REALTORS® & Smart Growth

on common ground

SUMMER 2015

Where Are the New Jobs Going?

Creating Walkable Towns

Vibrancy of the Smaller Metropolises

Economic Competitiveness

NATIONAL ASSOCIATION of REALTORS®

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Demand for Walkable Urbanism Driving the Economy

As the U.S. continues its recovery from the 2007-2009 recession, it is becoming clear that the new jobs aren't occurring in the same places in which the jobs were lost. More than ever, job creation is taking place in the major metropolitan areas, and center cities are doing better in competing with the suburbs for jobs. Walkable urban places are becoming more vital to attracting young talent, entrepreneurs and start-up businesses. Places that provide transportation options, and a walkable mix of residences, offices, shops and restaurants are out-competing suburban business parks and far-flung suburbs for jobs.

This new world of economic competitiveness is challenging old notions of "economic development," which in too many places still relies on providing incentives of cash, tax credits and cheap land. These old methods are becoming less effective in a time when employers are looking for an environment that attracts new young talent. More than ever, place matters.

To compete, many communities are implementing the features of walkable urban places. Safer pedestrian and bicycle routes and public transportation allow people to live without being tethered to a car. Neighborhoods that combine offices, shops, restaurants, residences and outdoor gathering spaces are capturing a higher percentage of new growth. Smaller metro areas and small towns can build on their advantages of more affordable housing, less traffic, and easier access to nature and recreation by adding pedestrian-focused neighborhoods with some street vitality. Car-dependent suburbs can take a new look at the development patterns required by their zoning codes. Small historic towns can focus their energies on making their old main streets an asset for people in surrounding areas. The economy is shifting toward walkable urban places, and communities that wish to be competitive in this new economy are paying attention.


Courtesy of Forest City, Wash.

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On Common Ground

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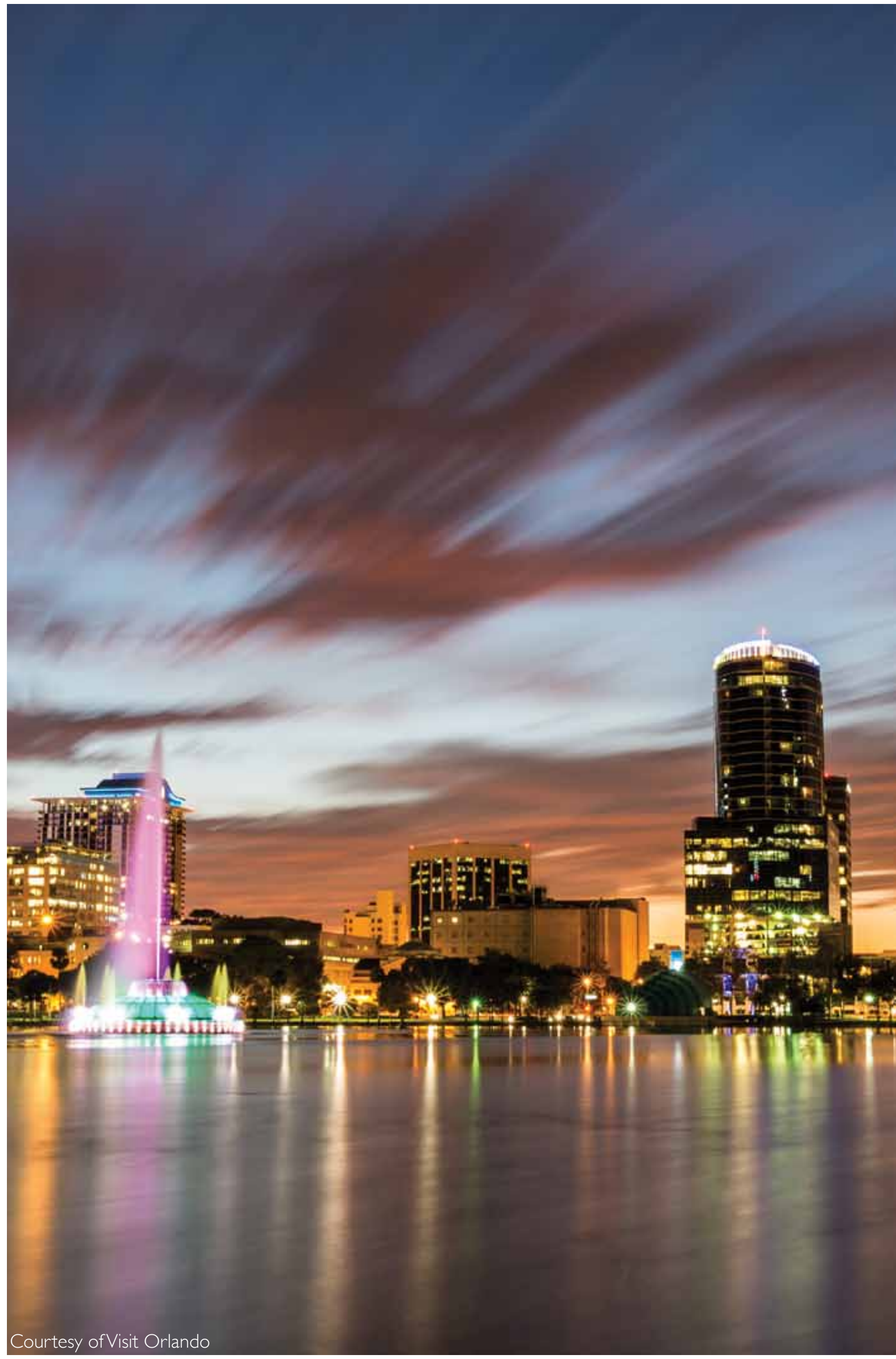

Courtesy of Visit Orlando

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Photos courtesy of Visit Milwaukee

Where Are the New Jobs Going?

By Brad Broberg

A year has passed since the U.S. Bureau of Labor Statistics announced that the economy had finally recovered all 8.7 million jobs lost during the 2007-2009 recession.

Since that news last June, the employment picture has continued to brighten. The nation added 2.7 million more jobs between May 2014 and March 2015 and unemployment fell to 5.5 percent from 6.3 percent — a dramatic improvement over the peak jobless rate of 10 percent in October 2009.

Yet everything is not back to normal.

- Low-wage jobs account for most job growth even though they weren't the majority of jobs lost during the recession, according to a report from the National Employment Law Project.
- More people have stopped looking for work (which makes the true unemployment rate higher) and job growth has merely matched recent population growth without regaining any lost ground, according to the Bureau of Labor Statistics.
- Sixty percent of the country's largest metro areas still had not fully recovered from the recession as of 2014, according to a study by the Brookings Institution, which uses job growth and gross domestic product growth as indicators.

That doesn't mean the economy hasn't made headway, but it does mean headwinds continue to blow, creating a fitful recovery in which the dynamics of economic competitiveness are changing.

In today's environment, the association between job growth and smart growth is coming more and more into focus. Where you find the features of smart growth — walkability, access to transit, a mix of uses, compact development — you often find job growth. The opposite is also true. How communities respond to the choices and opportunities created by this dynamic can make a big difference in their ability to compete in a new and challenging economy.

Many hallmarks of smart growth are found naturally in city centers — and now so is job growth. A study published earlier this year by City Observatory found that after decades of lagging the suburbs in job growth, the city centers of 41 of the nation's largest metropolitan areas experienced faster job growth from 2007 to 2011 than the areas surrounding city centers.

The study, "Surging City Center Job Growth," was inspired by the parade of companies that have announced they are moving to city centers or expanding operations within them. Joe Cortright, director of City Observatory and author of the study, analyzed Census Bureau data to learn whether those anecdotal examples represent fundamental change in employment patterns or are just splashy headlines.

Cortright found that aggregate employment in the city centers (the areas within three miles of each metro area's central business district) grew at an annual rate of 0.5 percent between 2007-2011 while aggregate employment in the surrounding areas declined by an annual rate of 0.1 percent.

"I don't know if the results are a surprise, but they are a confirmation that the anecdotes were actually leading to something," Cortright said.

The Census Bureau data Cortright based his study on was only available through 2011 — a turbulent period that spanned the recession and the beginning of the recovery. He plans to follow up as new data is released to confirm the persistence of the trend under more stable conditions. "We really could use a couple of more years of data to know what's going on (in the long run)," he said.

The surge in city center job growth between 2007-2011 reversed decades of decentralization — a.k.a. job sprawl — in which employment followed the population as people streamed away from city centers to the suburbs. As recently as 2002-2007, job growth in surrounding areas was much faster (1.2 percent annually) than in city centers (0.1 percent annually), according to the study.

Make no mistake. The vast majority of jobs remain outside the city center and city center job growth was not surging in every metro area Cortright studied. However, the pendulum is swinging inward as more and more city centers are outperforming their outlying areas (either adding jobs faster or losing them more slowly).

Between 2002-2007, only seven of the 41 city centers Cortright studied outperformed their outlying areas, but between 2007-2011, he found that 21 outperformed their outlying areas.

City centers owe some of their relative strength to the recent economic cycle in which industries that tend to cluster in city centers (professional, technical and creative services) weathered the recession better than industries that are typically decentralized (manufacturing, construction, warehousing).

However, when Cortright adjusted for that effect, he found that city centers still improved their competitive position relative to outlying areas based on their market share of metro-wide employment. Only four cities increased their market share of metro employment between 2002-2007, but 14 increased their share between 2007-2011 and 38 reduced their rate of loss.

"It's not just the usual suspects ... the San Franciscos and New Yorks," Cortright says. "It's a diverse array of cities around the country where you're seeing these patterns."

Milwaukee is a good example. Between 2002-2007, employment in the city center grew by just 0.2 percent a year compared to 0.8 percent in the surrounding areas. Then the numbers flip-flopped.

City center employment grew by 1.4 percent between 2007-2011 while employment in the surrounding areas shrank by 1.3 percent. That propelled the city center from a 4.7 percent loss of market share to a 6.2 percent gain.

"There was a long period of time where you started worrying about the downtown (but) we are definitely seeing a huge surge in business in the city now," says Tamara Maddente, executive vice president of First Weber Group, a Wisconsin real estate services company.

The big news in Milwaukee these days is that the city's basketball team, the Bucks, chose a city center site for their new arena with plans to surround it with office, retail and residential development.

In addition, Northwestern Mutual Insurance began construction on a 32-story tower that will replace a smaller existing office building, keeping 1,000 jobs in the city center and adding 1,900 new ones, according to the company.

The job growth coming to the city center of Milwaukee is not unlike what's happening in many cities, Maddente says. Millennials — "the generation of walkables and Ubers" — started moving to the city center for the live/work/play lifestyle and employers eventually followed, she said.

Courtesy of Visit Milwaukee

Photos courtesy of Visit Milwaukee

"The business community finally had to take a good look around and say if people are moving downtown, why aren't we ahead of that curve?" Maddente says.

Amanda Buss lives in Denver and belongs to the generation Maddente so colorfully described. "Most people I know who are my age choose to live in (the city center of) Denver, close to social activities," says Buss, 25.

While Denver was not one of the metro areas where employment grew faster in the city center than the outlying areas from 2007-2011, it did reduce its rate of market share loss to 3.9 percent, down from 6.4 percent between 2002-2007.

Buss commutes to Boulder for her job as a financial services manager at the University of Colorado but is also pursuing an MBA at the University of Colorado Denver, which is within walking distance of her downtown apartment.

Buss lived in Boulder for a year, but eventually "followed my friend base" to Denver. "This is the time to live downtown in the hustle and bustle while we have the energy for it," she says.

The nature of recent recessions has been that size doesn't always matter when it comes to recovering jobs. With the exception of the late 1990s, big city employment has tended to grow at a rate similar to other areas of the country.

But that's not true of the last recession. Metro areas with populations of one million or more gained jobs faster through 2013 than smaller metros and especially non-metro areas, according to an analysis of BLS data by Joshua Lehner, an economist with the Oregon Office of Economic Analysis.

Two likely causes: large metros benefit from diverse employment bases while smaller metros and non-metros tend to rely disproportionately on the housing and government sectors, which have been slow to recover this time around.

Employment growth in large metro areas — especially in city centers — drives home the need to add affordable housing near jobs and transit through increased density rather than continued sprawl. "That all fits in with the smart growth narrative," Lehner says. ●

Brad Broberg is a Seattle-based freelance writer specializing in business and development issues. His work appears regularly in the Puget Sound Business Journal and the Seattle Daily Journal of Commerce.

MAGNETS FOR TALENT

TO DRAW MILLENNIALS, EMPLOYERS CHOOSE VIBRANT, WALKABLE CENTERS

Courtesy of Georgia Department of Economic Development

Flickr photo by N i c o l a

By David Goldberg

It's noon on an April Friday, a light drizzle is turning to a more insistent shower, but still the lines at the food trucks grow longer by the minute: Lunchtime in Seattle's South Lake Union, the high-tech Brigadoon that has sprung up around Amazon since the behemoth online retailer brought its burgeoning workforce to an area once characterized by warehouses and car lots.

The 20- and early 30-somethings (no one looks over 35) in these lines are the reason Amazon and a rapidly growing number of other tech companies are accreting in the city's densest neighborhoods. These millennials — born between 1982 and 2003 — love being in a hive of activity. "For me, being in an urban area is more appealing," said Brian O'Shea, who was taking a break from a tech training program to grab Asian food from the Djung truck. "I mean, how much time do I have? I like being in an area where I can walk to restaurants, the grocery, to a movie. If you have to go farther, transit access is easy, or you can grab a cheap Uber. I don't know if it's a generational thing, but I know a lot of people my age who don't want to live out somewhere and have a long commute in. They want to be someplace like this."

"We could have built a suburban campus. I think it would have been the wrong decision," said Amazon CEO Jeff Bezos at the company's annual shareholders' meeting last May. The talented young workers

> Millennials like being in an area where they can walk to restaurants, the grocery store or a movie.

Amazon recruits "appreciate the energy and dynamism of an urban environment," he added. The decision to depart from the office park setting where the company began, alongside first-wave tech companies like Microsoft, struck some as novel and bold, but today such moves are becoming commonplace. In April, for example, Expedia announced it would move its headquarters and an eventual 4,500 workers from suburban Bellevue — where city leaders are themselves working to make the downtown more vibrant and walkable — to a site three miles from Seattle's central waterfront. At a news conference with Seattle Mayor Ed Murray, CEO Dara Khosrowshahi said the location "will be a magnet for top talent."

And now other industries outside of technology companies are beginning to follow suit. Last August, officials at Weyerhaeuser — a global forest products company and real estate trust — announced its intention to relocate from a 430-acre campus in suburban Federal Way to downtown Seattle. "Moving our headquarters to Seattle will give us access to a larger talent pool to meet future recruiting needs, not just in this region,

Photo by David Goldberg

Tech employees take advantage of Seattle's diverse food trucks at lunchtime.

Moving our headquarters to downtown will give us access to a larger talent pool.


Courtesy of SDOT

Amazon Headquarters building under construction in downtown Seattle.


Photo by Oran Viriyincy


Flickr photo by Trevor Dykstra

Our younger folks are more inclined to be metro-accessible and more urban.

but from across the country," CEO Doyle R. Simons said in a statement.

While this trend is blindingly obvious in Seattle, it also is picking up steam in metro areas across the country. Atlanta, the 1990s poster child of suburban hyper-growth, has seen a spate of recent announcements. NCR — a leading maker of ATMs, barcode scanners and related equipment and software — announced a move from office park digs in Gwinnett County to an urban home near Georgia Tech's innovation hub. The Coca-Cola Company moved its IT center downtown, because managers "see this as a big opportunity to attract and retain the best talent," the company said in a statement.

Atlanta also is one of three cities with rail systems chosen by State Farm insurance to be home to new, transit-served office hubs. The other two metros are Phoenix, where State Farm will set up around light rail in the suburb of Tempe, and Dallas, where suburban Richardson will see office buildings sprout at its light rail station. In March, Marriott hotels CEO Arne M. Sorenson said his company would begin searching for a new home after many years in an office park in the Washington, D.C. suburb of Bethesda, Md. "I think it's essential we be accessible to Metro [rail] and that limits the options," he said in remarks reported in the Washington Post. "I think as with many other things, our younger folks are more inclined to be Metro-accessible and more urban. That doesn't necessarily mean we will move to downtown Washington, but we will move someplace."

As the State Farm and Marriott examples show, companies are not so much giving up on suburban locations as they are eschewing the single-use, somewhat isolated office parks, reachable only by car — and apparently disdained by talented young workers. These employers don't necessarily want the central business district, but they do want "vibrant centers." These are live-work-play, mixed-use environments, preferably with high-capacity transit, such as rail or rapid bus, said Emil Malizia,

Courtesy of Georgia Department of Economic Development

Photo by Lee Coursey

Educated young workers prefer urban settings.

