Legacy Cities

From Rust to Revitalization

Urban Land Institute

Dedication

This book is dedicated to two remarkable individuals who for more than 60 years have committed themselves to improving their communities—both through their individual work and through the Urban Land Institute, of which they have been critical leaders.

JOSEPH C. "JOE" CANIZARO came to New Orleans from Biloxi, Mississippi, in 1964 and quickly established himself as a strategic thinker and doer who would change the skyline of the Crescent City. He founded Columbus Properties LP in 1966 and has since developed over 10 million square feet of space, including high-rise offices, luxury hotels, and mixed-use projects. Canizaro, who also owns a bank based in New Orleans, is developing Tradition, a 4,800-acre project 20 minutes north of the Mississippi Gulf Coast, as a sustainable community with housing, a university, and various employment opportunities, all surrounded by wonderful amenities.

During his 60-year-plus career in real estate, Canizaro has been an important leader in the growth of ULI, serving as a longtime trustee and as chairman of the board. Throughout his career and in addition to his dedicated work through ULI, Canizaro has been continuously and deeply committed to the success of New Orleans, to civic causes, and to his church.

JAMES "JIM" D. KLINGBEIL established the Klingbeil family real estate business in 1959 in Columbus, Ohio. Today, the operating company known as Klingbeil Capital Management (KCM) is a multifaceted real estate company with holdings throughout the United States. Klingbeil is chief executive emeritus of KCM and the Klingbeil Co., located in San Francisco.

Throughout his 60-year real estate career, Klingbeil has been an industry leader, especially through his engagement with ULI. He served as ULI president and was a ULI trustee for almost 40 years, providing multifaceted leadership at both the local and global levels. He was active in founding ULI San Francisco, as well as serving as ULI global chair and chair of the ULI Foundation. Along with Joe Canizaro, he has funded the ULI Canizaro/Klingbeil Families Chair for Urban Revitalization, supporting a senior fellow at ULI. Klingbeil has been a strong and active mentor to those interested in a real estate career.

Cover: The Boott Cotton Mills Museum at Lowell National Historical Park in Lowell, Massachusetts.

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Legacy Cities

From Rust to Revitalization

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About the Urban Land Institute

THE URBAN LAND INSTITUTE is a global, member-driven organization comprising more than 45,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 80 countries.

The extraordinary impact that ULI makes on land use decision-making is based on its members sharing expertise on a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. In 2021 alone, more than 2,700 events were held in cities around the world.

Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org. Follow ULI on Twitter, Facebook, LinkedIn, and Instagram.

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Introduction

A view of the Tennessee Aquarium in Chattanooga, Tennessee.

Our urbanized world is one of constant change—change propelled by new economic drivers, demographic shifts, a warming climate, rapid technology advances, and an increasingly diverse urban populace. The evolution of the industrial economy to become the knowledge economy—reflected in these elements of change—has led to the concentration of people, capital, and corporations in fewer locations.

While the cities that have capitalized on change are booming, others—particularly many of America's "legacy cities" that thrived during the industrial era—have struggled to find new ways to expand their economies, attract new residents, and reorient their growth for the 21st century.

Innovation has been an unwavering ideal and economic guidepost in the United States. America's legacy cities are important for their role in not only contributing to American innovation, but also for the success they experienced during their heyday. They drove the economic narrative of the country and played a pivotal role in the national identity. These legacy cities, which emerged as centers of 20th-century industrial innovation, have faced the challenges of economic reinvention while absorbing numerous blows such as the loss of businesses and residents and declining downtowns. For years, the prevailing theory was that cities were the victims or beneficiaries of international and national economic forces—that cities themselves could do little to influence their economic fortunes.

Clearly, the shift from manufacturing to technology has hurt many small and medium-sized cities. The globalization of industries such as steel, textiles, and auto manufacturing reinforces the notion that powerful global forces can upend local economies. Change is inevitable, and the pace of change is increasing with the option for every city to grow by default or design, by choice or chance. They can accept whatever comes along or they can shape the future they want.

Today, as American innovation continues to evolve in the knowledge economy, creative real estate and land use strategies can help cities maximize the positive impacts and minimize the negative ones associated with change. This is critical because all development is not created equal. Some developments will make a community a better place to live, work or visit; others will not. Too many public officials have an "It'll do" attitude toward new development. They will simply accept anything that comes along even if it is at odds with a community's well-thought-out vision for the future. Unfortunately, communities that say yes to anything tend to get the worst of everything.

Against this backdrop, the Urban Land Institute has produced *Legacy Cities: From Rust to Revitalization*, which explores a cross section of legacy cities that have used leadership, creative sources of funding, and other strategies to reinvent themselves. Not discounting the impact of geography and luck, the case studies in this report demonstrate that successful cities make choices about how and where to grow.

