Economics of Place
For decades we have ignored the principles of “place”
Benefits of Place

• Social
• Economic
• Psychological
Not just any place, **quality places**. Talented workers can live almost anywhere they want. They choose quality places.

Not just any business, a **wide range of businesses** is best because of improved job and wage opportunities.

Not just any workers, **talented workers**.
Building Critical Assets for Placemaking

- If place is improved through QFA strategies to attract MA.
- Then the economic output of the region (Q) improves
- This creates $I$ and $\bar{E}$ which further enhances place
- This attracts more Mobile Assets and the cycle repeats.
- This time in an upward spiral builds New Economy output.

\[ P = f (I, \bar{E}, FNA, QFA, MA) \]
Investment decisions are made by people in terms of their time, talent or money, based upon an assessment of the anticipated benefit or return.
Institutions and businesses also make investment decisions according to their own interests and balance sheet objectives, but even these interests are increasingly being directly influenced by place.
Relationship of Business to Talent to Place

Not just any place, quality places. Talented workers can live almost anywhere they want. They choose quality places.

Not just any business, a wide range of businesses is best because of improved job and wage opportunities.

Not just any workers, talented workers.
Who are Talented Workers?

• Knowledge workers
• Artists and creatives
• Entrepreneurs
  • Of any age, and are often immigrants
Strengthening Place

- Helps Business Attract Employees
- Increases Customer Base
- Incubates Workforce Collaboration
- Reduces Population Fluctuations

Pape, Grand Rapids
RESULT = GREATER LONG-TERM VALUE

Financial Characteristics of Mixed-Use Areas with Critical Mass (Blue) versus traditional Suburban Development (Red)

Value Creation / Cash Flow ($)

Time (years)

SOURCE: The Brookings Institution
Des Moines MSA 3D Value Per Acre

Information

Attributes
- block acres: 105
- county property taxes: 211,685
- employment 2010: 17,969
- employment per acre: 171.1,30046628125
- jobs: population: 1,937,5
- payroll acres: 64
- population + employment per acre: 127.139993985964844
- population 2010: 106
- population per acre: 1,9999999904832568
- property tax value: 32,000,000
- property value per acre: 766,667
- sales and property value per acre: 938,031
- taxable acres: 47
- taxable retail sales: 718,999
- taxable sales per acre: 1,74,544
Types of Placemaking

- **Strategic Placemaking**
  - Physical Form
  - Land Uses and Functions
- **Creative Placemaking**
  - QUALITY PLACES
  - Social Opportunity
- **Tactical Placemaking**
Placemaking Has “Hard,” “Soft,” and “In-Between” Dimensions

• Quality Places have three critical dimensions: Good Form (Hard), Good Activity (Soft), and Good Land Use or Function (In-Between)
• The “Hard” and “Soft” dimensions can support a wide variety of Land Uses and Functions, but buildings designed for single uses and features inappropriate for their place on the Transect are often difficult to adapt to other uses.
• Whereas, buildings with Good Form are adaptable to a range of Land Uses and Functions.
• The only sustainable and resilient option is Good Form and Good Social Activity supporting a variety of Land Uses and Functions.
Placemaking Has “Hard,” “Soft,” and “In-Between” Dimensions (con’t)

• “Hard” is the PHYSICAL FORM dimension (buildings, streets, sidewalks, bike paths, plazas, boulevards, etc.)
  • If the physical FORM is not right, then getting social engagement will be very difficult, if not impossible
  • Retrofitting is also very difficult and expensive if FORM is not right

• “Soft” is the SOCIAL/CULTURAL OPPORTUNITY dimension (the emotional dimension – why people want to be there)
  • Even if there is Good Form, without appropriate Land Uses and Functions, it is hard to get Good Social/Cultural Activity
  • Granted, with enough effort, one can get Good Social/Cultural Activity even with bad Form or Function, but it is hard to sustain
Activities, Form, Land Uses & Functions

“Soft Side” Activities Social/Cultural Opportunity
- Festivals, parades, exhibits, performances
- Outside eating and drinking on public sidewalks
- Movies in the park
- Outdoor amphitheater productions
- Public art displays or creation events
- Etc.