Atlanta, Ga., photos courtesy of Georgia Department of Economic Development

a professor of planning and economic development at the University of North Carolina at Chapel Hill. They can take the form of newly created mixed-use developments, or more often than not, the rediscovery and revitalization of pre-existing Main Streets in the small towns on the outskirts of larger cities. Malizia documented the trend in a recent study for NAIOP, the Commercial Real Estate Development Association, in which he examined both the location preferences of employers and the comparative performance of office properties in single-use and "vibrant center" settings.

"For my research I surveyed 130 commercial real estate brokers from large firms, such as Cushman & Wakefield," Malizia said. "More than 80 percent said that, among the clients they've worked with in the last three years, these vibrant places were more desirable to tenants. We also found they have higher rents, lower vacancies and higher absorption rates."

As he continues to track the trend, he said, it appears to be growing even stronger. "What I have learned from the interviews is there is a very strong assumption — and it is backed up by research from Pew and others — that educated young workers prefer urban settings. And companies are getting that message."

Given that over 75 percent of the nation's office inventory is in conventional suburban settings, and that the millennials are the largest generation in U.S. history, these trends could be world changing for the commercial real estate sector, he added.

That realization is not lost on Henry Bernstein, who focuses on finding space for tech companies as senior vice president of Scheer Partners in Rockville, Md., after many years as an economic development official in Montgomery County, Md., a suburb of Washington, D.C. "My son is a typical 25-year-old, working for a tech company. One day he left his car in my driveway and asked me to get rid of it for him," Bernstein said. He spends a lot of time thinking about how suburban communities can compete in the shifting marketplace. One thing he is sure is not the answer: "Clinging to your single-use zoning from the 1980s will just stifle what private developers are ready and able to do to build the live-work-play neighborhoods that will keep you in business."

"Not every place can have high-capacity transit," he acknowledges, while insisting that suburban

The market seems to be rewarding what people have decided is good urban practice.

jurisdictions that do find themselves thus blessed are "insane" not to capitalize on it by encouraging mixed-use districts. "But you can have flexible zoning and development regulations."

He points to Downtown Crown in Gaithersburg, Md., as a successful suburban development that created an urban zone now popular with 20- and 30-somethings. The development's online marketing pitch certainly has the lingo down: "Downtown Crown is vibrant and multi-faceted. This city-inspired neighborhood offers places to shop, dine and gather as a community, as well as places to call home. Walk to the 24-hour market, hit the gym, browse shops and enjoy a variety of restaurants."

"The hopeful side of this work is that the market seems to be rewarding what people have decided is good urban practice," Malizia said. For that reason and others, he added, the trend might have staying power even as millennials age.

In the meantime, the youth-driven dynamic still has plenty of room to grow. "Forty percent of millennials are recent grads living with their parents in the suburbs right now, but many of them want urban. The reason it is a real viable choice, and might not go away as they marry off, as this generation values access more than possession. If you're into possession, you need a big house to store all your stuff. Urban gives you access."

Waiting for his lunch among the food-truck throng in Seattle's Amazonia, Chris Iverson, 31, offered a more practical reason for staying close to urban job centers. "For a lot of different reasons, people tend to change jobs more frequently these days," he said. "You want to be in a place where there are other options if the one you have ends or doesn't work out; or something better comes along. The density gives people a comfort level that they can find something else without moving away."

As for what his generation will do in the future? "I don't know whether it will last. My parents moved to the suburbs because everyone else was doing it. Will we do the same thing? I certainly don't think everyone will. But then I couldn't say for sure."

David A. Goldberg is the communications director for Transportation for America, a nationwide coalition based in Washington, D.C., that advocates for transportation policy reform. In 2002, Mr. Goldberg was awarded a Loeb Fellowship at Harvard University, where he studied urban policy.

Photo by Dan Reed

Gaithersburg, Md.

Photo by Dan Reed

Photo by Dan Reed

Courtesy of VISIT DENVER

ALTERNATIVE TRANSPORTATION *spurs development*

Courtesy of Meet Minneapolis

By Joan Mooney

Not long ago, Orlando was known as a sprawling southern city. For visitors, going from hotels to Disney World to downtown required long drives. There wasn't much other way to get around besides cars. Bicycling Magazine ranked Orlando as the second worst city for bicycling in its 1990 annual ranking of major cities.

Now, said Brooke Bonnett, Orlando's director of economic development, "we are looking at transit as an economic development tool." And the city is touting its bike-friendly features. One reason for the changes: "Millennials are demanding it."

Young people's attitude toward cars is very different from their parents'. "Vehicular ownership is not as big a deal," said Bonnett. "They want to have the ability to get where they want to be, but they're much more open to other modes." Orlando's focus on multimodal transport has paid off in one way: Last year Forbes Magazine named it one of the best cities for millennials.

Vehicular ownership is not as big a deal to young people.

Courtesy of Zipcar

Millennials said it is important for a city to offer opportunities to live and work without relying on a car.

Nationwide, millennials are less likely to own a car than baby boomers were at that age. Many don't even bother with a driver's license. The rate of graduating high school seniors with a license dropped from 85 percent to 73 percent between 1996 and 2010, according to the AAA Foundation for Highway Safety. Many reasons have been cited for the diminished interest in car ownership: the high rate of unemployment for young people; the pressing burden of student loan debt; millennials' preference for living in cities, where parking is often expensive and hard to find; and their delay in getting married and having kids. Auto writer Drew Winter called the situation "the auto industry's existential threat."

Cars aren't likely to disappear anytime soon. But many cities that are eager to grow and to attract young talent are looking to diversify their transportation options. Recent surveys show that's a smart strategy.

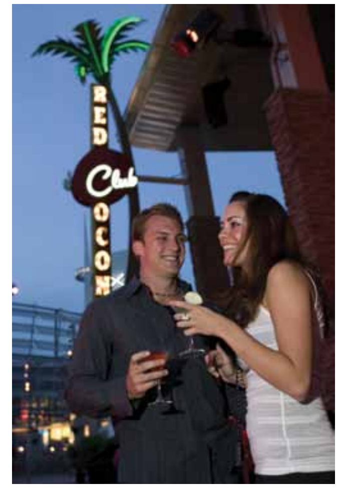
In a 2014 survey commissioned by Transportation for America and conducted by Global Strategy Group, more than 80 percent of millennials said it is important for their city to offer opportunities to live and work without relying on a car. More than half would consider moving to another city if it offered a wider, better range of transportation options. And two-thirds said access to good transportation is one of their top three criteria when choosing a place to live.

Orlando: Transit a cheaper way to grow

For Orlando, focusing on transit makes economic sense because the cost to expand roadways is so high. "We can bring in bus rapid transit [BRT] or do a project like SunRail [the city's commuter rail transit project] far cheaper than adding a highway," said Bonnett. If the city wants to add capacity on its BRT lines, buses just have to run every 10 minutes instead of every 15, added the city's deputy director of economic development F.J. Flynn. That's much easier than trying to expand an intersection.

SunRail just opened a year ago and currently has 12 stations covering 31 miles. Two expansions are planned, one to the Tupperware headquarters outside the city and another to the airport. LYMMO, Orlando's free downtown

Photo by Pam Broviak



Photos courtesy of Visit Orlando

bus circulator, operates in dedicated lanes and carries more than a million passengers a year.

New residential and commercial projects have developed around transit stops, including some on land that had long sat vacant. A $54-million apartment complex, The Crescent, was built next to the main SunRail station, across from the courthouse.

"Multifamily developers are paying a premium to develop around transit stops," Bonnett said. Multifamily housing is at 93 percent occupancy, and the city has not had to offer incentives. Overall, the city has seen more than $250 million in private capital investment in the past three years around SunRail stations and BRT stops. That includes multifamily housing, commercial development, hotels and offices.

Two major area employers, Florida Hospital and Orlando Health, are undergoing massive expansions. "I don't believe those expansions would have been possible without the transit component," said Bonnett. Both companies looked at various locations and chose Orlando in part because of its proximity to a robust transit network, Flynn added.

Red Lobster recently moved its headquarters from unincorporated Orange County to downtown Orlando. When a search team started looking a year ago at different locations in the metro area where the company could expand, they knew that a culinary development center — with a test kitchen and training center for managers — would be opening this summer.

"Access to highways and transportation was an important consideration for us," said Horace Dawson, Red Lobster's executive vice president of legal and external affairs. The new location offers access to the city's free bus system and is across from a SunRail station.

"[Employees] are really excited about the location because it's so centrally located, and because of the many great options for transportation," Dawson said. The company has encouraged workers to use SunRail, inviting SunRail representatives to speak at company headquarters and hosting a SunRail raffle for employees.

New residential and commercial projects have developed around transit stops.

Photo by Matt Johnson

Photos courtesy of Visit Orlando

Photos courtesy of Meet Minneapolis

Location and accessibility to transit will help with talent recruitment.

Red Lobster is planning to hire an additional 50 to 70 new employees in the next few years, and Dawson thinks the location and accessibility to transit will help with recruitment — especially since many of the positions are in IT and are likely to be filled by millennials.

“They are interested in alternatives to driving and parking,” he said.

Twin Cities: Return on investment convinces private sector

When the Itasca Project, an economic development group in the Twin Cities, wanted to find out if transit investment paid off, the group did what made sense for the business leaders: It commissioned a report showing the projected return on investment. The Itasca Project also includes leaders from foundations and the public sector.

The numbers in the report were clear: A $4.4-billion investment in a regional transit system would yield $6.6 billion to $10.1 billion in total direct benefits from 2030 to 2045. If the investment was accelerated and $5.3 billion was invested by 2023, the return would be even greater — $10.8 billion to $16.5 billion.

The report looked at vehicle operating costs; travel times and reliability; shippers and logistics costs; emissions; safety costs; and road pavement conditions. Researchers also found that a regional transit system would enable local employers to access an additional 500,000 employees, an increase of up to 25 percent.

“It’s unusual to have the private sector talking about this,” said Julia Silvis, Itasca Project manager. “This is something that gets our members excited about the analysis because it’s so fact-based. It’s using a familiar method, ROI.”

The report removes the argument that transit is not worth the cost, Silvis said. The Itasca Project used the ROI information to push for more investment in transit as a way to grow the local economy.

Less than two years after the report was published, the Twin Cities opened a second light rail line — the Green Line, from Minneapolis to St. Paul — that has far exceeded ridership projections. Before it even opened a year ago, developers had spent $2.6 billion on construction along the 11-mile route.

Two more light rail lines are in the planning process. Another BRT line has opened, and two more may be added.

The Itasca Project is not solely focused on transportation. One of its goals is to attract more young people and new business. When researchers surveyed young professionals last year, they found that having more transportation options was a way to attract talent. Recruiters at the region's largest employers — Target, United Health, 3M — said in focus groups that young workers are looking for a walkable urban environment where they don't have to depend on a car, said Paula Dowell, lead author of the Twin Cities report and director of transportation economics at Cambridge Systematics Inc.

Normal, Ill.: Multimodal transit isn't just for big cities

In 1999, the government leaders of Normal, Ill., were not happy with the way their Central Business District had declined. Some mainstay retailers had left, and the downtown had become filled with businesses catering to the students at Illinois State University.

"We used to joke that it was great if you wanted a tattoo or a slice of pizza, but there was no place to buy clothes or a nice meal," said City Manager Mark Peterson. "We were one of those Midwestern communities that got very skillful at urban sprawl. We began to realize it was not a long-term strategy a successful community should follow."

The economic mainstay of the city was the fast food franchises, big box retailers and car dealerships on the edge of town, reachable only by four-lane roadways. "We were reaping the tax benefits," said Peterson, "but in the process, we had begun to let the core of our community decline."

The city hired Doug Farr, an urban designer from Chicago. He engaged the community from the beginning, soliciting public comments. A major component of his plan was sustainability, "before anybody knew what that meant," said Peterson.

A big part of the sustainability push was investing in different forms of transportation, with a $60-million Multimodal Transportation Center in the middle of

Photo by Doug Pieper

Photo by Amanda Landers

Normal, Ill., Uptown Plaza

A big part of the sustainability push was investing in different forms of transportation.

Courtesy of Meet Minneapolis

Courtesy of Visit Orlando

the Central Business District. An Amtrak station was already there, and the revitalization plan called for both the local and regional bus hub to be located in the same spot. A high-speed rail line is being developed that will run between Chicago and St. Louis, with a stop in Normal. The city has also made the downtown (now called Uptown) more walkable and bicycle friendly. A 30-mile bicycle and pedestrian path runs through the center.

"We've made a business case for these things," Peterson said. "The environmental thing is just a bonus. If the business case isn't there, it's going to be hard for the government to be the leader."

Now, said Peterson, "Uptown is flourishing." The city has invested $100 million in public money in the past 10 years — a substantial amount for a city of 54,000. Private companies have invested more than $200 million, and more is planned. There is a new Marriott; a Hyatt; a mixed-use building with retail on the first floor, university offices on the second floor and three floors of residential above; another mixed-use building; a five-story residential structure; and various smaller commercial buildings. Property values in the Uptown area have jumped by 25 to 50 percent.

The transportation center "has been a tremendous economic engine, not only for downtown but for the whole region," said Peterson. "We attract passengers from a 60-mile radius." Many conferences come to Normal — a full-service conference center has been built — because it's reachable by train.

"We were a sleepy little campus town," Peterson said. "Now we've got tall buildings, we've got a diverse group of shops and restaurants. We've changed dramatically in the last 15 years." And a large part of that comes from the focus on alternative forms of transportation.

Joan Mooney is a freelance writer who has written extensively about transportation for Urban Land magazine and other publications. She also wrote the NAR's water infrastructure toolkit.

REDUCING EVERYDAY COSTS FOR AFFORDABLE NEIGHBORHOODS

Courtesy of VISIT DENVER

Developers and planners are working to provide not just a place to live but a lifestyle — and to make it accessible for today's budget-conscious millennials.

By G.M. Filisko

Whether it's a city competing for residents or a developer filling a property, the focus of the future may be competing for millennials, or Americans aged 18-33, give or take depending on who's doing the defining. But millennials are a tricky bunch to connect with because the Great Recession hit them hard and left them with less money to do the things they'd like to do.

Why so strapped? Millennials are more educated than prior generations, and many have gone deep into debt to fund their education, according to 2014 data from the Pew Research Center. Then there's the job market. The overall unemployment rate for workers aged 18-34 peaked at more than 13 percent in 2010, according to White House data. As of September 2014, the most recent tracking period, it had come down to 8.6 percent.

Many millennials simply have to do more with less, so they're increasingly making tradeoffs. "They seem more willing than other cohorts to trade space for access to transit and a walkable, mixed-use lifestyle," says Stockton Williams, executive director of the Urban Land Institute's Terwilliger Center for Housing in Washington, D.C. "It doesn't necessarily mean they're all saying they want to live in downtown central cities. It can be smaller towns or suburban towns that have these features."

Still, millennials want perks, even if that means having to share them. "I think the major trend is that anything that's shareable, millennials are fine with it being shared," contends Kiyoko Fujimura, a millennial herself and New York City-based executive vice president of BuzzBuzzHome, a residential construction listing service.

That willingness to shrink or share to pursue a higher quality of life overall is butting up against long-standing

Millennials are willing to trade space for access to transit and a walkable, mixed-use lifestyle.

regulations, such as minimum size requirements for residential units. Yet change is in the air, and the biggest question today may be how far it will go.

No car? No problem

Millennials are a big group, so generalizing about them can get dicey, warns Williams. That said, some generalizations fit. They don't covet cars like their elders did, instead favoring vastly less expensive public-transit and ride-sharing options like ZipCar and Uber.

In 2010, 21- to 34-year-olds bought just 27 percent of all new vehicles sold in the United States, down from a high of 38 percent in 1985, according to The Atlantic. In addition, the average number of miles driven by 16- to 34-year-olds dropped by 23 percent between 2001 and 2009, according to "Millennials in Motion," a 2014 report by Calpirg, a public interest research group. The report also notes the percentage of high school seniors with driver's licenses dropped from 85 percent to 73 percent between 1996 and 2010.

"There's reason to believe millennials are a little less enamored with car technologies and a little more enamored with communications technologies," contends Todd Litman, executive director of the Victoria Transport Policy Institute in British Columbia, Canada. "If they're financially constrained, which they are, a nonsignificant number would rather have a nice computer or mobile phone than a car."

Millennials are also big into wellness. They're exercising more and eating smarter than previous generations, reports Goldman Sachs in the 2015 analysis "Millennials Coming of Age." They're looking for more fresh, natural, and organic foods, according to a 2012 Jefferies Alix Partners study.

With their thin wallets mismatched with their bold lifestyle desires, millennials are seeking to live in cities that might surprise you. "If you pull up lists of the top 10 cities for millennials, they all include New York and San Francisco," says Williams. "But they also include places like Raleigh, N.C.; Austin, Texas; Denver; and Salt Lake City — places that 5-10 years ago wouldn't have been actively competing or successfully getting recent college graduates. Part of the reason they're competing is because the cost of housing — whether it's owning or renting — is often lower. That becomes one important strategic economic development tool."

