density, and scale appropriate to place</td>
</tr>
<tr>
<td>• Quality public spaces</td>
<td>• Human scale – designed for people</td>
</tr>
<tr>
<td>• Broadband-enabled</td>
<td>• Walkable – pedestrian-oriented and bikeable</td>
</tr>
<tr>
<td>• Multiple transportation options</td>
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<td>• Multiple housing options</td>
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<td>• Preservation of historic structures</td>
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<td>• Community heritage</td>
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<td>• Arts, culture, and creativity</td>
<td></td>
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<tr>
<td>• Recreation</td>
<td></td>
</tr>
<tr>
<td>• Green spaces</td>
<td></td>
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</tbody>
</table>
Elements and Forms Combine to Create Quality Places That Are:

- Safe
- Connected
- Welcoming
- Accessible – ability to easily circulate within, along, and between public places
- Comfortable – address perceptions about cleanliness, character, and charm
- Quiet – unless they are designed to be otherwise
- Sociable – have a physical fabric where people can connect with one another
- Promote and facilitate civic engagement
- Allow authentic experiences

Why Placemaking is Relevant to Economic Development

In the New Economy, knowledge-sector jobs are faster-growing and more lucrative than professions with more routine functions. Consequently, communities are changing the way they approach economic development. Instead of differentiating themselves primarily by transportation access, low costs, proximity to natural resources, or other traditional competitive advantages, many communities today are attracting multi-generational talent by becoming desirable places to live.  

Michigan Governor Rick Snyder has embraced this model by incorporating placemaking into the state’s economic development approach. In 2011, Governor Snyder appointed a special advisor for city placemaking to help communities across the state become more vibrant and inviting by enhancing their existing assets. In a special message sent to the Michigan Legislature in 2011, Snyder stated:

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Neighborhoods, cities, and regions are awakening to the importance of ‘place’ in economic development. They are planning for a future that recognizes the critical importance of quality of life to attracting talent, entrepreneurship, and encouraging local businesses. Competing for success in a global marketplace means creating places where workers, entrepreneurs, and businesses want to locate, invest, and
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expand... A community without place amenities will have a difficult time attracting and retaining talented workers and entrepreneurs, or being attractive to business.\(^9\)

New York Governor Andrew Cuomo has also utilized placemaking as a tool to achieve long-term economic development goals. In 2017, the governor announced a $500 million economic development initiative aimed at improving quality of life factors for the residents of western New York. The initiative includes targeted placemaking investments to improve connectivity between Buffalo’s East Side and downtown, and to expand light rail service from downtown to the State University of New York at Buffalo’s North Campus. Further, the legislation appropriates funding for a placemaking competitive grant program designed to revitalize the downtown areas of small suburban cities, villages, and towns in the greater Buffalo/Niagara region.\(^10\)

In Broken Arrow, Oklahoma, a group of community leaders from the chamber of commerce, economic development corporation, schools, city, and business sector collaborated on a vision to breathe new life into the city’s declining downtown core. A $4 million streetscape renovation brought wider sidewalks, mid-block crossings, planters, and outdoor dining areas to create a pedestrian- and business-friendly atmosphere. The result of those efforts is the Rose District, a thriving arts and entertainment area that is home to retail, restaurants, entertainment, and more. More than $10 million in private dollars was invested in the district in less than two years following the renovation, and tax revenues in the district doubled over a one-year period.

These examples provide a small sampling of how states and localities across the country have incorporated placemaking into their economic development strategies. Economic Development Organizations (EDOs) have realized that in order to attract high-wage, high-
growth industries, their communities must offer quality amenities that are attractive to talented knowledge workers.

**The Rise of the Knowledge Worker**

Since the beginning of the 1980s, the United States economy has added an average of just over 1.5 million new jobs per year.\(^{11}\) Despite periodic recessions, the long-term outlook for domestic economic growth has been promising. Advancements in communication and other technologies have resulted in significant employment growth in the knowledge sector – occupations that rely on intellectual capital and its application.\(^{12}\) Over the last 35 years, the number of knowledge workers in the United States has grown by an average of 1.9 million per year. Meanwhile, occupations with more routine functions, be they manual or cognitive, have grown at much slower rates, ranging between 100,000 and 250,000 per year.\(^{13}\)