They also leverage their existing assets—natural, historical, cultural, educational, recreational, or economic. They have addressed economic, technological, and demographic change.

The cities profiled here overcame obstacles and set a new course by identifying their assets and employing their competitive advantages in order to build a better future. This report examines how some small cities were able to maintain their economic vitality and quality of life whereas others allowed the very features that once gave them distinction and appeal to be lost.

Every thriving community has its own strengths and weaknesses, but they also share some characteristics. It is clear, for instance, that successful communities involve a broad cross section of residents in planning for the future. They also leverage their distinctive assets, including architecture, history, natural features, anchor institutions, or local and small businesses. For example, in Chattanooga, the Tennessee River was the focal point of the community's revitalization strategy, whereas in Lowell, Massachusetts, historic industrial buildings served as the centerpiece.

Successful cities also use a variety of financial tools and incentives to advance their revitalization efforts, along with partnerships with the private sector and/or with local institutions such as hospitals or universities. Too often, local officials assume they lack enough money to do what needs to be done. But, as is reflected in successful communities, money always follows good ideas, especially if those ideas come out of a consensus-building process or a new partnership with other stakeholders.

Another clear message from the case studies is that successful small and medium-sized cities do more than just try to copy what bigger, thriving markets are doing to attract investment and development. Instead, they build on an authentic sense of place. They know that authenticity is critical, because in a world where capital is footloose, if a community fails to distinguish itself it will lose its competitive advantage with the skilled workers it is trying to attract and retain. For instance, the desire of millennials—the largest population cohort at 80 million–plus—to live in places that are authentic is well documented. Now fully entrenched in the workforce, millennials are choosing where they want to live first and then seeking employment. They value quality—quality of life and quality of place—above all else.

Creating a vision for the future always begins with a careful analysis of a community's existing assets. Sometimes a city's assets are obvious; other times they are not. Annapolis, Maryland, is an example of a community with discernible assets—an abundance of historic buildings, an attractive waterfront, and a long history of maritime activity. Annapolis used these assets to attract the nation's largest boat shows and to create a booming tourist economy. Jackson, Wyoming, is another community with obvious assets—world-class scenery, abundant wildlife, and unique outdoor recreation resources. Jackson has built its economy on marketing these assets, but it also created a land use plan to protect the assets that support its economy.

For other communities, the assets are not as obvious. Consider Lowell, which in the late 1970s was a distressed industrial city with an unemployment rate topping 20 percent. It was hemorrhaging jobs and people because its once-thriving textile industry had departed for China and other locations. Conventional wisdom prescribed demolishing the old mills, clearing the sites, and constructing new development with no connection to the city's roots. Instead, local leaders realized that the historic mill buildings were an asset that could be converted to provide housing, offices, retail businesses, and mixed-use development.

Also crucial to success is effective leadership. Successful communities have strong leaders and committed residents. Leadership can take different forms—political leadership, such as that provided by Joseph P. Riley Jr., the 10-term mayor of Charleston, South Carolina; civic leadership, such as the local corporations that formed the Cincinnati Center City Development Corporation (3CDC) to revitalize the once-blighted Over-the-Rhine neighborhood adjacent to downtown; university leadership, such as the University of Pennsylvania, which led the revitalization of West Philadelphia, or Arizona State University, which led the rebirth of Phoenix; and philanthropic leadership, such as that provided by the Lyndhurst Foundation and other philanthropies based in Chattanooga.

An underlying theme of this report is a lesson derived from ULI's 80-plus years of experience assisting cities with a wide range of land use and economic development challenges—that understanding the strengths and weaknesses of the local marketplace is critical in order for a city to gain a foothold in the global economy and move in a new, more successful direction. Cities need to understand supply and demand and how they can compete in the local, regional, and global marketplace.

Challenging the status quo is never easy. Successful cities don't just go with the flow. They are strategic about what is built and why, and where and how it is built. They are entrepreneurial and innovative in how they get access to and use funding. They form public/private partnerships, they operate with a shared vision for the future, and they always rely on strong, forward-thinking leadership.

Though the industries that defined them may be relics of the past, the proven importance of our legacy cities shows that they remain relevant and consequential to the economic strength of our nation. Each legacy city faces unique challenges, but each also has unique advantages that can be leveraged to create success in the 21st century. Through this report, ULI provides both strategies and inspiration for communities struggling to find their place in a rapidly changing world.

Diversity and Equity

Despite the successes showcased in this publication, revitalization in most American cities has been uneven. Many revitalization efforts have left some neighborhoods behind—particularly those in low-income, minority neighborhoods. No truly successful urban revitalization effort can focus solely on the downtown or on efforts to attract upper-income residents.