Photo by Ed Yourdon

Millennials don't covet cars and are big into wellness.

Photo by Ed Yourdon

Courtesy of Zipcar


Courtesy of Austin Convention & Visitors Bureau

REALTOR® Scott Turner's small bungalows in Austin are within walking distance of a light rail station and bars and restaurants popular with 20-somethings.

Today's motto: Small is big

Millennials are also downsizing to make ends meet, something REALTOR® Scott Turner has learned first-hand. Scott owns Riverside Homes, which specializes in urban infill development, and is broker-owner of the 10-agent Turner Residential, both in Austin. He recently built four homes on two lots in East Austin — two were 1,600 square feet, and the other two were 850 square feet — which he organized into a condo association.

"The demand for the smaller homes was enormous, and millennials bought them," he says. "Millennials are much more willing to make the location-over-space trade-off than prior generations. They're happy with less space and less stuff. We found that 850 square feet with two bedrooms and one bath is fine if it's in a good location."

Turner's bungalows are within walking distance of a light rail station and bars and restaurants popular with 20-somethings. "There's also a grocery store within walking distance, which is very important in Texas, where we like our cars," he says. "There's a city-designated bike lane going in right next to these houses, too."

The homes featured off-street parking — meaning a driveway — but no garages or covered parking. "I got

Millennials are downsizing to make ends meet.

Developers around the country are creating all forms of compact housing.

no pushback from the market on that," says Turner. "The car just isn't as important to millennials, nor is the need to use the garage for storage."

The biggest surprise for Turner? A millennial buyer for one of the two larger homes wanted to be sure pre-purchase that she could post her home on short-term rental sites like Homeaway and Airbnb. Perhaps because Homeaway is based in the city, Turner notes, Austin permits it. But owners have to register their home, and a limited number of permits are issued in each zip code. "We had to amend the condo documents to include the provision, so we had to ask the two smaller-unit owners for permission," he recalls. "They already assumed they could do that."

Small goes large scale

Joining Turner in thinking small are developers around the country creating all forms of compact housing. Micro housing is popping up in cities nationwide. According to a 2013 ULI report, "The Macro View on Micro Units," there's no standard definition, though a working definition is a studio apartment typically less than 350 square feet with a fully functioning and accessibility compliant kitchen and bathroom. (It doesn't include single-room-occupancy units with communal kitchen or bathroom facilities.) The target market is under-30-year-old professionals — skewed slightly more male than female. Most sign up to swap lower rent for a desirable location and the ability to live alone.

My Micro NY will open by 2016 with a nine-story modular building in Manhattan with 55 micro units.

Monadnock Development, working with modular housing developer Capsys, will open by 2016 My Micro NY, a nine-story modular building in Manhattan with 55 units, reports Tobias Oriwol, the project developer. Units will range from 260 to 360 square feet and feature nine-plus-foot ceilings, Juliette balconies, high-end interior finishes, and accessible bathrooms. The building will also host a fitness room, a business center and study area, bike storage, storage lockers, an outdoor ground-floor patio, and an outdoor sundeck on the eighth floor attached to a salon where residents can gather. "Residents aren't going to host a 12-person dinner in the salon every day or every week," says Oriwol. "But they should have the opportunity to do that."

Rents aren't set yet. Oriwol says neighborhood units with comparable amenities would come in at about $3,200 per month, but My Micro NY rents are expected to be below that. "The whole point is to open a new level of affordability by expanding the size options," he says. "There will be millennials for whom this is a good fit. We also think the need for these types of units is so great in New York City that the appeal will be across all ages and neighborhoods."

A similar project created by WeWork and Vornado Realty Trust is underway in the Washington D.C. suburb of Crystal City, according to a December 2014 Wall Street Journal report. WeWork is reportedly expanding its micro-office-plus-shared-common-space concept to a 252-unit residential building — presumably rentals — expected to open in mid-2015. On the drawing board is a 12-story building with many shared kitchens, an arcade, an herb garden and a library.

"I've seen micro-unit developments taking out en-suite laundry and putting in shared laundry," says Fujimura.

An accessory dwelling unit is a way for millennials to afford to live in neighborhoods where they'd otherwise be priced out.

"There's a smarthouse in Toronto reducing the size of dishwashers by including half-size dishwasher drawers. It's all about reducing the size of the private space but providing all the amenities you'd have in a normal condo. Millennials don't need private space, but they like amenities and convenience. Developers are definitely listening."

Tiny houses also fit the trend, but they may be more of a fad than a true housing alternative. "They're not common, and I doubt they'll ever be a substantial part of the housing market," says Matt Kelly, a policy analyst and researcher at Florida State University in Tallahassee. "I see them as a sign of the times rather than an actual, substantial trend. They're a sign young people are strapped with debt, and the McMansion has become much less appealing."

Kelly is careful to distinguish between micro-housing and tiny houses. "In places like Seattle, more micro-housing units are popping up, and that does seem to be a viable option," he says. "Smaller and smaller square footage seems to be viable for short-term year apartment leases because there needs to be a low-income housing alternative."

Cities slowly getting on board

Who's to say millennials shouldn't live in compact quarters? "The zoning authority is who," says Kelly.

There's the rub. The biggest impediments to developers responding to millennials' needs are local zoning rules. "The tragedy is that because current development polices make it very difficult to build accessible, affordable housing, millennials are often faced with either paying more than they can afford or choosing housing in a location they don't really like, such as in the suburbs," says Litman. "Or they get too few amenities. It would be good for everybody if developers were able to develop more accessible, affordable housing."

The challenge remains current residents' antipathy to uses they perceive would change the character of their neighborhood. "In many areas, there's still huge, huge resistance to changes that permit increases in density,


Photo by irooshka


Photo by Mark Hogan

such as allowing a mix of multifamily and single-family units and building higher than three stories," says Litman.

That's changing, but ever so slowly. In August 2014, Spur, Texas, removed its square-footage regulations and proclaimed itself a "tiny-house friendly town," notes Kelly.

Other cities are making limited exceptions to zoning requirements. New York City waived its 400-square-foot minimum space requirement for the adAPT competition, from which emerged My Micro NY. "The building is meant to be a pilot project to assess things like how well this concept is received and the quality of life for residents," says Oriwol. "If all goes well, the idea is that planners will revisit the city's zoning laws so developers can build smaller units as of right."

New York City is actually behind the rest of the country, says Oriwol. San Francisco passed legislation allowing apartments as small as 220 square feet, according to the ULI micro-housing study, if 70 square feet is allocated to a bathroom and kitchen. Seattle and Portland have no minimum size requirements, which ULI says probably explains why they're "two of the best examples of cities demonstrating a tremendous amount of experimentation with very small units."

In Austin, Turner was able to develop four homes on two lots in part because the two smaller homes qualified as accessory dwelling units, also called garage apartments,

Courtesy of WeWork

Courtesy of Sown Together, Photo by TCDavis

granny flats, or guest houses. "On one lot, by zoning I can build a single-family home plus an accessory dwelling unit (ADU), but it is limited to 850 square feet," he explains. "ADUs are key here to affordability. They're a way for millennials to afford to live in neighborhoods where they'd otherwise be priced out."

While cities are making progress, none are doing everything they can to permit more affordable housing, contends Litman. "Vancouver is very aware of housing and affordability, and it has a program called eco-density," he says. "It's encouraging creative infill development, like homeowners building accessory suites above their garage. But there are only a few hundred of those. It's also encouraging multifamily housing, but it still requires fairly generous amounts of parking."

Millennials won't compromise on location.

There are also spot instances in which cities are leaving unenforced other restrictions on trends that attract millennials, particularly urban gardening. Kelly predicts the future may also see cities formally exempting urban farms from zoning requirements.

"In Tallahassee, which is very much a college town, there are three urban farms," says Kelly. "All operate outside the law because they're on residentially zoned land but technically need to be zoned for agricultural use. So far, everyone has turned a blind eye because most people in town, especially in the 20-30 age range, see these as big assets to the community. What may happen in the future is that there will be some kind of a zoning exemption for urban farms. I see that as more likely than an exemption for tiny homes."

Such changes may only be the beginning as competition heats up for millennials choosing the perfect place to plant roots. "Millennials really care about location," asserts Fujimura. "They're saving a lot of money by not buying cars and paying for gas, parking, and insurance, and they bike and walk more. They won't compromise on location because they already have less mobility. And developers are responding to that." ●

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The Maker Movement

More cities and real estate developers are creating spaces for small-scale manufacturing. Called maker spaces, these light industrial/retail, mixed-use buildings are bringing jobs and vitality to neighborhoods around the country.

Alexandra Ferguson, a company which creates custom pillows and décor, is located in Industry City, Brooklyn, N.Y.

By Tracey C. Velt

Alexandra Ferguson, CEO of her eponymous line of custom pillows and décor, started as a small, home-based business. "I first sold my pillows on Etsy, so I'm as homegrown as it gets," says Ferguson. When it was time to expand, Ferguson had a hard time finding an inexpensive, light manufacturing spot in Westchester, New York. "I decided to look in Brooklyn and Queens as the talent I needed could be found in those areas," she says. She ended up moving into a 4,000-square-foot raw industrial loft space in Industry City, an innovation and manufacturing district situated on the waterfront in Sunset Park, Brooklyn.

Industry City is transforming ground floor and lower levels into a pedestrian-friendly series of shops, showrooms, event spaces and courtyards, loosely organized around themes such as food and food production, children and family, and home goods, while providing ample loading docks and service ground for upper floor innovation economy and manufacturing tenants. These mixed-use maker spaces, developing around the United States, are becoming a popular choice for real estate developers hoping to revitalize communities and accommodate small manufacturers.

More and more cities and real estate developers are creating spaces for small-scale manufacturing. Small manufacturers, or makers, in textiles, wood, metal, and electronics need places that are appropriate in scale, which are affordable, and that meet local zoning and building codes. Maker spaces can provide some shared facilities and equipment, as well as mentoring and assistance in running a business.

A Resurgence

"We are seeing a resurgence of small, local producers who are harnessing low-cost technology and changing markets to sell hundreds and thousands of locally produced consumer products," says Ilana Preuss, founder of Recast City, a company that brings together small-scale manufacturers and community developers to strengthen neighborhoods, build real estate value, and create more job opportunities for residents.

Documented by Chris Anderson, author of "Makers: The New Industrial Revolution," and seen across the country today, these companies are often businesses with fewer than 20 employees and sell both in local markets and globally online. In an interview with Forbes magazine, Anderson notes, that, "Until a few years ago, you just didn't have access to production. The world is oriented around companies, and manufacturing was expensive and consuming." All of that is changing.

According to a recent study, "The Federal Role in Supporting Manufacturing," by the Pratt Center for Community

Development and Brookings Institute, despite recent recessionary shocks, manufacturing continues to play a central role in the American economy and still serves as a gateway to the middle class for a sizeable segment of the nation's population. Today, says the report, approximately 11.7 million Americans are employed by the country's 300,000 manufacturing firms, and over 7 million additional jobs are supported by manufacturing-related activities, including jobs in transportation, wholesaling, and service industries, such as accounting, consulting, real estate and finance.

The report goes on to say, "Unlike the days when large companies dominated the nation's commodity production, today's manufacturing landscape is largely occupied by decentralized networks of small, specialized firms — many of which are hidden in plain sight in America's urban areas. In fact, in 2007, of the approximately 51,422 manufacturers in the United States employing fewer than 20 people, over a third were located in the nation's 10 largest cities alone. These businesses make an astonishing range of products — from high-tech medical equipment to designer coats, artisanal food products to specialized coatings — and serve a spectrum of customers and markets, including small suppliers, contractors, the consumer public, and large original equipment manufacturers (OEMs)."

"There is a rebirth of modern manufacturing; I call it the innovation economy and that's where the job growth is," says Andrew Kimball, CEO of Industry City. New technology allows people to manufacture in small spaces," he says. "There's a blurring of technology, manufacturing and design. The good news for cities is that these kinds of businesses start small and often grow over time. They employ people who need jobs the most, jobs that are broadly accessible to those with a broad range of educational backgrounds," says Kimball.

That's the case with Ferguson, who has a "one-stop, super efficient space that includes her office, photo studio space, manufacturing, warehouse and shipping all from one place." In addition, Industry City has efficiencies built in, such as the ability to outsource to other suppliers who are in her same building. Her business grew from one employee to five employees in the short 18 months she's been in Industry City.

Driven by Millennials and More

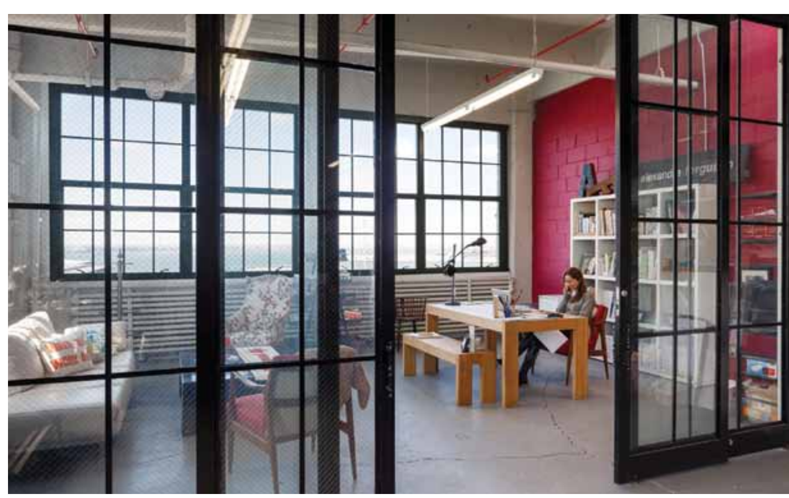
It is not only new businesses that are benefiting from the maker movement, but more traditional, family-owned businesses, as well. "There's a lot that is millennial driven and that's exciting. But, what is even more exciting is that decades-old, traditional, family-owned businesses that have been previously priced out of the market are finding that, with new technology, the economics work for them again," says Kimball.

Such is the case for Kyle Krieg, the third generation in a family printing press business that opened in 1955. According to Preuss, his family bought a 35,000-square-foot warehouse for production in Cincinnati 40 years ago to expand operations. But when printing work started to dry up after 2000, Kyle and his family needed a way to save the family business. Four years ago, they landed on a new idea — create a maker space. The family turned half of their warehouse into Manufactory,

There is a rebirth of modern manufacturing, part of the innovation economy.


Photo by Sarah Dorio

Industry City located on the waterfront in Sunset Park, Brooklyn, N.Y.



a 17,000-square-foot shared space with wood, metal, textile and printing tools that are open to the public through gym membership-like fees for access.

Real Opportunity

"There are some exciting things going on in communities. Developers have recognized the changing demographics," says Preuss. "Millennials want places to gather. In parallel, we've seen a growth of the maker movement. People are getting together to make stuff, from sewing and knitting to creating drones and 3D printing."

Plus, she adds, there are more ways to sell what they are creating. For instance, Ferguson uses Etsy. Then, there's a start-up called Maker's Row, which works to connect U.S. manufacturers and small businesses. It matches domestic manufactured products with American companies who have a specific product need. Even Amazon.com is considering a move into the maker world and experimenting with 3D printing. And, of course, light industrial spaces in places like Industry City and Pier 70, in San Francisco, are attaching retail space and creating popular shopping destinations, thus, creating a niche for innovative developers who recognize how these mixed-use spaces can activate neighborhoods.

For Industry City, the goal is for 14 percent of the space to be retail (64 percent innovation economy and 12 percent academic.) In 18 months, Industry City went from 2,400 people working there to 4,000. They took decrepit, underutilized space in Sunset Park and "turned it into a high employment use space. It creates opportunities for makers such as Alexandra Ferguson to manufacture and sell in a retail space in the same building," says Kimball.

Brooklyn isn't the only place where this is happening. "It's happening nationwide," says Kimball. "You've probably heard about Detroit, but it's happening across the country, Jersey City, and San Francisco. Forest City is developing Pier 70 in San Francisco and plans to build 100,000 square feet in a new industrial use building as a part of a large waterfront development plan. The proposed plan includes residential, office, retail, parks and industrial uses. The plan also includes rehabilitation of Civil War era buildings that will also be turned into small-scale production uses. The new manufacturing/production building will be modeled off of an existing building in the neighborhood called the American Industrial Center.

However, says Preuss, "Most of the examples out there right now are of naturally occurring spaces for small manufacturers, like in Cincinnati." Cincinnati Made, a nonprofit effort to promote, connect, and scale the

The Losantiville Design Collective space, out of which the First Batch program works, in Cincinnati, Ohio.

small batch manufacturing community has been supporting the movement. "They have a floor of an old industrial building where 10 businesses share with tools. Next door, there is a brewery that opened up two years ago. They bought the huge building from its owner, and they have since bought the neighboring building, as well. The area is called the Brewery District. They have a neighborhood organization that is trying to create a strategy for all of this, but there is no residential in that area yet."