**Figure 1: The Rise of the Knowledge Worker\(^{14}\)**

*Workers are classified by whether their occupation is primarily cognitive or manual, and whether the tasks are routine. Knowledge work is non-routine cognitive work.*
As businesses increasingly rely on knowledge workers, they find themselves with different workforce challenges than they previously faced. According to a 2013 survey of 150 founders of the nation’s fastest-growing companies, access to talent was the most frequently cited factor in determining where to locate their companies.16

Because talented workers are mobile and in high demand, they often decide to live and work in communities with a high quality of place. Among 25- to 34-year-olds with college degrees, two-thirds look for a job after they choose the community where they want to live.17 Consequently, communities that incorporate placemaking initiatives into their economic growth strategies often manage to attract high-quality talent, leading to population growth, employment growth, and an expanding tax base.18
Changing Demographics, Changing Preferences

Companies of all sizes now factor quality-of-life variables into their location decisions. Increasingly, talented workers expect to live in communities that have recreational and cultural amenities, are safe, accessible, attractive, and vibrant. It becomes a virtuous circle: Firms seek talented workers, who seek quality places, and quality places continue to attract new residents, jobs, and investment. Furthermore, evidence shows that in communities where residents have developed a strong attachment to place, local GDP growth exceeds the national average.

Businesses across the country are moving to walkable downtown locations with increasing frequency. As companies see more and more employees leave the suburbs for city jobs, many are deciding to endure the expense and inconvenience of moving downtown in order to recruit and retain talent. A 2015 study of nearly 500 companies that chose to move to downtown locations between 2010 and 2015 revealed six common themes explaining this trend. Indicated in all of these themes is the importance of place for companies and employees in the New Economy:
1. **To attract and retain talented workers**: Knowledge workers want to be surrounded by restaurants, cultural amenities, and the offerings of urban environments.

2. **To build brand identity and company culture**: Companies located in downtowns convey innovation, authenticity, and a sense of connectedness with neighboring businesses. This can help set them apart from their competition and further enhance corporate culture.

3. **To support creative collaboration**: Companies in highly creative industries want their employees to feel inspired by their environment. Urban settings can offer stimulation through street activity and diversity of uses.

4. **To be closer to customers and business partners**: Businesses located in urban environments are physically closer to one another, making it easier to call on customers or meet with partners.

5. **To centralize operations**: Because downtown is usually the most centrally located area of a city, businesses looking for consolidated office space often choose to locate in downtown settings.

6. **To support triple-bottom-line business outcomes**: Many companies decide to locate downtown because they view it as a tangible sign of commitment to the community. By investing in downtown office space, companies are supporting the center of the city and also helping to elevate the community’s brand.

As more knowledge-sector employers find value in relocating to urban environments, centers of innovation are shifting to cities as well. Fewer companies are choosing suburban corporate campuses, where transportation options and amenities are usually more limited. Instead, they are gravitating toward areas where economic, networking, and physical assets are easily accessible and abundant. These ‘innovation districts’ are most often anchored by institutions such as universities or medical centers, and typically have ecosystems comprised of startups, capital providers, and co-working spaces.
The rise of innovation districts has created dense concentrations of economic activity where innovation, entrepreneurship, creativity, and placemaking overlap. In several innovation districts, public spaces are used as placemaking pilot projects where breakthroughs in digital technologies and public infrastructure systems are prototyped and tested. In Boston's innovation district, for example, the city installed smart parking sensors (which detect parking spaces' occupancy status) and time-to-destination signs to better manage traffic. These efforts have minimized the negative effects of car congestion and helped the innovation district become more accessible and user-friendly.

**Changing Expectations of Economic Development**

The objective of most economic development organizations is to increase employment opportunities and capital investment in the communities they serve. However, the ways in which EDOs accomplish these goals has changed in recent years. As the public's expectations of place has changed, so too has its expectations of economic development. According to a 2014 American Planning Association poll of millennials and baby boomers:
Sixty-eight percent believe the best way to make economic improvements over the next five years is through local investments that make cities, suburbs, small towns, and rural areas desirable places to live.

Sixty-five percent believe investing in schools, transportation, and walkable areas is a better way to grow the economy than investing in recruiting companies to the area.

Seventy-six percent said affordable and convenient transportation options other than cars are at least somewhat important when deciding where to live and work.

Because millennials and baby boomers comprise 48 percent of the American population, their preference for place-based economic development initiatives is an important consideration for EDOs to acknowledge and incorporate into long-term planning.