Activities Occur in Physical Buildings and Places (which support a variety of Land Uses & Functions)
- Art museums, orchestra and concert halls, theaters, outdoor amphitheaters
- Town squares, boulevards, parks, streets, civic buildings (and other public gathering places)
- Other public and some private places
Strategic Placemaking

THE PROBLEM
COMMUNITIES ARE NOT COMPETITIVE IN ATTRACTION AND RETAINING TALENTED WORKERS.

THE SOLUTION
REVITALIZATION THAT INCREASES HOUSING AND TRANSPORTATION CHOICES, AND URBAN AMENITIES TO ATTRACT TALENTED WORKERS.

THE PAYOFFS
FASTER GAINS IN LIVABILITY, POPULATION, DIVERSITY, JOBS, INCOME AND EDUCATIONAL ATTAINMENT, THAN BY STANDARD PLACEMAKING.

Most closely associated with the efforts of the Michigan MIplace Partnership Initiative, as designed by the Land Policy Institute at MSU, the Michigan State Housing Development Authority and the Michigan Municipal League.
More Targeted Definition of Placemaking

• **Strategic Placemaking** is targeted to achieving a particular goal in addition to creating Quality Places.

• It aims to create Places that are *uniquely attractive to talented workers* so that they want to be there and live there, and by so doing, they create the circumstances for substantial job creation and income growth.
  
  • This embraces a wide range of projects and activities and would be pursued by the public, non-profit and private sectors on a targeted basis over at least 10 - 15 years.
Tactical Placemaking

THE PROBLEM
MANY PHYSICAL IMPROVEMENTS ARE EXPENSIVE AND POLICY-MAKERS ARE UNDERSTANDABLY RELUCTANT TO COMMIT RESOURCES DUE TO UNCERTAIN RISKS.

THE SOLUTION
TEST VARIOUS SOLUTIONS USING LOW COST PROXIES TO GUAGE EFFECTIVENESS AND PUBLIC SUPPORT.

THE PAYOFFS
THE PUBLIC AND POLICY-MAKERS CAN ACTUALLY SEE THE RESULT AND DEGREE OF SUPPORT FOR VARIOUS OPTIONS BEFORE COMMITTING PERMANENT RESOURCES.

Most closely associated with the efforts of the Streets Plans Collaborative as documented in Tactical Urbanism, volumes 1 and 2; and those of the Project for Public Spaces under the Lighter, Quicker, Cheaper rubric.
**Tactical Placemaking**

- Tactical Placemaking is the process of creating Quality Places that uses a deliberate, phased approach to change that begins with a short term commitment with realistic expectations that can begin quickly (and often at low cost).
- It targets public spaces (RoWs, plazas, etc.), is low risk, with possibly high rewards.
- It can be used continuously in neighborhoods with a mix of stakeholders; can transform over a long period.
- It includes a mix of small projects and short term activities (like LQC activities).
**Creative Placemaking by Ann Markusen & Anne Gadwa, for the National Endowment for the Arts, 2010**

**THE PROBLEM**
American cities, suburbs, and small towns confront structural changes and residential uprooting.

**THE SOLUTION**
Revitalization by creative initiatives that animate places and spark economic development.

**THE PAYOFFS**
Gains in livability, diversity, jobs and incomes.
Innovative products and services for the cultural industries.
Creative Placemaking

• “In creative placemaking, partners from public, private, non-profit, and community sectors strategically shape the physical and social character of a neighborhood, town, city, or region around arts and cultural activities.

• Creative placemaking animates public and private spaces, rejuvenates structures and streetscapes, improves local business viability and public safety, and brings diverse people together to celebrate, inspire, and be inspired.”
Stronger retail sales.

Stores find it easier to attract customers when they are in locations that provide a diverse, vibrant environment.
Walkability is Critical in Places

• Small towns, dense neighborhoods and downtowns all need to be very pedestrian oriented. That means:
  • Sidewalks
  • the Higher the density the more basic retail and service shops must be within a quarter mile of residents (grocery store, pharmacy, bank, etc.)
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