Community Impact

Perhaps the most important things to come out of the maker movement is the revitalization of downtown industrial areas and buildings and updated policies across the nation. SFMade, a nonprofit corporation headquartered in San Francisco, which focuses on building San Francisco's economic base by developing the local manufacturing sector, recognized that potential immediately. In 2014, the local San Francisco planning commission and board of supervisors approved legislation to create a new zoning solution that allows for cross-subsidization of new industrial space via the development of co-located office space on previously underutilized industrially zoned parcels. The pilot project, available for 18 designated parcels, says Janet Lees, senior director of SFMade, "allows for the construction of two-thirds office space and one-third manufacturing to offset the high-rent office space currently offered."

Industrial spaces around Cincinnati provide great space for creative mixed-use manufacturing sites.

Maker companies create vibrant, resilient communities.

Lees says there is a "really hot neighborhood called the Dog Patch, which houses the largest industrial manufacturing space in the city, from chocolate to apparel to light industrial products. Part of this building is retail, which is very appealing to tenants and the neighborhoods," she adds. "People see manufacturing differently now. This is the new breed of manufacturing, small businesses with an average of nine employees per business," says Lees.

In addition, it's adding jobs to the local community. "These maker companies want to hire from the local community," says Lees. "These are entry level jobs that often pay more than those in hospitality or retail and offer pathways to well-paid jobs with a future."

Kimball agrees, "Part of the case we're making to the community and city is that these are the kinds of good-paying jobs that move people up the economic ladder." Industry City is testing a program to partner with nonprofit organizations for job placement and prescreening. "It's been successful," says Ferguson, who used the service to find new employees.

"In Cincinnati, we have neighborhood development groups reaching out to bring the maker businesses to their neighborhoods," says Matt Anthony, director of Cincinnati Made and program director of First Batch, a local manufacturing business accelerator. "Some have even developed a mapping resource that gathers all light industrial properties for sale in a neighborhood in order to make more connections between small makers and potential manufacturing space."

Preuss agrees, "There's an opportunity to put these maker industries in neighborhoods and make the amenities attractive by offering festivals and creating an active street life."

More than that, says Preuss, "it creates a vibrant, resilient community. If one big employer leaves, the result is catastrophic. But, if you have 200 businesses of five employees a piece and one goes out of business, the result isn't as devastating," she says. "It builds economically resilient communities."

The "buy local" movement has become increasingly popular over the years. For Ferguson, "It's making manufacturing cool again. You've got big, colorful, open spaces where we make stuff, sell products and cool things happen, changing people's perceptions of what manufacturing is. It's an exciting movement." ●

Tracey C. Velt is an Orlando-based freelance writer.

Photos courtesy of Design Office

CO-WORKING SPACES *meet changing needs*

By Brian E. Clark

For the first two years after Sarah Rainwater arrived in Providence, R.I., she worked remotely from her home for a design firm in Los Angeles. But she missed the collegiality of her former office and began looking for alternatives to toiling from her house where, she said, there always seemed a pile of clothes to fold or some other domestic task to distract her.

She found the answer to her quest at the Design Office, a 3,000-square-foot co-working space where she first signed up as a part-time member, planning to come in just two days a week.

"But after the first week, I decided I'd become a full-time member because it was so much better than working from home," said Rainwater, a graphic designer.

She's far from alone. Thousands of other freelancers of all stripes — as well as entrepreneurs and remote workers who might be full-time employees somewhere other than the cities where they live — have signed up at shared workspaces

Photo by Alex Ahom

The trend has spread around the country for co-working spaces.

where they often collaborate with others, participate in seminars and enjoy the human contact they might have missed working at their kitchen tables.

The trend began on the coasts about a decade ago, said Allen Dines, a former University of Wisconsin–Madison official and startup coach who has created several of his own life-science companies. He said the trend has since spread around the country with hundreds of co-working spaces being created in the past few years.

Dines, who mentors would-be entrepreneurs, said shared workspaces fill a need in a changing economy. He sometimes recommends that people check out this new breed of office "to get them plugged into a community where perhaps they can collaborate and work together. These spaces increase the chances for that kind of synergy. They can also benefit from the networking that goes on or the seminars that might be offered. Rolling out of bed and working at the kitchen table can be nice — and I imagine people who use co-working spaces still do that — but being in an office with others who you might be able to share ideas with is great, too."

Rainwater, who has designed products for the upscale Williams Sonoma and West Elm stores, said when she is working on a website project, she'll sometimes collaborate with a developer and programmer at the Design Office.

"I also find I'm more productive when I get out of the house," she said. "It helps me because I get in a different mindset. Sometimes I wish it were quieter at the Design Office, so then I'll just put on my headphones to block out the noise and ignore everyone. But overall, the experience of having the energy of other creative, supportive people around has been a big benefit."

Rainwater said picking the right co-working space can be important. Some might benefit from being in a diverse office where they're not competing with deskmates and can get fresh opinions from outside their field. For others, the opposite is true.

"It all depends on your wants and needs," she said.

The Design Office is the brainchild of John Caserta, who was teaching part-time at the Rhode Island School of Design (RISD) in 2007. He had a solo graphic design business, but was subcontracting some of the work occasionally.

"I was looking for a place to run my design practice, but it didn't make sense to have my own, one-person office,"

Courtesy of WeWork

Courtesy of Design Office

The experience of having other creative, supportive people around is a big benefit.

he said. "I wanted to open up a space where other people who had similar ideas could join together. But there wasn't anything like that, that I knew of, so I started one. Providence is a fairly small city (population 180,000), but there are a lot of creative folks here."

He opened a 700-square-foot office with enough room for four people. In 2012, he moved to a larger space. Members now total around 20.

Photo by Alex Ahom

Courtesy of WeWork

Collaboration happens frequently at the Design Office.

"The number goes up and down, depending on who's around and needs space," he said. "We serve the creative sector, so graphic designers or industrial designers would be the simple term to describe us, folks who are more desk-oriented and whose work can be done on a Mac. We have some really great spaces with a production table, a projection wall and a library. We have a couple of photographers now and several computer programmers who fit really well because they complement designers, meaning we probably have a core of six to eight graphic designers and then six programmers and two or three folks into industrial design."

To get into the Design Office, people must apply and be interviewed. For the most part, Caserta said he's looking for long-term members who "are deep into their work and can sustain themselves financially with a model that is service-oriented. But we don't scale well and we don't want three- or four-person companies because they tend to take over the energy of the space."

A full-time membership costs $385 a month, while part-time runs $155. Currently, two-thirds of the members are part-time and they can "squat" at unoccupied tables for up to 20 hours a week. Full-timers have their own desks, can use sophisticated printers and store materials.

He said collaboration happens frequently at the Design Office, with more senior members sometimes helping junior members with projects.

"It happens in surprising ways," said Caserta, who is now an assistant professor and head of the graphic design department at RISD. Design Office also offers monthly events for members, brings in speakers and even hosts a Christmas party.

"I did a napkin sketch after work with someone who was there a while back," Caserta said. "He started working on the back end and the programming language behind it, the server side application and then showed it to me two weeks later. I had no idea he was working on it, but after I saw what he'd done, I started working on my side and we essentially made a complete website with a secure credit card system and the whole bit in two or three months just because we had a similar interest. We shared an impromptu idea. There are a lot of examples of things like that — ground up ideas. It is incredible that way."

Caserta said he considers Design Office to be "a piece of the puzzle that can help the creative sector. It's an interesting space where you can jump in if you are new to town or if your career is taking a different direction."

In Madison, Wis., co-founder Michael Fenchel started the 100State shared workspace with Nikolai Skievaski in — of all places — an old caboose at a former railroad depot on West Washington Avenue. It's one of four co-working spaces in Madison, a university city of roughly 250,000. 100State began organically, Fenchel said, when the caboose began to fill up with other entrepreneurs and creative folks.

"We were using that office, working on projects, sharing ideas and doing civic stuff to help the city of Madison," he said. "We built up a little bit of momentum, got written up by the local press and had more and more people who wanted to join. We outgrew the caboose."

One thing led to another and Fenchel and his co-workers were invited to share a bigger office at 100 State St., from which the organization took its name. As the membership continued to grow, it moved last September to new offices on the nearby Capitol Square. It now has nearly 200 members.

"Our philosophy is that collaboration is a positive feature of work," he said. "We want people who are excited about working in an environment where freelancers or startups can partner with people who are willing to contribute advice and expertise to others. We interview everyone before they join to make sure they are trustworthy and committed. After that, it is a cultural thing."

Fenchel said about half the 100State members are working on IT projects, with the remainder spread around other fields, including healthcare, law, and performing and fine arts. Others are simply remote employees who tired of working from desks or kitchen tables at home.

"We have a nice mix, with one-third entrepreneurs working on startups, one-third freelancers or 'solopreneurs,' as we call them, and one-third professionals," he said. "So we have doctors, lawyers, teachers, grad students and retirees working on their own projects. All those groups come together to share their ideas and space. We also have a huge focus on uncovering and trying to solve local problems, which I think makes us unique.

"In addition, we have an artist-in-residence program where we provide free membership for five local artists. Another group was formed to provide a way for area companies to have local art on their walls, kind of a rotating gallery."

Part-time membership prices at 100State start at $50 a month. The next level is $75 monthly for 24/7 access and there is a $180 option for those who want a dedicated workspace. There are also nine separate offices for small businesses that cost between $300 and $600 a month. The total workspace covers 6,500 feet.

Our philosophy is that collaboration is a positive feature of work.

Photo by Alex Ahom

Photo by Brian Clark

Photo by Brian Clark

(Bottom left) 100State members Jonathan Limbird and John Hamel work with 100State-cofounder Michael Fenchel (front, right).

(Bottom right) The lobby of 100State in Madison, Wis.

"We host a ton of community initiatives, including conferences, too," he said. "MadCity Bazaar, an urban pop-up flea market, operates out of here and a music group, too. We see a lot of opportunities to help make Madison a better place."

Out on the West Coast, former Santa Cruz economic development manager Jeremy Neuner got together with then mayor Ryan Coonerty and lawyer Caleb Baskin in June of 2008 to launch NextSpace.

Neuner, author of the "Naked Economy" and a former Navy helicopter pilot, said the trio saw the shared workspace concept as a "way to bring together talent, ideas and capital. Initially, we viewed this as a way to jump-start the local economy. Before long, we realized that we were on to something bigger, a revolution in the nature of work."

In 2006 and 2007, when the state's economy was in the tank, the trio was thinking about how to create economic vitality and jobs in Santa Cruz, a surfing town about 75 miles south of San Francisco.

"We didn't have tons of money, incentives or tax breaks to attract new businesses, so we were really frustrated," he said. "About the same time, we realized that there were lots of people in town who are freelancers and consultants, entrepreneurs, specialists for hire and telecommuters. Really talented and amazing folks, but very disparate, working out of their houses, coffee shops or little, 200-square-foot offices. We saw them as the raw material, so to speak, that we could use to really build a vibrant economy.

"So rather than trying to recruit, attract and retain one 200-person company, we thought 'let's bring together 200 one-person companies.' We figured if each one of those single-person firms could become a two-person company, that would be one of the biggest job creation events in the history of Santa Cruz. That was the impetus for NextSpace, the idea that we could really build an economy based not on jobs and companies per se, but based on people."

Photos courtesy of NextSpace

The concept behind NextSpace is to build an economy based not on jobs and companies, but based on people.

Work is no longer a place, but what you do.

Neuner, who has a graduate degree from the Kennedy School of Business at Harvard, quit his job to run NextSpace. It has grown from the 11,000-square-foot "mother ship" in Santa Cruz since its start, adding nine more shared-work spaces, including three in San Francisco, one in Berkeley, one in San Jose, two in Los Angeles and one in Chicago.

He said the membership is purposefully broad. Monthly rates range from $300 for first-come, first-served "café memberships" for nomads to use unoccupied desks to $3,000 a month for a suite for a small company.

"We don't discriminate based on industry or where you are in your company's life cycle," he said. "We want everybody. We want tech people. We want creative people, accountants, attorneys and marketing people. The broader and deeper the talent pool is, the better chance you have to bump into people who have skills, ideas and connections that you need. What we say is we aren't renting you space, we are selling you membership in a community."

Neuner said he hopes to expand NextSpace to smaller cities around the country. He said he's seeking out communities like Santa Cruz that have an attractive lifestyle, strong colleges or universities and a lot of smart, interesting people.

"Even though we are in some big cities, we have a model that works well in smaller communities, especially those that are looking to reignite their local economies," he said. "We plan to get back to our roots and use NextSpace as an economic development catalyst.

"In a lot of ways, our country has moved beyond long-term employment. Now a lot of work is stripped bare to the essence of you applying your skills and talents in the marketplace. The trend is toward entrepreneurism, freelancing, independent consulting and mobility. Work is no longer a place, but what you do. NextSpace and other co-working offices fit well into that model." ●

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Courtesy of Design Office

Photos courtesy of NextSpace

SHARING THE LOVE OF FOOD

… and the space and cost

Kitchen incubators help entrepreneurs

Meredith Tomason opened her bakery, Raresweets, after beginning her business in Union Kitchen in Washington, D.C.

By John Van Gieson

When Guisell Osorio immigrated to San Francisco from Chile she dreamed of opening her own restaurant. Osorio knew how to cook, but "I didn't know anything about running a restaurant."

So Osorio became a member of La Cocina, a kitchen incubator in San Francisco's Mission District. In nine years at La Cocina, Osorio developed a successful catering business and marketed her alfajores, delicious Chilean cookies, at Whole Foods. A food website review of Osorio's cookies described alfajores as "the stuff that dreams are made of — buttery, delicate and crumbly shortbread cookies filled with a rich layer of dulce de leche and sprinkled with powdered sugar."

A year ago, Osorio went out on her own, opening Sabores del Sur, a 62-seat restaurant in Walnut Creek, a San Francisco suburb. Sabores del Sur means Flavors of the South in Spanish.

"Basically I make all kinds of South American cuisine," Osorio said. "I try to do what they do at home, just like my grandmother did. None of this fusion stuff for me."

Osorio said she has created jobs for 11 workers at her restaurant, catering and cookie businesses.

"I'm a busy girl, yes," she joked. "It's been very good."

La Cocina was a perfect fit for Osorio as the San Francisco incubator focuses on serving women, minority and immigrant food entrepreneurs, giving them the skills and knowledge they need to succeed in the food business.

The San Francisco program is part of an incubator movement built around shared commercial kitchens where aspiring food entrepreneurs learn how to make it in the high-risk, notoriously fickle food business.

In many places, state and local laws impose restrictions that make it difficult to impossible for food entrepreneurs to go into business. That's where culinary incubators come in.

Diversity is a hallmark of the culinary incubator movement.

"The need for a kitchen incubator stems from the fact that in many places it is illegal to run a food business out of a home kitchen," says the website incubatorkitchen.com. "In many jurisdictions food products may only be prepared for wholesale or retail in a commercial kitchen that is licensed by the proper local or state regulatory agencies."

Diversity is a hallmark of the culinary incubator movement. Some programs simply rent space to their members, others offer teachers and classes, some provide assistance with marketing and financing and some operate retail stores where members can sell their products. Many incubators are for-profit businesses; many others are not-for-profits. Some do not fit neatly into either category.

In a 2013 report, Econsult Solutions of Philadelphia recommended that incubators adopt a holistic approach to helping food entrepreneurs create new businesses. The company has consulted with a number of incubator programs.

"One of the common challenges is that entrepreneurs are passionate about cooking, but ill-prepared for business," the report said. "Additionally, many entrepreneurs lack the financial resources to invest in scaling their business. For this reason, incubators should invest heavily in small business support services, including business technical assistance, help with recipe scaling, cost-savings through bulk purchasing of ingredients, assistance with distribution, and assistance with obtaining sales venues."

Incubatorkitchen.com reports there are more than 135 incubators around the country. Culinary incubators, taking off out of the local food movement, are growing rapidly.

Incubator programs go by many different names, usually some variation of the words culinary, kitchen or food in combination with the word incubator. What the incubators have in common is the goal of launching successful food businesses.

Incubators should invest heavily in small business support services.


Courtesy of Union Kitchen

Chef Guisell Osorio started her business at the La Cocina kitchen incubator in San Francisco.

“We want to make sure that anyone who has a food business will be able to access our programs and services and be able to use the space at a rate that’s affordable to them,” said Deborah Haust, who will manage a culinary incubator called City Seeds scheduled to open next year in Baltimore, and is director of Strategic Partnerships at American Communities Trust.

American Communities Trust (ACT) of Baltimore is developing major projects featuring culinary incubators in Baltimore and Louisville, Ky. The $17-million Baltimore Food Hub will occupy a 3.5-acre site near Johns Hopkins University, and the West Louisville Food Port is a $30-million project planned for a 24-acre site being developed by Seed Capital KY with assistance from ACT.