In Pittsburgh, city officials took note of changing preferences and demographics by forming a public-private partnership designed to increase economic competitiveness through investments in place. Branded as “Envision Downtown,” the initiative is a partnership between the Pittsburgh Mayor’s Office and the Pittsburgh Downtown Partnership to advance connectivity and livability within the city’s central neighborhoods. Like so many other communities, Pittsburgh is experiencing renewed interest and growth in its downtown and adjacent core neighborhoods. According to Jeremy Waldrup, president and CEO of the Pittsburgh Downtown Partnership, “Envision Downtown creates an opportunity to better align the physical infrastructure of downtown with the demands placed upon it by growing business and residential populations.”

Since its inception in 2011, Envision Downtown has leveraged private philanthropy, public authority, and nonprofit community engagement to complete a variety of physical improvement projects centered on neighborhood connectivity, convenience, safety, and appearance. One example of this collaboration was the expansion of the Smithfield at Sixth Avenue bus stop. With more than 6,500 people using this bus stop each weekday, the narrow sidewalk width, lack of seating and shelter, and limited wayfinding resulted in a pedestrian experience misaligned with downtown Pittsburgh’s desired image. To address
the issue, Envision Downtown devised and implemented a plan to expand the sidewalk width, construct a bus shelter with seating, and install new signage that provided real-time bus arrival information.

The Pittsburgh Downtown Partnership worked with the city’s permitting office and department of public works to obtain the approvals needed to move the project forward. Additionally, the Pittsburgh Downtown Partnership worked with the private sector to help secure two local corporate sponsors for the project. Upon completion of the improvements, an on-the-street survey found that three-quarters of bus stop users considered it better and safer than before.32

What Is the Role of the Economic Developer in Placemaking?

Given that placemaking aims to create or enhance a community’s assets to improve its attractiveness and livability – and economic development seeks to create and retain jobs and investment – placemaking is clearly a vital tool for EDOs to deliver their missions. But what, exactly, does this entail? This section identifies roles economic development
professionals can assume in placemaking activities, and provides examples of communities where placemaking has been successfully used as a tool for economic development.

**Providing Leadership**
Economic development professionals use their time and skills to build on the strengths of their communities while working to minimize weaknesses. In most communities, economic developers accomplish these goals by working with multiple partners. Increasingly, as quality of place becomes a key differentiator among communities, economic developers are assuming placemaking leadership roles.

**Chattanooga, Tennessee**
In the case of Chattanooga, strong leadership helped the city evolve from a southern manufacturing town in the 1970s to an attractive, thriving community with a diversified economy. Through much of the 20th century, Chattanooga’s economy was fueled largely by heavy industry. Smokestacks permeated the city, and little attention was given to economic diversification.

By the 1970s, however, the industrial sector was waning and the city was left looking for ways to maintain its tax base. According to Charles Wood, vice president for economic development at the Chattanooga Area Chamber of Commerce, the city began implementing placemaking policies to encourage residential growth. City officials maintained that if people wanted to call Chattanooga home, visitors would want to spend time there as well. But first, the city had to improve its image.
Ranked by the U.S. Environmental Protection Agency in 1969 as the most polluted city in America, Chattanooga was not a place that attracted many new residents, much less visitors. Surrounded by the hills and valleys of the Cumberland Plateau, Chattanooga officials decided economic resiliency could best be achieved by improving the city’s air quality, leveraging its natural setting, and revitalizing its downtown.

Beginning in the 1980s, Chattanooga’s civic leaders created Chattanooga Venture, a public-private partnership designed to lay out a vision for the city and solve community problems. The resulting Vision 2000 plan detailed a variety of initiatives to improve the city’s quality of life, including construction of a downtown aquarium, the creation of a park along the Tennessee River, and the development of more affordable housing. The River City Company, a private, nonprofit organization that partnered with local government, the private sector, and local philanthropies, implemented the first two of these initiatives. Funding was provided by eight local foundations and seven financial institutions.³³