Small cities have long struggled with entrenched poverty, and every effort should be made to address the impacts of structural racism and inequity. One way to do this is to focus on distressed neighborhoods. This is what was done in Cincinnati, Tacoma, and Paducah, Kentucky—all highlighted in this publication—and other smaller cities. In most places, city leaders have found that no one entity or single program can erase the impacts of generational poverty.

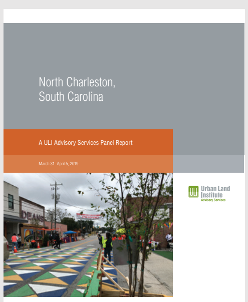
Providing child care, workforce training, and affordable housing are strategies that every city should employ. Particularly with an affordable housing strategy, local government can have a major impact by partnering with financial institutions, developers, and others to create innovative financial tools that both reduce the cost of construction and lower rents and mortgages. Forty-plus years ago, the federal Community Reinvestment Act (CRA) was signed into law, setting a framework for creative partnerships in the provision of affordable housing. Homeownership continues to be the most important means for generational wealth creation in families. While rental housing is also critical, homeownership programs add to the stability and commitment to a neighborhood.

What's more, the egregious killing of unarmed Blacks by police also points to the need for better, more community-responsive law enforcement efforts. In addition, police departments need to adopt continuous training on managing and de-escalating conflict, tracking officer conduct, and partnering with professionals in the areas of mental health and homelessness to respond jointly to the many calls involving noncriminal but disruptive behavior.

Stabilizing distressed neighborhoods and spreading revitalization efforts to more broadly benefit all residents is not easy but should never be neglected. In recent years, the Urban Land Institute has helped many cities facing these challenges.

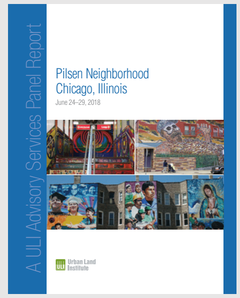
Urban centers across the world, are experiencing increased growth and prosperity as more people move out of suburban and rural areas and into denser cities. Although the prospect of adding new employers, businesses, residents, and amenities is both exciting and highly appealing, an influx of new residents presents challenges and may have negative impacts on existing communities. This influx presents the risk of rapidly boosting housing prices, increasing problems with traffic congestion, and exacerbating existing education needs and skill gaps between the local workforce and the new employers.

In several recent Advisory Services panels, ULI has addressed this issue by providing recommendations that emphasize a more equitable approach to development.



In North Charleston, South Carolina, a panel of industry experts convened in March 2019 to offer a fresh perspective on the future of the 22-acre Charleston Naval Hospital site, adjacent parcels, and the economic growth of several surrounding neighborhoods. Among the panel's recommendations were:

- Encourage meaningful engagement throughout the development process from planning and design to construction;
- Stop displacement and evictions of homeowners and renters by educating residents about existing resources, and through the creation of new programs that further address these issues;
- Create affordable housing opportunities for both rental and for-sale units;
- Provide public funding for a regional housing trust fund, business assistance and facade improvements, and gap funding and a low-interest-rate loans program for both residential and commercial business;
- Create job training opportunities and support minority and small business programs; and
- Implement creative short-term solutions for providing fresh groceries to residents in the study area.



In Chicago, an Advisory Services panel convened in June 2018 to provide insights into development pressures on the Pilsen neighborhood, a community at the heart of the city's Mexican American culture.

Recommendations for that neighborhood included:

- Affirm Pilsen's existing culture while welcoming change, investment, and development;
- Bring into the process all residents who may want to participate in the dialogue regarding what gets built in Pilsen—and for whom;
- Ensure the safety-net support for existing low-income residents by maximizing access to—and expanding—available services; and
- Monitor and communicate commitments regularly, specifically, and on an ongoing basis.

Every organization needs to look at its history of bias—both explicit and implicit—and consider how it can improve. The real estate industry has a very checked past. Passage of the CRA was an important step toward providing availability of real estate financing in traditionally poor neighborhoods. ULI is actively implementing a diversity, equity, and inclusion (DEI) program that will have a powerful impact on the role the Institute plays and its leadership in the real estate industry.

Cincinnati, Ohio

POPULATION: 297,000

After more than a half century as a prosperous industrial city, Cincinnati by the 1950s was showing signs of decline. Its challenges would stretch into the 21st century, with three days of rioting in 2001 that followed the fatal police shooting of an unarmed Black teenager. This unrest proved to be a tipping point that spurred the city to confront its difficulties. In 2003, the Cincinnati Center City Development Corporation (3CDC) was created in an effort to change the city's course.

Though downtown Cincinnati did not suffer from a lack of national corporations, most of their workers lived in the suburbs, making the central business district a largely inactive area after work hours. Unlike many other cities, Cincinnati had not experienced the downtown in-migration of young professionals and empty nesters. In response to the desire for a downtown residential market to boost the central business district, the Over-the-Rhine (OTR) neighborhood adjacent to downtown—and the site of the 2001 riots—was targeted for revitalization.