“The goal is to fill in gaps within Baltimore’s food system,” said Greg Heller, CEO of ACT. “The big need that we’ve identified is facilities and resources for small- and medium-scale food entrepreneurs, so the Baltimore Food Hub campus is going to include a number of facilities, storage, packing equipment, and other equipment, facilities and spaces that will help small entrepreneurs to be competitive and to scale their businesses.”

The big need is facilities and resources for small- and medium-scale food entrepreneurs.

The goal is to remove barriers to employment and provide a line of food products.

Humanim, a Baltimore not-for-profit is contracting with ACT to run the City Seeds program.

Haust said the facility will produce edibles for Johns Hopkins and Goucher College, hiring graduates of culinary training programs like Catalyst Kitchens. Based in Seattle, Catalyst Kitchens partners with programs around the country to train workers for culinary jobs.

“The goal really is to hire them, remove barriers to employment, provide them with on the job training and provide a line of food products,” Haust said.

In Washington, D.C., Union Kitchen operates a 7,300-square-foot for-profit incubator in a warehouse. The company, started by two partners who owned a Washington coffee shop, is adding a 22,000-square-foot

The above rendering of the planned Baltimore Food Hub is provided courtesy of Ziger/Snead Architects.

The Cajun Cook uses FEED Kitchens in Madison, Wis., to produce jambalaya starter kits.

Courtesy of Union Kitchen, Photo by Rebecca Dickerson

facility at another location and a 1,000-square-foot urban grocery near Capitol Hill.

"At the end of the day our goal is to grow the business and help other people get into the food business," said Cullen Gilchrist, co-owner of Union Kitchen.

Members typically pay a modest hourly rental to use commercial kitchens at culinary incubators. FEED Kitchens, an acronym for Food Enterprise & Economic Development, operates four commercial kitchens in a 5,400-square-foot building on the north side of Madison, Wis. Members pay from $15 to $25 an hour depending on how many hours a week they use the kitchens.

"We have two types of users, commercial and casual,' said Adam Haen, manager of FEED Kitchens. "Commercial is going to be anyone who needs to be licensed by the city or state and is going to sell to the general public. Casual is anyone doing stuff for themselves, family or friends or nonprofits doing good works."

Haen said a local couple used the kitchen to bake 90 pies they served to guests at their wedding, and a Madison nonprofit prepares Thanksgiving dinners for the poor and homeless. It plans to bake 2,500 pumpkin pies this year. In addition, Madison-Area Urban Ministry operates a program at the facility that teaches baking to ex-convicts and has placed several in jobs at bakeries.

Back in San Francisco, La Cocina occupies a 4,400-square-foot facility built in 2005 at a cost of $1.4 million donated by an anonymous donor. It is a non-for-profit that gets about 60 percent of its revenue from food products sold on its website and the rest from grants and donations.

The program typically has about 40 members who pay from $11 to $28 an hour to use the kitchen facilities, said Michelle Fernandez, development and communications associate at La Cocina. She said 97 percent are women, most are immigrants and all are low-income.

"It's a mix of packaged food producers and what we call prepared foods they sell to Whole Foods, farmers markets, food truck gatherings and catering," Fernandez said. "Many times some of these women will open a restaurant after they've been here a couple of years. I think we have nine brick and mortar locations."

La Cocina operates a store that sells gift boxes packed with sweet and salty snacks — including alfajores — online.

The idea of a kitchen incubator was really exciting because it was being around like-minded people collaborating on things.

(Above) Guisell Osorio began baking her alfajores cookies in the La Cocina kitchen incubator in San Francisco's Mission District.

Courtesy of Union Kitchen

Photo by A Muse Photography

Photo by Rebecca Dickerson

Just as there are many varieties of culinary incubators, so are there many reasons for becoming a member. Some, like Guisell Osorio, are beginners trying to make their way into the food business.

Others are pros seeking the help they need to change their business models — like Meredith Tomason, who was a pastry chef in New York before she moved to Washington with the goal of owning a bakery. Union Kitchen was ideal for Tomason.

"I left New York with the sole intention of starting a bakery in D.C., so I was looking for a place to work out of," she said. "I had everything I needed set up.

"The idea of a kitchen incubator was really exciting to me because it was me being around like-minded people, bouncing ideas off those people, kind of collaborating on things. It was a very good place for me to set my feet down when I first got here."

Tomason now owns Raresweets, a Washington bakery that employs 10 people. She said her business is based on making rare sweets, using recipes she has collected over the years. Tomason also sells her treats to a number of local cafes and coffee shops.

Most culinary incubators serve aspiring entrepreneurs who want to cook food, but some reach out to techies who have no interest in slaving over a hot stove. Food Lofts in South Boston, part of the Harvard Common Press, runs a program for tech entrepreneurs who want to start food-related businesses.

"We don't have a kitchen," said Lauren Alba, Food Loft managing director. "We're focused on food technology and the food tech community."

Food tech businesses run by Food Loft's members include a cheese website, food event planning and a website linking chefs and diners.

Food Loft's website describes it as "the first-ever co-working space dedicated to food and food tech startups. We're attracting bright, passionate entrepreneurs whose business ideas improve the current food landscape. The Food Loft is more than just a desk; it's a place to meet, network, and forge a future for food at the grassroots level." ●

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WHAT'S BREWIN' WITH ECONOMIC ACTIVITY?

Good times, that's what craft breweries are about. They offer patrons convivial brewpubs or tasting rooms where you can relax and chat with friends while you quaff a brew or two.

Or you can take home colorfully named craft beers in bottles adorned with fanciful labels.

If you're traveling you can sample Apocalypse Cow in Munster, Indiana; Arrogant Bastard Ale, in Escondido, California; or Hoptical Illusion in Patchogue, New York.

But craft breweries are about more than good times and good beer. They are also good for economic development.

The rapidly growing craft beer industry has become a significant player in the revitalization of decaying downtowns and shabby warehouse districts. Craft beer entrepreneurs frequently locate their breweries in derelict buildings. The investment can be substantial.

Gene Muller, owner of the Flying Fish Brewery, said he raised $7 million from investors to restore the Somerdale, New Jersey building where his brewery is located.

Potosi, a village on the Mississippi River in southwestern Wisconsin, is reaping substantial rewards from the 2008 opening of the Potosi Brewing Co. in a restored brewery that originally opened in 1852. The restoration of the old brewery cost about $8 million, said Potosi Brewery President Brad Saunders.

Leaders of the Potosi Brewery Foundation persuaded the American Breweriana Association to locate the National Brewery Museum there. The little-village-that-could beat out the traditional beer heavyweights Milwaukee and St. Louis for the honors.

"We're probably the only nonprofit organization that owns a brewery to make money," Saunders said.

Because of the brewery, said Village President Frank Fiorenza, Potosi has attracted a 500-seat special events center,

The Flying Fish Brewery in Somerdale, N.J.

a rehabilitated tavern and convenience store, tourist cabins and a contemporary art museum. That has created about 140 direct and indirect jobs in a village with a population of 700, he said, and has put Potosi on the tourist map.

"Last year, 2014, nearly 70,000 unique visitors signed our guest book," Saunders said. "They came from almost every state, and 39 different countries."

The Brewers Association, based in Boulder, Colo., has reported that craft breweries contributed $33.9 billion to the U.S. economy and provided more than 360,000 jobs in 2012." The association said there were 3,416 regional craft breweries, microbreweries and brewpubs last year, an increase of nearly 20 percent in just one year.

"With a strong presence across the 50 states and the District of Columbia, craft breweries are a vibrant and flourishing economic force at the local, state and national level," said Bart Watson, staff economist for the Brewers Association. "As consumers continue to demand a wide range of high quality, full-flavored beers, small and independent craft brewers are meeting this growing demand with innovative offerings, creating high levels of economic value in the process."

So what is craft beer? The Brewers Association defines craft beer as innovative, interpreting historic brewing styles, developing new styles and frequently including non-traditional ingredients added for distinctiveness. The Yak & Yeti Restaurant & Brewpub in Arvada, Colorado is among many craft breweries that feature jalapeno pepper beer.

Watson said craft breweries must be small, independent and traditional. Small means producing less than 6 million barrels of beer a year. Most craft breweries are much smaller. Potosi produces about 6,500 barrels a year.

Independent means less than 25 percent of the brewery is owned by a big, traditional brewer like Anheuser-Busch. The Brewers Association defines traditional as "beers whose flavor derives from traditional or innovative brewing ingredients and their fermentation. Flavored malt beverages (FMBs) are not considered beers."

Craft beer sales are growing rapidly, accounting for about 11 percent of all beer sales last year. Big brewers

The Potosi Brewing Co. in southwestern Wisconsin is home to the National Brewery Museum.

are adopting an "if you can't beat them, buy them" strategy for competing with craft breweries. Goose Island in Chicago lost its status as a craft brewery when Anheuser Busch bought the company.

Another community-friendly aspect of craft breweries, Muller said, is their local commitment.

"We're all local and the money stays in the community," he said. "It's not like it gets shipped off to Colorado or Europe."

"We're always looking to deal with local vendors or suppliers," Muller said. "We always go local first, then we look in the county and then in the state. It's win-win for everybody.'

The role craft breweries are playing in economic development has been recognized by academics and planners.

A paper by a graduate student in the School of Government at the University of North Carolina (UNC) cited the town of Kinston in the eastern part of the state as a good example of a community where a craft brewery triggered development.

The UNC paper said Kinston's downtown has come back to life since Stephen A. Hill and his son-in-law, Trent Mooring, opened their Mother Earth brewery in 2008.

"Kinston's downtown now shows burgeoning signs of life . . ," the paper said. "Once five o'clock hits, patrons from all over Kinston (and elsewhere) pour into Mother Earth, for locally crafted beer, fellowship, and, on some nights, live music. Mother Earth isn't the only reason for this recent downtown revival, but it can certainly take some of the credit."

In an article in its magazine, the American Planning Association alerted members to the impact craft breweries can have on communities that need an economic boost.

Butte, Montana's economy sagged after the city's signature copper mine closed in 1982. It has rebounded in recent years following the opening of two new crafter breweries, Quarry Brewing and Butte Brewing Co., said Planning Director Jon Sesso.

"It's just as much part of our economic development strategy right now as anything else," says Sesso.

CREATING WALKABLE TOWNS

Small communities use smart growth tools to gain an economic edge


Flickr photo by Michigan Municipal League/mml.org


Photo by Greenbelt Alliance

By Brad Broberg

Every community in America wants the same thing — an economy that rides high when times are good and rides things out when times are bad.

The recession tested the resilience of communities everywhere. Now, as the country recovers, communities are rethinking how to compete for the jobs and people needed to sustain a growing economy.

"The competition is about place — creating places where people want to be," says Roger Millar, vice president of Smart Growth America.

While different places appeal to different people, there's a growing awareness that walkable neighborhoods with a wide mix of uses provide communities a trump card as they strive to compete in a 21st century economy.

Neighborhoods where people can live close to work, get their groceries and grab a beer — all without needing a car — are the magnets that attract many of today's young professionals. Where they go, jobs follow.

"Millennials are moving to the places they want to live and then looking for work — and employers are chasing that talent," Millar says.

Walkable neighborhoods with a wide mix of uses compete in a 21st century economy.

There is a strong positive relationship between walkability and vital economic signs.

A 2015 report from City Observatory supports Millar's point. Between 2007-11, the city centers of the nation's largest metro areas — traditional hubs of walkability and mixed use — experienced stronger average job growth than outlying areas for the first time in decades.

Job growth isn't the only economic benefit linked to walkable/mixed-use neighborhoods. A 2012 study of Washington, D.C., neighborhoods by the Brookings Institution found a strong positive relationship between walkability and economic vital signs like office, retail and residential rents, retail revenues and residential sales prices.

That's terrific for large cities where walkable/mixed-use neighborhoods are deeply woven into the fabric of the community. But in the race for economic growth, many smaller cities, blue highway towns and suburbs of large cities aren't firing on all cylinders because they never developed walkable/mixed-use neighborhoods or because they need to grow and improve the ones they have.

The good news is that communities can do something about it by taking a fresh look at how they manage and stimulate new development and redevelopment through zoning codes, design standards, traffic controls and other planning actions going forward — especially in their central business districts.

"You can't control whether you are in the south or the north. You can't control the weather. But you can control your built environment (and) create a public realm that is interesting and exciting," Millar says.

There's an app for that — or at least a good read for anyone wondering what walkable/mixed-use living looks like. "City Comforts," a highly praised book detailing the characteristics of urban villages by Seattle broker and author David Sucher, distills the essential elements of walkable/mixed-use neighborhoods into three simple rules — all based on his belief that the relation between buildings and the sidewalk is paramount.

Rule one: Place buildings at the property line abutting the sidewalk. Rule two: Make sure windows and main entrances face the sidewalk. Rule three: Put parking lots below, above, behind or beside buildings — never in front.

Flickr photos by Michigan Municipal League/mml.org

"It's not a new design by any means. It's totally reverse engineering," Sucher says. "If you want walkable urbanism, copy the way neighborhoods were built pre-World War II."

Sucher's three rules go to the core of what makes walkable/mixed-use neighborhoods tick, but they can't force developers to build something they don't want to build or people to live where they don't want to live or businesses to locate where they don't want to locate.

"Ultimately, it depends on market demand. It can't be imposed politically. People have to choose it," Sucher says. "If people don't choose it, you're sunk."

While many small communities are short on supply, there's strong demand for walkable/mixed-use living beyond big cities, Millar says. With the price of urban living in big cities soaring, people are looking for less costly choices.

Rifle, Colo., applies form-based codes

Rifle, Colo., population 9,500, is gunning to be one of those choices. "We want to become a place where you can afford to live and afford to do business," says Nathan Lindquist, planning director.

Rifle is located three hours west of Denver across the Rocky Mountains. The town has doubled in size over the last decade thanks to the region's energy boom and attractive outdoor lifestyle and the town's relatively affordable housing compared to other places in the region like Vail, Aspen and Glenwood Springs. However, it needs to attract new businesses to diversify its economy, Lindquist says.

"The jobs part is the hard part," he says.

Like many small towns, Rifle — founded in 1882 — has a historic downtown with the bones to become the kind of walkable/mixed-use neighborhood that many people — and by extension employers — find attractive.

There's strong demand for walkable/mixed-use living beyond big cities.

Photo by JimmyEmersonDMV

Rifle, Colo.


Photo by Richard Bauer

Photo by Tom Eats

The town has primed the pump for development with a new form-based downtown zoning code.

The town has primed the pump for development with a new form-based downtown zoning code that allows greater density and mix of uses, a downtown strategic plan that includes adding transit service and a new downtown park and library. The town also recruited a movie theater to build a multi-plex on municipal property downtown and converted an aging movie house into a new events center.

Rifle put out development pro formas for mixed-use projects on five "opportunity sites" where property owners are willing to sell. One deal has already been concluded involving a developer with plans for a housing/retail/office project.

"This is what people want, and I see that realization dawning here more and more," Lindquist says.

Rifle's next move involves curing an ill plaguing many small towns. Main Street — in Rifle's case Railroad Avenue — is actually a state highway. Designed to move high volumes of cars at relatively high rates of speed, state highways make it almost impossible to create a walkable/mixed-use neighborhood when they double as Main Street.

Recognizing the highway was a drag on downtown development, the state awarded Rifle control of the road — and $5.6 million that had been earmarked for maintenance — so it can be urbanized with continuous sidewalks, street trees and other pedestrian-friendly features.

Grand Rapids goes for greater density

Grand Rapids is Michigan's second largest city with a population of 190,000. The city, a two-plus-hour drive west of Detroit, had not changed its zoning code in nearly 40 years when it adopted a new form-based ordinance in 2007. Based on a citywide master plan adopted five years earlier, the code "really prepared us well" to emerge from the recession on a roll, says Suzanne Schulz, planning director.

Flickr photos by Michigan Municipal League/mml.org

Grand Rapids, Mich.

Produced with extensive community involvement, the plan and code allow greater density downtown and greater mixed use in the city's neighborhoods than previously permitted.

"That's what developers are building," Schulz says. About 1,200 new multifamily housing units are on the drawing board or breaking ground downtown and in neighborhoods.

The city's Downtown Development Authority recently awarded tax breaks to help developers build a new downtown concert venue, an adjacent 14-story apartment tower and a 13-story office tower — the latest in a series of projects transforming Grand Rapids into "a little Chicago," Schulz says.

Salisbury, Md.

Photo by BeyondDC

"Millennials are moving to Grand Rapids in droves because we're getting enough density to be cool," Schulz says. That and the fact "they love that we're putting in bike lanes."

All of that gives Grand Rapids a competitive economic edge, Schulz says.

"Quality of life matters to the companies that are here and the companies we want to attract," she says. "When I talk to other places, companies are beside themselves because they're committed to their community, but they can't hire people to come there."

Salisbury, Md., focuses on Main Street

Smart Growth America chose Salisbury, Md., population 33,000, as one of 18 communities to receive free technical assistance last year to pursue smart growth goals such as walkability and mixed use.