In 1992, the Tennessee Aquarium opened as the world’s largest freshwater aquarium, and the first phase of the Riverpark was completed.³⁴ That same year, the city introduced free, all-electric shuttle bus service downtown, reducing car traffic and air pollution, while providing transit to more than one million riders per year. Twenty years later, in 2012, the city launched “Bike Chattanooga,” a bike-sharing system with 33 stations that provides a zero-emission transportation alternative to Chattanooga residents and visitors.³⁵ In 2016, Bike Chattanooga had more than 25,000 riders.³⁶
As a partner and supporter of placemaking initiatives in Chattanooga, the Chattanooga Area Chamber of Commerce leverages its leadership position to improve the city’s overall quality of life. The chamber works with the River City Company on talent recruitment and key industry development within the downtown market, and as such, understands the importance quality of place has on employment and population growth. Additionally, for the last three years, the chamber has helped secure corporate sponsorship for Ironman Triathlons in Chattanooga. The placemaking efforts of the Chattanooga Area Chamber of Commerce, civic leaders, and local government officials helped transform Chattanooga’s image and increased its population by 14 percent since the beginning of the 1990s.37

Placemaking in Fort Worth: An Interview with Robert Sturns

Robert Sturns, director of economic development for the City of Fort Worth, spoke to IEDC about placemaking tools, incentives, and the city’s role. This interview has been edited for clarity.

IEDC: What tools has Fort Worth used to facilitate placemaking? Specifically, what has the city done to remove parking as a barrier to people coming downtown?

Sturns: The city has used TIF [tax increment financing] to facilitate free parking downtown, which has been very beneficial to our overall growth and development. Essentially, we have enabled free parking at the garages by entering into lease agreements with the developers to provide public spaces, with the cost offset by TIF revenues. We have agreements on five garages totaling over 3,500 spaces on nights/weekends for our patrons.

Since its establishment, the Downtown TIF has had property values soar by over 229 percent, with the value of taxable property within the district increasing to over $2.6 million per acre from a base value of $792,237 per acre. That growth has allowed the
TIF district to finance over $73 million in additional public improvements.

In the medical district, we used TIF to create a context-sensitive environment for redeveloping a neighborhood. The redevelopment of Near Southside is another example of using a TIF district to foster a clear sense of neighborhood and a vibrant, walkable community just south of downtown. Some examples of these efforts can be found at https://www.nearsouthsidefw.org/southside-guide.

As for other tools that we use, we often look to have specific placemaking efforts (e.g., walkability, public trails, bike lanes, etc.) lined up when we use Chapter 380 economic development program grants.*

**IEDC: How has Fort Worth taken a leadership role in placemaking efforts?**

**Sturns:** The city (especially economic development, as well as planning & development departments) coordinates its efforts closely with our development partners such as Near Southside Inc. and Downtown Fort Worth Inc. to establish design guidelines for specific districts that drive our redevelopment efforts.

We also have instituted several studies of specific areas of the city that go beyond a comprehensive planning/zoning effort to really gauge what types of developments our residents want to see. In the Evans & Rosedale area, for example – a historic African-American community – we redeveloped a street and public plaza to highlight the history of the area and the accomplishments of the former residents. You can essentially do a walking tour along Evans Avenue and read about the specific contributions of notable African-Americans in the district.

**IEDC: Does Fort Worth tie the awarding of incentives to any placemaking efforts?**

**Sturns:** In certain instances, we do tie the incentive to the development of specific placemaking initiatives. This is not always the case, as it has to make sense from the standpoint of covering the gap on a project; the city is not serving the public well if the request for placemaking creates an even larger gap on the project that must then be covered by incentives.

However, in instances where it does make sense, we encourage the developer to get feedback from the surrounding neighborhoods, focus on adherence to the design guidelines for a specific area, and review the impacts on walkability, pedestrian access, and potential for public art and open spaces. Also, if there is an opportunity to extend our existing hike/bike trail as part of a new development, we also look to include those types of efforts as necessary for city consideration of a project.

**IEDC: How does Fort Worth make the economic case for placemaking capital**
investments? How does it sell placemaking efforts to the public?

Sturns: Selling it to the public has really not been a challenge for us. Increasingly, our residents are looking for developments that engage the context of the neighborhood and enhance overall livability. We have been successful in walking a fine line between having those elements in place without putting significant financial hindrance on a project. As mentioned, there are times that it just does not make sense from a strictly financial analysis. But by having strong community engagement and seeking input on the types of projects and developments neighborhoods want to see, we have been able to deal with this without too many issues. It is helpful that we have a city council that understands the importance of the process and a mayor who is actively engaged in initiatives like bike sharing and Blue Zones [a community health improvement initiative] as a way of enhancing the livability of our community.

* For more information on Chapter 380 grants, see [http://fortworthtexas.gov/EcoDev/chapter-380/](http://fortworthtexas.gov/EcoDev/chapter-380/).

Evansville and Southwest Indiana

The Indiana Regional Cities Initiative was developed to address the reality that for the state’s economy to continue to expand, Indiana must increase its population. To retain existing residents and attract new ones, the Regional Cities Initiative provides funding to help communities transform their regions into more attractive places to live.

The Economic Development Coalition of Southwest Indiana, based in Evansville and serving four counties (Gibson, Posey, Vanderburgh, and Warrick), took the lead on developing the region’s application for the Regional Cities Initiative. In December 2015, the state chose Southwest Indiana as one of the three regions to receive $42 million in state matching funds geared toward talent attraction projects.

Southwest Indiana’s strategy focuses on a mixture of new, targeted, and transformational projects that address talent, livability, and connectivity. The region’s goals are, by 2025, to:

- Grow the population by 70,000 people.
- Retain 80 percent of the physician residents graduating from the Indiana University School of Medicine – Evansville.
- Expand the region’s employment in key sectors by 20 percent, with an emphasis on innovation and research and development.
• Reinforce Evansville’s role as a regional city and increase its downtown population by 2,500 residents through a focus on urban renewal and mixed-use development.
• Transform Evansville’s downtown area into a vibrant 24/7 center with a variety of choices for dining, nightlife, entertainment, housing, and unique experiences.
• Reinvigorate the network of historic places and enclaves of unique character throughout the region by enhancing and connecting them via integrated urban design and intermodal systems.
• Become the Midwestern city of choice for people desiring mid-size city living.

Many projects are integrated in the plan; selected projects related to placemaking include:

**New Harmony Arts & Food Project:** During the early part of the 19th century, New Harmony was the site of two attempts to establish a Utopian community. Today, the town is an important component of the southwest Indiana region’s artistic and cultural portfolio; as its reputation continues to grow, the community will help attract individuals and families to the region. The New Harmony Arts and Food Project seeks to capitalize on the uniqueness of the community by converting a vacant high school into an educational center for the production of local food and arts; renovating a historic building to serve as a storefront and children’s museum; creating a covered outdoor market; and repurposing an old bridge into a bike/pedestrian trail and park.

**Regional Connector Trails:** Trail connectivity is considered an important community resource to attract young professionals. The Regional Connector Trails project will create a network of trails that connect downtown Evansville with multiple cultural districts. It also includes trails in neighboring Warrick County and the town of...
Mount Vernon to allow walking, running and bicycling through the region’s most scenic areas, while connecting schools, parks, sports fields, and gathering spots.

**Housing in Downtown Evansville:** The downtown YMCA is being redeveloped into Central Lofts, a 60-unit affordable housing development. Additionally, the Market Project is planned as a market-rate, mixed-use residential and commercial development. These projects will complement other new housing being developed by the private sector, such as the McCurdy Building. Built in 1917, the building has been renovated to house 100 apartments along the Ohio River.

**Strengthening a Community’s Brand**

In today’s increasingly competitive, knowledge-based economy, economic development organizations often develop and promote compelling community brands to lure workers and employers. Effective community brands convey messaging that resonates with prospective employees and targeted industry clusters, thus serving as a valuable business attraction tool. In recent years, EDOs have begun using placemaking as a tool to further enhance their community brands and grow their local economies.

**Las Vegas, Nevada**

The City of Las Vegas took this approach when it sought to expand its industry cluster of autonomous and connected vehicles. For nearly 40 years, Las Vegas has benefitted from hosting the Consumer Electronics Show, which in recent years has become a showcase event for the emerging transportation technology industry. Realizing an opportunity to market Las Vegas as a desirable place to locate a transportation technology business, the Las Vegas City Council passed a resolution in February 2017 designating the city’s downtown as an innovation district. This gave the city’s director of public works the

*The Navya Arma Autonomous Vehicle*
authority to develop guidelines necessary for companies to test innovative technologies in Las Vegas’ highly-visible downtown.\textsuperscript{39}

In the short time since its inception, the innovation district has already experienced high levels of interest from its intended audience. Earlier this year, the French company Navya conducted a test run of its autonomous electric shuttle along the Las Vegas Strip, and Delphi Automotive outfitted six downtown intersections with hardware that lets traffic signals communicate directly with smart cars.\textsuperscript{40}

Innovations such as these do not happen in isolation, but rather as a result of synergies made possible by place. As EDOs focus on business marketing and attraction efforts, they can think strategically about how their community brand can leverage high-quality places to link people, ideas, and opportunities.