A two-day walkability workshop helped the eastern shore city identify ways to make downtown more inviting for pedestrians and cyclists — information Salisbury is incorporating into a broad effort to make downtown a more walkable and livable place.

"We are working on this at all levels," says Jacob Day, city council president.

Salisbury completed a downtown revitalization plan in 2012 with the goal of adding 300 jobs, 500 housing units and 10,000 square feet of commercial space to downtown. Key elements include surplusing a sea of city-owned parking lots so they can be transformed into residential/retail/office developments and giving Main Street a makeover with uniform sidewalks, lighting, signs, benches and plantings.

Salisbury put out requests for proposals to develop three surplused parking lots and will start work this fall on an $8.5-million Main Street improvement project. To encourage development, the city is offering to waive water/sewer connections fees for downtown projects.

The city helped launch trolley service between downtown and Salisbury University, sold an old downtown firehouse that is now a music venue and started third Friday and first Saturday events showcasing visual arts and performing arts in the downtown on a monthly basis.

Redwood City, Calif., comes alive

A decade ago, Redwood City, Calif., was a place without a pulse. “It was known as Deadwood City for a long time,” says Aaron Aknin, assistant city manager. “The downtown hadn’t seen much economic activity in decades (and) there were very few housing units.”

Things have changed dramatically since then as Redwood City, a city of 80,000 people 30 minutes south of San Francisco, is turning its downtown into a model of walkability and mixed use where jobs, housing, shopping and entertainment are all within a 10-minute stroll of each other.

One of the keys to the turnaround was to “recognize that downtown forms one big (neighborhood)” rather than segregated clusters of different uses, Aknin says.

> One of the keys to the economic turnaround was to recognize that downtown forms one big neighborhood.

Photo by Liz Henry

Redwood City, Calif.

The Downtown Precise Plan, adopted in 2011, introduced form-based zoning that allows office, housing and retail anywhere in downtown — with a few exceptions — as long as projects meet stringent but clear design requirements.

Along with gathering extensive public input, Redwood City completed a blanket environmental impact statement for the entire plan so developers don’t need to complete environmental reviews for individual projects. “If they come up with a project that meets the plan, the approval process is relatively easy,” Aknin said.

Before adopting the plan, the city gave the downtown a jump start by leading a public-private partnership to build a multi-plex theater and by demolishing an annex to the historic San Mateo County Courthouse so it could create Courthouse Square, where hundreds of public events are held every year.

Hundreds of apartment units and several hundred thousand square feet of office space have been built in downtown Redwood City since the plan was adopted. The city scored a huge coup when Box, a cloud computing company, announced last year it was moving its headquarters — and 1,000 employees — to downtown Redwood City from neighboring Los Altos.

The fact that downtown Redwood City has a Caltrans train station was essential to Box because 400 of its employees commute from San Francisco. The availability of a large building site was also a must. But the company had one more question, Aknin says. “Is there a neighborhood around our office?”

After burying its Deadwood City image, Redwood City can emphatically answer, “Yes!”

Brad Broberg is a Seattle-based freelance writer specializing in business and development issues. His work appears regularly in the Puget Sound Business Journal and the Seattle Daily Journal of Commerce.

Vibrancy of the Smaller Metropolises

Smaller cities are thriving by providing urban amenities, affordable housing and sustainability efforts

davidwilson1949/flickr.com

By Brian E. Clark

When Chris James told his wife, Lindsay, last fall that he wanted to take a job teaching at the University of Dubuque's theology school, she was, frankly, underwhelmed.

The family — which includes two kids under age 5 — was living in Boston at the time and Lindsay could not imagine living in a small Iowa city. But she agreed to give Dubuque a try and says she has been delighted with the move.

"We're both originally from the West Coast and had never had a Midwest experience," she said. "He was excited about the opportunity, but I wasn't. I realized after living here a short time, however, that this city has a lot to offer. I enjoy being in Dubuque for a variety of reasons, not the least of which is the opportunity to own our own home, with a big yard for the kids right next to the college where Chris teaches."

The James clan isn't alone. Many other families from urban areas have made the move to smaller cities in recent years and found them to their liking because of lower housing costs, friendliness and a slower pace of life.

Many families from urban areas have made the move to smaller cities.

Young people and boomers are also part of the trend, focusing on walkable downtowns.

In Boston, the James family paid $1,400 a month for a two-bedroom, one-bath apartment and their kids often played on a concrete parking lot in the back of their building. Now, she said, they have a three-bedroom, two-bath home within walking distance to her husband's job. They paid $173,000 for the house and the adjacent grassy lot. Their mortgage is just $900 a month.

Photo by Nicky Story

"Our kids love it here," she said. "It's dramatically different and very nice. Neighbors come out of their houses and introduce themselves. Kids play outdoors here a lot more. My 5-year-old is at a small pre-school and I'm able to serve on the PTA."

She lauded the city's "Distinctively Dubuque" program for newcomers, which has introduced her family to museums, park, cultural activities and other offerings.

"We're looking forward to summer to do more exploring," she said. "And I have to say that I was pleasantly surprised by how beautiful Dubuque's location is in the bluffs rising from the Mississippi River. My stereotype, of course, was that Iowa was just flat cornfields."

Terry Duggan, a former mayor of Dubuque, said his city has rebounded significantly in recent decades and that the James family is an example that Dubuque is on the upswing. Back in the 1980s, he said, unemployment in the area was over 20 percent after the John Deere agricultural equipment maker laid off 5,000 employees and a meat-packing plant closed and laid off 3,000 workers. When the plant reopened, wages were cut in half. The future looked bleak.

"There were satirical T-shirts printed back then that asked 'Will the last person leaving Dubuque please turn off the lights?'" he said. "A lot of people left during that time."

But Duggan, a real estate broker who served as mayor from 1994 to 2006, said eventually John Deere began hiring again, the city's economy diversified and Dubuque bought 960 acres of land to build what has become a successful industrial park. Nordstrom built a regional distribution center there and local companies expanded. The city also has a 100-acre technology park that is nearly two-thirds full.

"When I was running for mayor and knocking on doors, one lady scolded me and said 'I raised and educated three kids here and they now live in Houston, Denver and San Francisco. A smart mayor would figure out a way to get them back to town with good jobs.' And some of them have."

"Dubuquers are pretty resilient," said Duggan, who worked with a new city manager and the director of the Greater Dubuque Development Corp. after he was elected to promote a more user-friendly experience for people dealing with city hall.

"We had to restore confidence in ourselves and our government, rather than being in an adversarial relationship," added Duggan, chairman of the Iowa Real Estate Commission and owner of Duggan Iowa Realty.

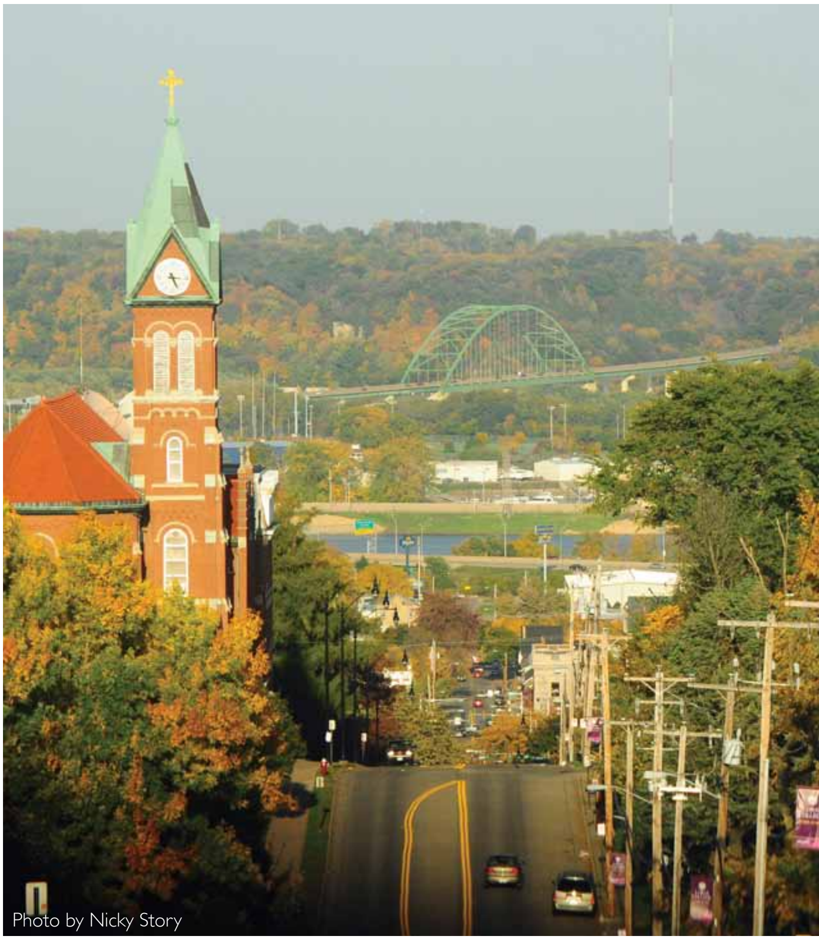


Photo by Nicky Story

Downtown Dubuque, Iowa

"It's worked, because we've had major expansions of 18 industries here in town in recent years. Being a businessman, I was all for government providing the necessary tools and then just getting out of the way."

Unemployment is now at around 3.5 percent. He said the city also cleaned up high-crime areas, added parks, renovated homes — rebuilding their front porches to improve neighborliness — and gotten grants to improve the city's picturesque downtown, which dates to the mid-19th century.

Dubuque has focused on becoming more sustainable while it pursues economic growth and cultural vibrancy.

"One of the first things we did was buy the old Merchants Hotel on Lower Main Street, knock it down and replace it with the new Chamber of Commerce building," he said. "If you didn't know, you would think it was built in the 1800s because it looks so authentic."

"There was a cost to the taxpayers for doing this, but it's been worth it," he said. "Over time, we've worked on 40 to 50 houses. It's been a remarkable transformation." Nor did it hurt that in 2003, the National Mississippi River Museum and Aquarium opened on Dubuque's waterfront, attracting more than 250,000 visitors a year.

Dubuque has also focused on becoming more sustainable while it pursues economic growth and cultural vibrancy, said Cori Burbach, the city's Sustainable Community Coordinator. That effort began in 2006 when the city council appointed a diverse group of 40 members that included environmentalists, the Chamber of Commerce, schools and neighborhood associations.

The National Mississippi River Museum and Aquarium in Dubuque, Iowa.

"One of the best examples is our 'Smarter Sustainable Dubuque' effort, which is a partnership with IBM and its 'Smarter Planet Initiative,'" she said. "We've really tried to give our residents access to data with 'personalized dashboards' that show how they use resources so they can make more educated decisions. A lot of it has centered around smart meter use, but we've also tackled the silos of water use, energy, transportation and the most recent one we finished was garbage and recycling. For some, this is about conserving resources, for others it's about saving money and their economic bottom line."

She said the city has also redesigned public transit routes to make it easy for users to get around — which resulted in a 28-percent hike in bus usage — added bike racks on buses for cyclists and helped start community gardens around the city. The first one was for a homeless shelter. Now, she said, each fire station has a garden and firefighters work with neighborhood kids to tend them.

"Dubuque is a very hilly city," she said. "So people can ride down hills to get work, but getting home can be very difficult. With the racks, though, a lot more people are riding — at least one way."

Out in Bozeman, Montana (population 39,000), new residents are flowing in to take advantage of the region's rugged natural beauty, numerous hiking trails, trout streams and three excellent ski resorts, including Big Sky and Bridger Bowl. It's also home to Montana State University and its 16,000 students. To serve its growing population, new houses are springing up and developers are putting up 1,000 new apartments. The price of an average three-bedroom, two-bath house remains high, however, at roughly $255,000.

Though the most recent recession hit Bozeman, it has rebounded nicely. According to Daryl Schliem, head of the local Chamber, the 90-mile region surrounding the city generated almost 50 percent of the state's tax revenue last year. He arrived in 2010 and encouraged the city to create an economic development department, which now has a staff of two. Since then, the economy has diversified, attracting high-tech companies such as Zoot Enterprise, which was recently purchased by Oracle.

Sustainability is also important in Bozeman, with a focus on energy efficiency, reducing greenhouse gas emissions,


Courtesy of USFWS Fisheries


Photo by Dan Nguyen

The 90-mile region surrounding Bozeman generated almost 50 percent of the state's tax revenue last year.

Our triple bottom line is people, planet and profit. It has to make social and economic sense.

water conservation, stormwater management and developing a Complete Streets program to make the city more walkable and bikeable, while integrating all types of transportation.

"Our triple bottom line is people, planet and profit," said Natalie Meyer, the town's sustainability program manager. "It has to make social and economic sense."

"Many of our buildings have solar energy and are LEED-certified," she said. "And every time we embark on a new structure, there is an emphasis on making it as sustainable and efficient as possible. We also have four community gardens managed by the city — including one at city hall — among others so people can grow their own food. And we're working on infill and increasing urban density."

Urban residents are also moving to the small southeastern Pennsylvania cities of York and Lancaster in what many people know as Amish Country.

Bill Hartman, president of the York County Community Foundation, said there has been a big emphasis on revitalizing downtown York to make it more vibrant and attractive to residents with more restaurants and entertainment options. Many of them have opened in historic brick buildings that were built in the Colonial and Federal styles in the 19th Century.

York (population 40,000) suffered during the recent downturn but has bounced back and diversified its economic base spread among manufacturing, wholesaling, retail and a small but growing tech sector. The city also has a baseball team, the Independent League York Revolution, which plays in a new stadium. Its construction spurred more than $50 million in construction in the surrounding neighborhood.

Shilvosky Buffaloe, interim director of the city's Economic and Community Development Office, said York has benefitted from investors who have renovated buildings in the downtown.

"We're not very big, just 5.2 square miles, so with half a dozen young developers taking on projects in the city and pushing urban revitalization, the excitement is palpable," he said. "We've got traction."

Buffaloe said sustainability is a key part of the city's efforts to improve itself and make it more attractive to residents.

"We're developing a 'Green Print' for York," he said. "We're looking at creative ways to manage stormwater runoff and other impacts that happen when you develop as densely as we are doing in our urban core. We're also trying to tie in various intermodal transportation elements with our bike paths and pedestrian walkways and mass transportation so it all works cohesively to reduce the amount of vehicular traffic overall.

"In addition, we're working with other stakeholders in the community through the 'Eat, Play, Breathe York' program, which is geared to getting children to be more active. And we're trying to do a better job of connecting the 4,500 students at York College via the York County Heritage Rail Trail. The school's main commons is less than a mile away, so it's easily bikeable or walkable. We want the students to embrace the city more and vice versa."

About 25 miles to the east across the Susquehanna River, the city of Lancaster (pop. 40,000) is also experiencing a boom, said two-term mayor Rick Gray. Plans are being developed to add a second tower to the downtown Hyatt Hotel, which is part of the city's convention center.

"Our progress has been the product of cooperative effort with a diverse group of people — including business and neighborhood groups — working together, none of whom cared who got the credit for it," he said. "We have a hotel convention center that cost $170 million after it survived nine lawsuit attempts to block it. People said the sky was falling, but because of public/private financing we finally got it built."

He said the convention center spurred the opening of new restaurants and retail shops in historic downtown Lancaster. In addition, he said city and private investors also put $8 million into structural upgrades at Lancaster's popular public market, which was built in the 1880s and was "getting a little long in the tooth."

Our progress has been the product of cooperative effort with a diverse group of people — including business and neighborhood groups.

Lancaster, Pa.

Photo by Richard Yuan

Photo by Ferd Brundick

Streetscape improvements also have enhanced the city's attractiveness, he said. As a result, four blocks of North Prince Street has been transformed into Gallery Row with numerous art galleries that draw not only locals downtown, but visitors from Baltimore and Philadelphia. The Pennsylvania College of Art & Design is also located on North Prince. York's Fulton Theater — the oldest continually operating theater in the country — presents top shows featuring actors from New York and is making money, too, he said. The city's orchestra is also popular, he noted.

"Some people have described Lancaster as a little Boston," he said. "I'm not sure about that, but I take it as a compliment."

Gray — an attorney who has lived in the same house for 42 years — said people are rediscovering the walkability he has enjoyed for decades. He strolls several blocks to his downtown office and has lunch almost every day with his wife, an artist whose studio his just one block from their home. Sometimes he walks home for lunch.

"You could say this is an old-fashioned lifestyle that has come back into vogue," he said, noting that the city is working to promote walking, cycling and public transit in town to serve and attract old and new residents. "Young people don't like to be car dependent and many boomers are giving up suburban living to live in downtowns all over. Why, I can walk to nearly 30 restaurants from my house. Half a block from city hall, a condo building is going up with prices ranging from $450,000 to $750,000. Before a spade hit the ground, 12 of 14 were sold. That's remarkable."

Jeff Speck, an urban planner and author of "Walkable City," said Lancaster has a lot of things going for it, including numerous downtown anchors, great restaurants, a thriving arts scene, history and other cultural activities.

"It's super walkable as American cities go," said Speck, also the principal of Speck & Associates and author of Lancaster's walkability study. "It's a beautiful place to live with one of the largest historical districts of any city in the country and a walkable train station, too."

But Speck said most of Lancaster's downtown streets are state highways, which means the city is locked in ongoing negotiations with the Pennsylvania Department of Transportation to reclaim them.

"Right now, the typical downtown street is a three-lane, one-way road that encourages drivers to speed, so drivers are going 40 instead of 25," he said.

Streetscape improvements have enhanced the city's attractiveness.

Photo by Joseph Wigenfeld

The city of York, Pa.

If he could redesign those roads, which he did in his report, he'd revert them back to a two-way network to slow down drivers. He knows that may take some time, so in the short term (while they remain one-way), he'd convert the three-lane thoroughfares back into two-lane streets.

"A typical block in downtown Lancaster has half a block that is already a two-lane road with parking on both sides," he said. "But the other half of the block has three wide lanes of driving and no parallel parking. Unfortunately, that undermines both the safety of the pedestrians using the sidewalk and undermines the vitality of shops that depend on people parking in front of them. You don't want to be hanging out on the sidewalk and walking or dining without parallel parking." ●

Brian E. Clark is a Wisconsin-based journalist and a former staff writer on the business desk of The San Diego Union-Tribune. He is a contributor to the Los Angeles Times, Chicago Sun-Times, Milwaukee Journal Sentinel, Dallas Morning News and other publications.

Catalytic Spaces

STIMULATE ECONOMIC DEVELOPMENT

By Christine Jordan Sexton

See-saws, swings and slides and scenes of children running and playing are usually the images most people associate with a park.

Parks across the nation, however, are also green spaces where adults gather to mingle, which in turn, is driving retail and redevelopment. They have been transformed into economic drivers that are helping to rebuild America's urban core.

"The usage and designs of parks have changed dramatically over the past 20 years," said Michael Stevens, president of the Capitol Riverfront Business Improvement District in Washington, D.C., which is charged with maintaining and programming Yards Park.

This park in the nation's capital has quickly become the cultural hub of the community known as The Yards — a 42-acre mixed-use community that when built out is expected to have 2,800 residential units, retail, office space and restaurants.

"In the suburbs, a park is a civic investment but not necessarily envisioned as leveraging reinvestment. It will be used by the neighborhood, but it won't have a catalytic effect, it will have a stabilizing effect as a community building block," Stevens said. "Yards Park really has been catalytic in that it not only helped stabilize the neighborhood, it triggered a wave of new development and investment."

Yards Park not only has jump-started investment in the mixed-use development with the same name, it also has helped spawn development in the greater Capitol

Photo by Ryan Gravel

(Photos above and left)
Courtesy of Atlanta BeltLine

(Below)
Yards Park in Washington, D.C.

Parks create community, sense of place and identity and brand the neighborhood as attractive to millennials and families.

Riverfront Community, a 500-acre waterfront neighborhood in southeastern Washington, D.C. Yards Park, and the more recently opened Canal Park, have created community, sense of place and identity where none had existed before. They have helped to brand the neighborhood as attractive not only to millennials, but to families who locate here and visit from adjacent neighborhoods.

Since Yards Park opened in 2010 there has been a flurry of activity including:

- The opening of a 50,000-square-foot grocery store, Harris Teeter, in an 88,000-square foot mixed-use space that also includes Vida Fitness, and its affiliated "offerings" Bang Salon and Aura Spa. They are alongside a new apartment building known as Twelve12, which also includes two apartment buildings that offer 218 smaller, market-rate and affordable apartments.
- A $14.6-million investment to modernize the Van Ness Early Education Center. The school initially opened in 1956, and for the past nine years, it has only housed DC Public School staff, but will reopen for students in fall 2015.
- Reuse of the historic 35,000-square-foot historical building called The Lumber Shed, which now houses Ice Cream Jubilee, Agua 301 and Osteria Morini, as well as the offices of the developer Forest City Washington. Two additional restaurants will open in the building later this year.

There is no doubt development is booming and proof can be spotted in the amount of sales tax being generated in the areas. Sales taxes have increased significantly, with restaurant sales tax jumping from $2.38 million in 2012 to $4.76 million in 2014. Retail sales tax, which excludes restaurants, jumped from $1.33 million in 2012 to $4.43 million in 2014.

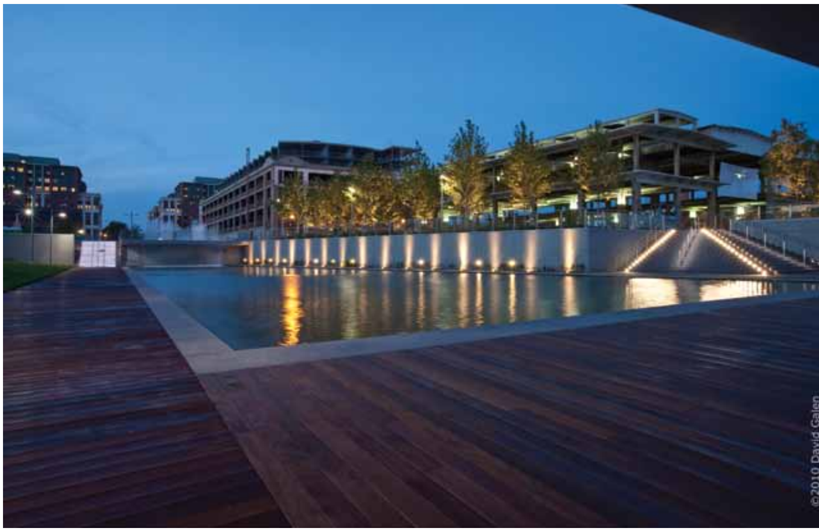
The Capital Riverfront Business Improvement District notes that residential property taxes increased to an all-time high of $23.2 million in 2014, up from $19.9 million the prior year and about $17.6 million in 2012. In the last three years alone, a whopping $453.6 million in new tax revenue has been generated by development in the Capital Riverfront area.

The popularity of the neighborhood can also be seen in the amount of residential development that is occurring. Currently, nine residential buildings containing 2,860 residential units are under construction, and another 1,325 units are in the development pipeline. Over 4,700 people call the Capitol Riverfront home, and that population is expected to double in the next three years. The parks and access to the river have been definite attractions when marketing the residential components of the neighborhood.

Dan Melman, vice president of Park and Public Realm for the Capital Riverfront Business Improvement District, notes that the riverfront community was experiencing an uptick in development and new retail and jobs before the development of Yards Park.

That activity was due, in part, to the $611-million investment in the new Nationals Stadium, the first Leadership in Energy and Environmental Design Green certified major stadium in the United States. Melman said that some

Yards Park in Washington, D.C., Courtesy of Capitol Riverfront



Popularity of the neighborhood can also be seen in the amount of residential development that is occurring.

of the increases in residential development could be attributable to the baseball stadium and perhaps new employment opportunities. But he asserted that it also could be attributed to people seeking a better quality of life. "Quality of life," Melman said, "could be tied to parks and green space and access to the river."

Additionally, Stevens notes that Yards Park was the first improvement in The Yards community. It made people want to live in the Capitol Riverfront neighborhood. Thousands of people began to use the park space, thereby creating demand for additional services. Retail, hotels and residences started to sprout up because developers were following the demand.

"It has been an anchor development," Stevens said.

Yards Park appeals to the young, the old, and all those in between. It was designed to offer visitors access to several different outside "rooms" Stevens said. There are seasonal plantings and areas to keep the sun off that may attract the elderly or those with young children. There is a modern bridge and light feature; riverfront boardwalk; a terraced performance venue area that accommodates large crowds, but also offers quiet spaces; and a canal basin and waterfall feature.

Equally important as the built environment is the unique programming that brings concerts and festivals to the former Navy shipyard industrial center and keeps people coming back to the area. Yards Park hosts the Friday Night concert series in the summer that has attracted as many as 2,500 people into the park. Not only do people come by land to see the concerts, but many choose to come by boat across the Anacostia River to hear the music and enjoy the view of the park.

Sometimes, though, there is no programming, which is intentional. Not only does it give the park a rest from large crowds and traffic, it also gives people who are visiting the park the opportunity to just relax and enjoy the green space and views of the river.

Stevens also stressed that in addition to programming, parks need a funding commitment to keep them well maintained and vital and to foster future growth. The Yards Park, initially built by the District of Columbia government, is funded through several revenue streams, including a self-imposed tax agreed to by the developer, corporate sponsorships and up to $400,000 in sales tax revenue generated by the new restaurants that are located in the Lumbershed

Thousands of people began to use the park space, thereby creating demand for additional services.

Yards Park photos courtesy of Capitol Riverfront

Building overlooking Yards Park. Anything generated beyond that goes back to the city.

Further south in Atlanta, Ga. another ambitious plan is taking shape.

The Atlanta BeltLine, when complete, will connect a 22-mile pear-shaped loop of historic rail lines around the city with multi-use trails and will also add an additional 11 miles of trails into existing neighborhoods to give residents access to the first and last mile of safe connection to mass transit.

When complete, the BeltLine will add 1,300 acres of parks and will have remediated 1,100 acres of brownfields. The goal also is to bring workforce housing to 5,600 people who want to own and rent. Through the end of 2014, 985 affordable housing units had been created.

Perhaps the best known park in this cluster is the Historic Fourth Ward Skatepark. As the name suggests, the park offers skateboard amenities but also includes a large multi-use athletic field as well as a playground for children.

President and Chief Executive Officer of Atlanta BeltLine Inc. Paul Morris said that $400 million has been spent "on the ground" either on construction of the parks and trails or on cleaning up formerly contaminated spaces.

That investment, 90 percent of which was federal, state and local money, has yielded another $2.4 billion in private capital investment in the area, meaning that $6 dollars in private capital followed every $1 in taxpayer financing.

"We think that's a good start," Morris said in March, noting that most private investments were made "within walking distances from where our private developments are occurring."

Similar to Yards Park, there is programming along the BeltLine which helps draw crowds. For the last five years the park called on local, national and international artists to participate in the Art on the Beltline, the city's largest temporary public art exhibit. When the exhibit kicked off in 2010 there were more than 40 works. The following year the exhibit increased to more than 66 individual and performance works. By 2014 the number of selected projects grew to more than 100 pieces.

Park programming helps draw crowds.

Courtesy of Atlanta BeltLine, Photo by Christopher T. Martin

Courtesy of Atlanta BeltLine, Photo by Christopher T. Martin

Courtesy of Atlanta BeltLine, Photo by Jennifer Jezyk

Photo by Travis Estell

Photo by Travis Estell

The exhibit is shown from September through November and it kicks off with a Lantern Parade that in 2014 featured 20,000 revelers who made color lanterns — either at home or at a workshop — and danced in the streets with their lights.

One early investor in the BeltLine was Kevin Rathbun, a successful restaurateur in Atlanta. He was the executive chef and corporate chef for three Buckhead Life Group restaurants in Atlanta, but when he decided to strike out on his own, he opened his first restaurant, Kevin Rathbun's Steak, on Inman Street by the Eastside Trail. The Eastside Trail was the first multi-use trail completed in the BeltLine. The trail runs from the tip of Piedmont Park to Inman Park and the Old Fourth Ward.

"We never could have predicted the transformation of the abandoned rail corridor next door," Rathbun said. "We knew something good would happen. But the thousands of people who walk and cycle past the restaurant on a daily basis are proof that the Atlanta BeltLine is working for residents, visitors and businesses like mine," Rathbun recently told the Atlanta Journal-Constitution.

The historic Over-the-Rhine neighborhood in Cincinnati, Ohio, has experienced a renaissance with the extensive renovation and expansion of Washington Park. A $48-million partnership between the city and the Cincinnati Center City Development Corporation — known as 3CDC —helped transform the run-down, eight-acre park that drug dealers and prostitutes called home into a gathering place that features a civic lawn, performance stage, a 7,000-square-foot water feature with 130 pop jets, a playground, a dog park and even a 450-space underground garage for those who can't walk to the park.

The project was a finalist for the Urban Land Institute Open Space Award for 2014. "It's been a tremendous story in many ways, one of which is economic," said Steve Shuckman, who works for the city of Cincinnati as the superintendent of park planning and design.

"Clearly, it has driven the development of many, many, new restaurants and shops up and down Vine Street, just a block away, and where nobody would even walk before."

The park has been a tremendous economic story.

Photo by Travis Estell

Photo by David Brossard

Washington Park in Cincinnati, Ohio

Over-the-Rhine had the dubious distinction of being one of America's most violent neighborhoods. But it also was known as having one of the largest historic districts. The architecture in the area is a mix of Greek Revival, Italianate and Queen Anne, with some Art Deco buildings here and there. Its collection of historic architectural buildings rivals that of Savannah, New Orleans and Charleston.

In addition to bringing retail and restaurants into the area, the School for the Creative and Performing Arts is relocating and will be on the southern end of the park. The nonprofit 3CDC, which is responsible for much of the activity, also has moved its offices and is across the street from the western end of the park.

Similar to the other catalytic parks, Washington Park is programmed with activities year round meant to draw people to the area, such as the MidPoint Music Festival.

Holly Redmond has been a REALTOR® for 11 years and for eight of those years she has been selling 3CDC properties in the Over-the-Rhine neighborhood.

When she first started showing condominiums, she said it would take a couple of years for the building to totally sell out. Recently, though, one building sold out in just one day and another sold out in less than two months.

The park has activities year round to draw people to the area.

She shows properties that range in price from $94,000 for a one-room studio condominium to a three-bedroom unit that costs upward of $600,000.

"Washington Park was a huge catalyst," she said, adding, "now people are clamoring to be downtown."

When she is showing real estate, Redmond said the time spent with the client never starts with a walk through the condominium.

"We walk through the neighborhood and tell them what retailers are coming next and which restaurants," she said. "By the time we're done, they are so excited." ●

Christine Jordan Sexton is a Tallahassee-based freelance reporter who has done correspondent work for the Associated Press, the New York Times, Florida Medical Business and a variety of trade magazines, including Florida Lawyer and National Underwriter.

FOSTERING AN *Entrepreneurial Culture*


Courtesy of Las Vegas News Bureau


Courtesy of Domi

(Photo left) Downtown Project, the brainchild of Internet entrepreneur and Zappo's founder Tony Hsieh

(Photo right) Domni Ventures in Tallahassee, Fla., is cultivating a supportive community for entrepreneurs.

By Christine Jordan Sexton

Las Vegas, Nevada may conjure up images of Elvis, show girls or the Rat Pack.

These days, though, there's much more to southern Nevada than gambling, glitz and shows. Like many other cities around the country, Las Vegas has been working on diversifying its economy and nurturing a high-technology ecosystem.

Instrumental in the emerging high-tech focus has been Downtown Project, the brainchild of Internet entrepreneur and Zappo's founder Tony Hsieh. Downtown Project is a $350-million investment to revitalize downtown Las Vegas through real estate investments, investments in small businesses and investments in high-tech startups.

Downtown Project is the umbrella organization that functions similarly to a holding company, and has underneath its auspices a number of different business interests including real estate developments and investment funds for small businesses as well as high-technology startup companies.

Under the Downtown Project umbrella is VegasTech Fund, a seed stage investment fund.

George Moncrief, 40, and co-founder of Raster Media is the entrepreneur in residence at VegasTech Fund. His job is to help high-tech startups meet their potential through mentoring and in turn help build a vibrant tech community in downtown Las Vegas.

VegasTech Fund has appropriated $50 million to invest in startups and Moncrief said they have deployed a little over $30 million of that over the last four years in about 160 companies.

One such company is Rolltech, named after the bowling app that is available for iOS and Android users. The app allows bowlers to automatically track their scores and stats both over a period of time as well as in real time. Rolltech users can also see how they rank against other Rolltech users throughout the United States and even the world.

Rolltech founder and chief executive officer Rich Belsky said that the app is used in more than 40 countries and in more than 3,000 bowling centers.

Belsky moved to Las Vegas from Pennsylvania after graduating from the University of Pittsburgh with his law degree

Las Vegas has been working on diversifying its economy and nurturing a high-technology ecosystem.

in 2005. When first arriving in Vegas, Belsky wrote for a Poker magazine and produced video for the company. After leaving his writing gig, Belsky started managing professional poker players. But in the wake of an indictment following United States v. Scheinberg — often referred to as Black Friday in the poker world — the poker business crumbled and Belsky started consulting and advising small businesses.

After a few years hiatus from the sport, he started bowling in a local league with some friends and watched his game improve. It was then that he got the idea for Rolltech. He initially raised funding for the project from his friends and family and hired an out-of-town developer "to get things kicked off."

It was about that same time that Belsky also started attending weekly "Jellies," or meetings for those who were interested in technology startups. Held in an attic above a coffee shop, the Jellies were organic, not sponsored by any large company, just a by-product of interested locals. The Jellies gave people the opportunity to learn, but also gave them the chance to pitch ideas to others who were interested in the high-tech scene.