**Buffalo, New York**

Like most industrial cities, Buffalo sprawled outward in the later decades of the 20\textsuperscript{th} century. Many major manufacturers closed their doors, and those that remained headed for the suburbs. Buffalo’s downtown emptied out, and the city’s inner harbor waterfront became a severely underutilized eyesore until placemaking efforts organized around Buffalo’s greatest natural resource – its water.

Governor Andrew Cuomo, the Erie Canal Harbor Development Corporation, and other economic development organizations have led the charge for waterfront revitalization. The inner harbor was rebranded as Canalside, with a complementary logo and website. In May 2012, ground broke on a renovation of the Erie Canal, creating a four-season destination for tourists. The project cost $20 million, including renovation, three new bridges, tow paths, and room for future development. In the summertime, people eat lunch at nearby tables and ride paddle boats on the water. During the winter, ice skating, ice biking, and curling are available. The area prides itself on hosting events every day in downtown Buffalo.

The revitalization spurred private investment of roughly $500 million, including the $30 million renovation of a state office building into the home to one of Buffalo’s largest law firms, a new hotel, and a restaurant. Much of that private investment was the
HARBORCENTER project. The HARBORCENTER was built using tax incentives, with street-level retail, a bar and restaurant, a 750-spot parking garage, two hockey rinks, and a 20-story Marriott Hotel. The private financing came from Buffalo Sabres and Buffalo Bills owner Terry Pegula, attaching the complex to the neighboring Sabres stadium.

Buffalo’s Revitalized Canalside Area

Aesthetic changes were made to the entire 21 waterfront acres of Canalside. Green grass, a children’s sand beach, lounge chairs, ping pong tables, and public art are scattered next to the newly lengthened boating dock, and progress is still being made. Explore and More Children’s Museum broke ground next to the new canal, with completion expected in 2018. An antique carousel building is also in planning stages. Today, the waterfront is a bustling destination for both locals and tourists; as many as 1.5 million visitors are expected in 2017.

Facilitating or Initiating Real Estate Development Projects

The ways in which buildings, sidewalks, parks, or empty lots engage with their surroundings affect how useful they are and how inviting they feel. When property is neglected, abandoned, or underutilized, it negatively impacts the physical space around it and results in unrealized economic potential. Consequently, economic development organizations often work to improve a community’s quality of place by initiating real estate development and redevelopment projects. In a facilitation role, public agencies and nonprofit development organizations frequently perform the following functions:41
- Facilitating regulatory approvals
- Providing partial financing
- Providing infrastructure
- Improving streetscapes
- Implementing a façade loan or grant program
- Becoming a tenant in a project

Performed individually or in combination, these functions can have a significant impact on a community’s physical environment and enhance its quality of place.

**Ogden, Utah**

In Ogden, Utah, real estate redevelopment efforts have infused new life into the city’s downtown, creating an environment where people want to be. The western railroad town of approximately 80,000 once boasted a vibrant downtown with a commercial corridor that ran along 25th Street. However, as rail service declined in the 1950s and 1960s, so too did many 25th Street businesses. By the late 1970s, many of these once-thriving businesses had either moved or closed, and the street sat largely vacant.\(^{42}\)

In response to growing disinvestment, Ogden residents voted to establish a redevelopment agency (RDA) in 1969. Ten years later, the RDA created the 25th Street Redevelopment Project Area. Realizing that 25th Street’s historic character and central location provided optimal conditions for reuse and renewed economic activity, the RDA adopted a plan to guide redevelopment and investment activities along the corridor.

![](image)

**25th Street in Downtown Ogden, Utah**
The redevelopment plan enabled the RDA to partner with the private sector to buy, sell, or develop property, leveraging private funds for economic development purposes without relinquishing public control of the redevelopment process.43

According to Ogden’s Director of Community and Economic Development Tom Christopulos, the city “was trying to draw people into an old town that most people had abandoned. To be successful, we had to identify characteristics and amenities that would be attractive to people and then weave those into the historic assets of downtown. Fundamentally, we viewed real estate redevelopment as the art and science of placemaking.”