To foster startups, Tech Cocktail Week is held at Downtown Project Las Vegas; Photos courtesy of TechCocktail

As Moncrief said, the Jellies drew large crowds. "The meetings just blew up."

Belsky agrees.

"The idea was to create collisions," he said, referring to the well-known catch-phrase that entrepreneurship is a contact sport and collisions are required for success. "That's when the magic happens."

Though he already had a developer for his app, Belsky met his first in-town developer at one of the Thursday night Jellies.

"And that's when it all really took off in earnest," he said, adding that working side-by-side with a developer as opposed to long distance made all the difference for him. "There's so much energy when people are in a room working together."

Shortly thereafter, Belsky said, he realized to get the app operational they needed more capital and met with VegasTechFund and Moncrief. The rest is history.

Moncrief said VegasTechFund is interested in early stage startup companies that, like Rolltech, have a product that is ready to go to market. But it's more than just the product that VegasTechFund is interested in; it's the people behind the product. It's about living, working and playing in Las Vegas and, more importantly, about being involved and giving back to the community.

Moncrief said location initially wasn't a priority for VegasTechFund but now it wants to focus more startups located in the Las Vegas area, which means those outside of Nevada would have to move in.

"We don't try to hard sell it," Moncrief said of the Las Vegas location. "We want them to come out and we want it to be good for them and good for us."

Rolltech's Belsky says among those in the high-tech hub in Las Vegas there is "an ethos of offering to the community what you have received from it. And that generates a community with a lot of heart and a nurturing ecosystem of support."

While the Las Vegas entrepreneurial movement benefitted from a $350-million endowment not all cities and counties have those kinds of benefactors. However, it doesn't mean that the entrepreneurial spirit doesn't' soar.

The Kauffman Foundation hosted The Mayor's Conference on Entrepreneurship in 2013 and in 2014. The idea behind the conference is to provide mayors with ideas that can easily be implemented, said Jason Wiens, policy director for the Kauffman Foundation.

Twice as many mayors attended the 2014 conference in Louisville than did the inaugural conference in Kansas City. The location for the 2015 conference has not been announced.

One idea introduced by Kauffman Foundation at the conferences has been 1 Million Cups. The idea is to "caffeinate the community" and to connect entrepreneurs to mentors, advisors and entrepreneurs in the community who can provide feedback. The meetings take place every Wednesday from 9 to 10 a.m. in co-working spaces or coffee shops. There are 1 Million Cups programs in 50 cities.

Tallahassee, Florida is one of the 50 cities with a 1 Million Cups program.

Tallahassee is known for a variety of things. Magnificent oaks dripping with Spanish moss, picturesque canopy covered roads, and, for sports enthusiasts, Florida State University offers fans access to top-ranked football and baseball teams, as well as winning girls basketball and soccer teams.

Florida is the third largest state in the country and Tallahassee is the capital where lobbyists and legislators flood the town during a 60-day annual legislative session.

The idea is to "caffeinate the community" and to connect entrepreneurs to mentors.

In addition to FSU, Florida Agricultural and Mechanical University and Tallahassee Community College provide the area with intellectual capital.

Despite the assets the area has suffered from brain drain with graduates leaving the midsized town to head to other southern cities that offer more professional opportunity.

But there has been an effort underway to stop the emigration and to keep the talent here by cultivating a supportive community for entrepreneurs. Helping lead the way is Domi Ventures. Latin for home, Domi is an incubator for early stage startups that, come this summer, will celebrate its first anniversary.

Lucas Lindsey, community manager for Domi, said the incubator is working with 30 startups in the Tallahassee community and that the pace is picking up quickly.

It is located between FSU and FAMU in the "Railroad Square" section of downtown and just off Gaines Street.

Photos courtesy of Domi, an incubator for early stage startups, in Tallahassee, Fla.

The area has become a destination district; it's the hub of the arts culture.

Domi's headquarters is a county-owned warehouse. The county also offered $250,000 to renovate the building so it could serve as an incubator. Tallahassee City Mayor Andrew Gillum has provided soft support to Domi, including making appearances at some 1 Million Cup events. Moreover, FSU has committed $100,000 to Domi.

But government support for the most part, stops there. The entrepreneur movement in Tallahassee — like elsewhere — is supported and nurtured by local entrepreneurs, themselves.

Lindsey, who came to Tallahassee for graduate school and is an urban planner by trade, said the city has been quick to make progress though it had initially been slow to encourage entrepreneurs.

"It's become a lot more interesting place to live in, especially the downtown areas."

Lindsey points to Cascade Park, a $30-million investment in downtown featuring a 3,000-seat outdoor amphitheater, 2.4 miles of multi-use trails, historical monuments, and a "children's discovery" area. Lindsey said Cascade Park helps draw the crowds to downtown and makes Tallahassee the "kind of place where people want to stay and that's a really huge part of encouraging catalytic ecosystems for young entrepreneurs."

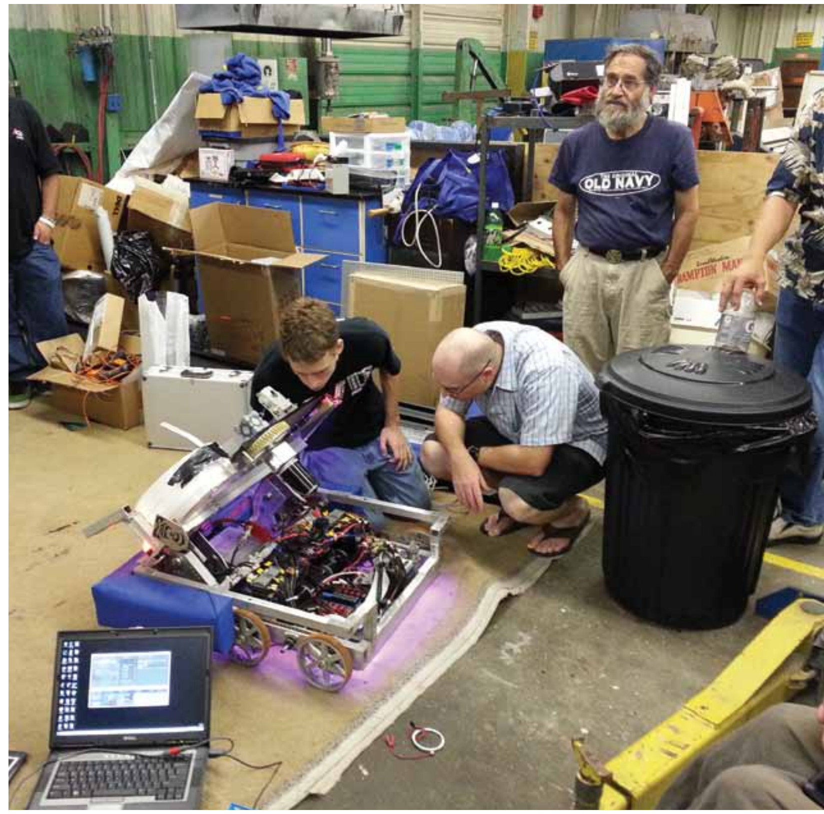
"Three years ago we were barely on anyone's radar. I don't think anyone thought we would have a space like Domi any time soon. It seems like in the past few years we've really accelerated. Now we are even ahead of other small communities our size. There's been rapid growth, and it's been awesome to see the response from the community."

Even Hawaii is focusing its efforts on creating high-tech startups.

The High Tech Development Corporation was developed in 1983 to create technology jobs but its focus has changed over the last 30-plus years from encouraging companies that built computers and software to investing efforts on high-technology startups, said High Technology Development Corporation Executive Director and Chief Executive Officer Robbie Melton.

"Our mission hasn't changed," she said. "It's the companies we work with."

HTDC is an incubator in Oahu but it is expanding its reach and is working with initiatives on other islands,



#TechTuesdays is an event where design and technical professionals demonstrate new ideas and share concepts on the island of Hawaii; Courtesy of Hawaii TechWorks

including Hawaii TechWorks in Hilo, on the island of Hawaii.

Hawaii TechWorks was founded by Tony Marzi, who, after relocating to the East Coast, moved back to Hilo. His goal was to bring design professionals together to more rural areas of the state to create and collaborate. Hawaii TechWorks offers co-working spaces and educational programs and sponsors #TechTuesdays where design and technical professionals can demonstrate new ideas and share concepts.

Additionally, HTDC has set a goal of 80,000 new technology jobs with salaries exceeding $80,000 by 2030.

"There is a lot going on in Hawaii. Even though we might be isolated, we are very connected to both Asia and to the continent." ●

Christine Jordan Sexton is a Tallahassee-based freelance reporter who has done correspondent work for the Associated Press, the New York Times, Florida Medical Business and a variety of trade magazines, including Florida Lawyer and National Underwriter.

THE NATIONAL ASSOCIATION OF REALTORS®
has honored seven local REALTOR® associations with NAR Community Outreach Awards. These awards recognize associations that have worked with their communities to make them a better place in which to live and do business.

To be considered for the award, associations must have made use of REALTOR® Party Community Outreach resources over the prior two-year period to address a challenge facing their community; developed partnerships with community stakeholders; or involved the public in a project or discussion to improve the community. The award recipients were announced in March at NAR's 2015 Association Executives Institute in Vancouver, British Columbia. NAR's Community Outreach resources include grants, technical assistance, training, and publications from NAR's Smart Growth, Housing Opportunity, and Diversity programs. For more information on NAR's Community Outreach programs, go to *http://www.realtoractioncenter.com/for-associations/community-outreach/*

NATIONAL ASSOCIATION *of* REALTORS®

REALTOR® PARTY

The 2015 recipients of the
NAR COMMUNITY OUTREACH AWARDS ARE:

Greater San Diego Association of REALTORS® – SDAR used NAR's Housing Opportunity grants to conduct multiple public events on a variety of housing issues, such as a re-entry workshop for those individuals who had undergone a short sale or foreclosure. SDAR used Diversity grants to engage multicultural real estate group members in advocacy and to identify new leaders for the Association. And SDAR used Smart Growth grants to support forums and community discussions about smart growth, complete streets, higher density development and bikeable communities.

Richmond Association of REALTORS® (Richmond, Va.) – RAR used NAR's Housing Opportunity grants to support collaborative efforts with stakeholders and address a range of housing needs, including hosting a workshop on housing needs and research to help develop a regional housing plan. RAR used Smart Growth grants to facilitate a discussion on the region's transportation needs and to co-sponsor a Better Block revitalization project; and a Diversity grant to work with the University of Richmond to develop maps showing regional patterns of poverty, housing and employment.

Austin Board of REALTORS® – Using an NAR Diversity Grant, the association worked with multicultural groups, community leaders and REALTORS® to host a workshop about homeownership challenges facing the African American community to identify and implement local solutions to key issues. With a Smart Growth grant, the board sponsored a charrette to establish a master plan for the South Central Waterfront, a 97-acre site near the state capitol.

High Point Regional Association of REALTORS® (High Point, N.C.) – HPRAR used NAR Smart Growth grants to support a charrette to plan for the rehabilitation of two blocks of High Point's main street; another charrette focusing on a new plan for blighted areas in the city; and a series of discussions on creating less restrictive codes and regulations for redevelopment areas to help spur innovation and faster redevelopment. The Association used Housing Opportunity grants to produce a Housing Leaders Academy to train REALTORS® to be affordable housing advocates.

Charleston Trident Association of REALTORS® (Charleston, S.C.) – Through an NAR Diversity Grant, CTAR developed a student membership program with local universities to attract younger and more diverse people into the real estate profession. The association also used NAR Housing Opportunity grants to host a series of events for business leaders and other professionals to educate them on housing policy and choices. Smart Growth grants were used to develop a Smart Growth Scorecard for the various jurisdictions in the region; and to facilitate citizen input to a plan to encourage more smart growth development.

Charlotte Regional REALTOR® Association (Charlotte, N.C.) – NAR's Housing Opportunity grants helped CRRA, through its Housing Opportunity Foundation, hold a variety of events for the public and REALTORS® to educate them on homeownership topics, and expose them to new neighborhoods and purchase assistance programs specific to the Charlotte area. CAAR held two Affordable Housing/Mixed Income Housing bus tours and a Workforce Housing Fair & Neighborhood Showcase for a revitalizing neighborhood.

Ada County Association of REALTORS® (Boise, Idaho) – ACAR presented NAR's Employer Assisted Housing (EAH) class; formed an EAH task force; then sponsored an EAH Forum to introduce the idea to local stakeholders and employers. ACAR used an NAR Diversity grant to support the city's fair housing efforts and its anti-discrimination ordinance, and an NAR Smart Growth grant to help fund a downtown redevelopment streetscape improvement project; and to join with Idaho Smart Growth to hold a discussion on placemaking strategies to revitalize specific locations in Meridian; and obtained an NAR Placemaking Micro-Grant to help create a pedestrian plaza in downtown Meridian.

REALTORS® Take Action

Making Smart Growth Happen

Partnerships Support Community Visions in Finger Lakes Region

The Finger Lakes area of New York is home to many small communities with some of the most scenic landscapes, unique villages, popular tourist destinations and rich agricultural land in the country. Helping these communities in the region grow their economic competitiveness and develop an affordable and achievable vision for the future is a formidable task. But where there are successful partnerships; nothing is impossible.

Jim Yockel, CEO of the Greater Rochester Association of REALTORS® (GRAR), has become an expert at turning the improbable into the possible. He acknowledges that it's a challenge serving an area nearly the size of Connecticut. But, he adds that success is possible thanks to supportive partnerships and community engagement, and with the help of NAR Smart Growth and Placemaking grants, GRAR has created collaborations, assisted several small communities throughout its service area and developed templates to help other communities in the future.

Planning event with Lima, N.Y., local officials.

"We like to work in partnerships as much as we can and like to leverage those partnerships." Yockel says. "As a result, we've been able to raise the level of interest and excitement in the future of these small communities."

Yockel explains how creative partnerships and community engagements are helping communities with different needs find individual solutions and a common vision.

Smart Growth and Placemaking grants help make partnerships possible

In the Village of Lima, community leaders wanted to avoid sprawl and celebrate the area's rich agricultural heritage. Lima is also a heavily traveled tourist corridor through the popular Finger Lakes region.

"The first goal for Lima was to build on the ag base, revitalize the village center and give young people a reason to stay by providing housing and jobs," explains Yockel. "But leaders were also asking 'how can we give travelers a reason to stop and see some of the unique historic aspects of Lima?'"

GRAR secured an NAR Smart Growth grant, partnered with the Community Design Center of Rochester and engaged Lima local officials. Together they held a two-and-a-half-day event where planning experts and community participants explored the area, evaluated opportunities and challenges and created a plan that increased walkability, improved access to the village center and enhanced existing buildings. Work is currently underway to revitalize a number of downtown storefronts and transform them into mixed-use buildings with retail, office and housing spaces. Phase Two involves prioritizing projects, achieving short-term action items and securing funding

Liberty Street bridge in Penn Yan, N.Y.

for long-term projects. Plans also include partnering with tourism and entertainment nonprofit organizations to help market the village to tourists.

The community of Penn Yan used a similarly styled event to address a different question: what can be done to attract a large employer to the area without negatively impacting tourism and agriculture? Using a similar process of partnerships, evaluation and strategic planning, officials developed a vision that involves improving housing availability, making better use of under-utilized land and enhancing community image. Officials are confident those actions will make it easier to market Penn Yan to a large employer.

In the Rochester suburb of Pittsford, GRAR joined in efforts to reclaim a neglected historic landmark. An NAR Placemaking Grant is helping to pay for a new sign explaining the history of the Erie Canal, helping make the park more meaningful for visitors. It's hoped that future Placemaking grants may be used to address transportation issues, create parklets and enhance public markets.

Jim Yockel says that each community project and each collaboration not only creates a series of success stories, but enables GRAR to create a project template that other villages and towns can use to create their own visions and craft their individual strategic plans.

"Most smaller communities can't afford a large, two-day event, but we're able to create a template with affordable costs that is accessible to smaller communities," Yockel explains. "Area communities can visit adjacent communities, see what's been done and take those lessons back with them. The template gives communities achievable action steps."

Teaching smart growth for sustainability

Another way of planning for the future is providing education in the present. GRAR utilized an NAR Smart Growth Grant to organize an educational symposium for area officials and REALTORS®. The day-long symposium not only educates participants about smart growth ideas and tips on how to enhance the area, but builds collaborative bridges. Yockel adds that in addition to creating partnerships, educating leaders now will help pave the way for future successes because local leaders will already be familiar with, and supportive of, smart growth principles.

"It's fun to see the process and the partnerships," Yockel says. "Of all the things we've done in the last five years, this is the most impactful. Ten years from now I hope we can see six to seven communities who've really realized a sustainable vision."

REALTORS® & Smart Growth

on common ground

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