In the four decades since its creation, the 25th Street Redevelopment Project Area has helped transform one of Utah’s most historic streets from a state of disrepair and vacancy into a thriving, mixed-use corridor that the American Planning Association designated as one of the 10 Great Streets in America in 2014.44

Johnson City, Tennessee

In 2010, the 105-year-old CC&O depot building, located in a blighted, underutilized area of downtown Johnson City, was purchased by the Johnson City Development Authority. The goal was to preserve the iconic structure – a key part of the town’s history – by finding a tenant that could anchor the area and spur growth.

It took nearly two years, but the development authority finally found a buyer for the property. During that time, popular Asheville, N.C.-based restaurant Tupelo Honey Cafe announced it was looking for a new city to locate its fourth restaurant. A social media campaign, along with public investment...
commitments from economic development leaders and city officials, convinced Tupelo Honey to commit to the project.

With the restaurant’s commitment in place, the Washington County Economic Development Council and the City of Johnson City took the lead on improvements to the depot area. A new five-acre green space, Founder's Park, serves the dual purpose of flood mitigation. Other projects included a new open-air structure to house the Johnson City farmers market; the installation of bike racks, public art, and historically appropriate light fixtures; landscaping; a segment of a 10-mile recreational trail that runs directly in front of the CC&O depot; and roadway and pedestrian safety improvements.

The projects were followed by a wave of private investment that transformed downtown into the most active real estate area in Johnson City. New residential, commercial, recreational, and educational projects changed the formerly struggling downtown into a center of activity with amenities the whole community enjoys.

**Fostering Equitable Growth**

Economic developers can use placemaking practices to further equitable growth and neighborhood development. In many cases, placemaking is a process in which community members define their own priorities. When used as such, placemaking offers an opportunity to bring people of different backgrounds together to create or improve shared public assets. The improvement, be it public art, a bike lane, or a public market, results in a public amenity the community collectively values. Oftentimes, placemaking initiatives spark a renewed sense of community engagement and interaction among people from different neighborhoods.45
Pittsburgh

In Pittsburgh, Mayor Bill Peduto has repeatedly advocated for inclusive public policies, often using the mantra, “If it’s not for everyone, it’s not for us.” These words have proven particularly timely as the city works to ensure its recent economic resurgence is felt across all socio-economic segments of the population. After struggling for decades following the decline of the steel industry, Pittsburgh now benefits from an array of high-tech companies, financial services firms, and startup businesses that call the city home. Despite the city’s recent economic boom, however, more than half of Pittsburgh’s neighborhoods still have poverty rates in excess of 20 percent.46

Recognizing this disparity, the city is devising ways it can increase economic opportunity across all segments of the population. In 2015, Mayor Peduto and his administration began laying the groundwork to develop an EcoInnovation District in two of Pittsburgh’s underinvested neighborhoods, Uptown and West Oakland. The EcoInnovation District concept is the first of its kind in the United States and aims to marry redevelopment efforts with environmental improvements that support the needs of existing residents and expand entrepreneurship and job growth. This bottom-up, place-based approach to economic development seeks to bring neighborhood residents and city leaders together to outline a strategy for how best to improve the area.47
Corona Plaza, Queens, New York

Corona is a lower-middle class, ethnically diverse neighborhood in the Queens borough of New York City. Densely populated, the neighborhood is nearly three-quarters Latino, including many new arrivals to the United States. The neighborhood has long lacked open space, thus making it a candidate for the New York City Department of Transportation’s Plaza Program. (The program was started in 2008 as a way to increase access to open space through the transformation of underutilized streets and pedestrian islands.) The shadow of the #7 subway line’s elevated tracks, near the busy commercial thoroughfare of Roosevelt Avenue, ended up being the perfect spot for a new public space for the neighborhood.

The Queens Economic Development Corporation and the Queens Museum partnered with NYC DOT to develop the project. The plaza initially was constructed with temporary materials, including an epoxied gravel surface, moveable seating and tables, planters, and granite blocks to keep cars out. It was instantly popular as a place to eat, socialize, relax, and play, even more so during special events and cultural programming offered by the museum.

In addition to being well-used by residents, the plaza has been good for surrounding businesses. Previously, businesses on this former side street had less visibility due to low pedestrian and vehicle traffic and the parking of large delivery trucks directly in front of shops.

The initial, temporary nature of the plaza was intentional, both to get it in place quickly and to allow flexibility of use in order to learn what worked. Today, the plaza is set to undergo a major renovation with permanent materials, including a performance space, new

* Cultural Festival in Corona Plaza
landscaping and seating, lighting, a pay toilet, and water fountain. The Queens EDC will maintain the space with the help of the Neighborhood Plaza Program.

“Corona Plaza is much more than a public plaza,” Councilwoman Julissa Ferreras-Copeland told QNS News. “Here we see families engaging in civic life and small businesses expanding their reach. It’s a vibrant example of all our community has to offer.”

**Placemaking Tools**

Communities across the country often use the same tools to facilitate both economic development and placemaking projects. Placemaking tools frequently used by economic development professionals include:

- **Facade Loan and Grant Programs** – The appearance of building façades contributes to the quality of the built environment, and can either inhibit or advance an area’s growth. Façade loan and grant programs are a common tool to incentivize businesses to improve their appearance from the street. These investments are usually low-cost improvements, but they can go a long way toward improving aesthetics and helping attract new economic interest and investment. In Noblesville, Indiana, a façade improvement grant program was developed in 2007 to stimulate downtown investment, promote architectural appreciation of historical structures, and initiate aesthetic improvements. Using a 50/50 grant match, the city has appropriated $50,000 per year to fund the program using revenue generated from the local food and beverage tax.

- **Property Tax Moratoriums** – Often designed as a mechanism to incentivize preservation, local property tax moratorium programs have been widely used in downtowns and historic districts to maintain high-quality places and advance economic development initiatives. In 2008, the City of Hopkinsville, Kentucky, adopted a program called “Preservation in Lieu of Taxes” in conjunction with its Inner-City Residential Enterprise Zone and the Downtown Renaissance District. The initiative encourages commercial and residential redevelopment projects by freezing property taxes at the predevelopment level for a five-year period. As a
result, the city is able to maintain its historical character while also facilitating growth.49

- **Revolving Loan Funds** – Many EDOs are accustomed to helping businesses close financial gaps through the use of revolving loan funds – self-replenishing pools of money that often offer below-market interest rates and favorable repayment terms. In recent years, however, revolving loan funds have been used to advance placemaking initiatives as well. For example, New Jersey Community Capital, a nonprofit community development financial institution, raised $5 million to launch a creative placemaking fund. The fund deploys capital to arts- and culture-based enterprises and neighborhood development efforts that celebrate the character, diversity, and livability of New Jersey communities.50

- **Local Option Sales Tax** – Generally approved by state legislatures and adopted at the municipal level, local option sales taxes are self-imposed for the purpose of funding specific initiatives. In communities that use this tool, proceeds may fund infrastructure projects, sports facilities, and quality-of-life improvements.

In Oklahoma City, a local option tax called the Metropolitan Area Projects (MAPS) program was adopted in 1993. In the nearly 25 years since, the city has used the added revenue stream to deliver projects chosen by the community. These projects include the Chickasaw Bricktown Ballpark, Bricktown Canal, Cox Convention Center, Chesapeake Energy Arena, Civic Center Music Hall, state fairgrounds improvements, a downtown library, and the creation of the Oklahoma River. Totaling more than $350 million, the pay-as-you-go MAPS program empowers Oklahoma City residents to create a place they are proud to call home.

Other common tools include tax credits, infrastructure improvements, and tax increment financing districts.
Conclusion

For many economic development organizations, focused efforts to create active, attractive places is not a new activity. What is new is wider recognition that such efforts are closely linked to a community’s economic success, and not mere window dressing. Also new are many of the opinions on what makes a place attractive, and the ever more creative, grassroots ways of accomplishing placemaking goals.

For EDOs charged primarily with marketing and business attraction, there is a greater recognition that quality-of-place assets are now, often, essential in attracting both companies and the workforce they need. As such, they have both the necessity and the opportunity to add placemaking efforts to their toolboxes.

And of course, economic developers cannot, and should not, try to accomplish placemaking goals alone. Creating quality places requires public input, partnerships, creative thinking, and a willingness to look honestly at both the assets and shortcomings of a community.

As the knowledge economy continues to grow, the talented workers who fuel it will continue to seek towns and cities that offer transportation and housing choices, recreational and cultural opportunities, vibrancy, and authenticity as places to call home. The communities that are best able to meet these needs are likely to be the ones that will thrive in the 21st century.
Endnotes

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Cover Image: Louisville Resurfaced: Louisville Downtown Partnership
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Current (left) and Proposed (right) Conditions within Pittsburgh’s Ecoinnovation District: City of Pittsburgh – Department of City Planning
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