A 501(c)(3) nonprofit organization, 3CDC was launched on the premise that both outcomes and impacts of reinvestment depend on having the right mix of public and civic institutions involved, and that those institutions have sufficient resources, effective management, and cooperation with public entities to facilitate securing the needed capital. With a consensus that revitalization should target OTR and on priorities regarding space, structures, streets, and mixed-income neighborhoods, 3CDC established two tax increment finance districts to finance redevelopment in OTR through new development in downtown. Though the scale of the OTR revitalization was transformational for the city, the pace was incremental so that projects in the pipeline could be funded independently of each other rather than through shared risk associated with projects included collectively in a broader portfolio.

The reactivation process put in place by 3CDC included the following:

- Identify a building, vacant property, or civic space in a targeted geographic area that will leverage and expand neighborhood redevelopment.
- Bank land to obtain site control, and ensure that the property is maintained, secured, and does not deteriorate further before development begins.
- Define a viable adaptive use for historic properties.
- Create a capital stack that structures financing from multiple sources, with the majority coming from private sources.
- Serve as master developer for each project and as lender by obtaining loans from the equity funds 3CDC manages.
- Supervise construction and update street infrastructure, if needed.
- Activate the asset through programming for civic space or leasing retail space to add reasons to live, work, and play in the area.

In the years since 3CDC's launch, the OTR neighborhood as well as the downtown area of Fountain Square have been revitalized both physically and economically. The transformation includes streetscape improvements and enhanced public spaces, plus new residential properties, energizing the entire area and generating essential revenue for the city.

A view of New York City from the High Line elevated park.

Drivers of Economic Development

Along with the market forces that accompanied the economic shifts from industry to information, the values that informed the success of legacy cities shifted as well. The values that once promoted divisive highways and decentralization have shifted to the embrace of historic spaces and dense downtowns. The values that celebrated the use of rivers and lakefronts for industry have shifted to awareness of the value of healthy water sources and other natural assets for outdoor recreation. How these new values are realized in the economic drivers of legacy cities, how they propel land use decisions, and how they maximize the effectiveness and integrity of the city's institutions, commerce, and culture are illustrated in this section. None of these values is applied in a vacuum; all are causes and effects of each other.

The shift in values that is influencing how urban areas are growing is evident in the redevelopment of downtowns, which are emblematic microcosms of cities. Buildings once discounted as blight are now being reconsidered as economic and civic assets to be protected. Increased density is now viewed as a way to achieve additional commercial activity, cultural participation, and higher investment returns. Activated downtowns exude a dynamic of possibility, as shown by their increased diversity and inclusivity as well as enhanced efficiency, making them appealing places to live, work, and visit.

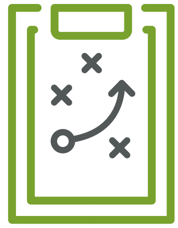
Anchor institutions such as universities and medical facilities, which are often part of the urban core, are assuming a daring duality, serving not only as purveyors of stability and reliability, but also as entities for advancement and growth. The constant along this continuum is the staying power and scale of these anchor institutions. In many cases, their investments in downtowns and throughout urban areas have surpassed those of traditional manufacturing companies as they grow to become a region's leading employer. Never has the economic role of these institutions been more important. They have the potential to leverage their assets and revenues to promote local private-sector development as well as to design new methods and systems for local hiring and contracting.

Another indicator of changing values is reflected in the prioritization of arts, cultural, and recreational facilities as essential assets rather than pleasant add-ons. Whether it be a state-of-the-art performing arts venue or a sports stadium, a street fair or a farmers market, a park or open space, these amenities are considered community anchors that can boost economic development as well as the quality of life.

3 COMPONENTS OF LAND DEVELOPMENT

COMMUNITY GOALS & EXPECTATIONS

- Municipality's plans and vision = comprehensive plan, zoning, strategic plans
- Politics and social expectations
- Neighborhood consultation, public engagement, and community desires



DEVELOPER/INVESTOR GOALS & EXPECTATIONS/LIMITATIONS

- Investor's vision and ideas
- Development costs
- Financial plan – pro forma – cash flow from project
- Loans and financing sources
- Marketing

LAND ECONOMICS

A natural force that regulates the market economy

- Current market
- Market projections
- Interest rates/cap rates

Real Estate Development, Market Analysis, and Land Economics

Land use and real estate development are both science and art. The science side of this complex process involves evaluation and a thorough understanding of the impact that macro- and microeconomics, demographic and societal trends, and competition and market intelligence have on developments approved but not yet built. The art side of the equation is even more difficult, requiring a thorough understanding of local politics, community preferences, neighborhood impacts, and social and cultural norms in the community where development is proposed.

When explaining these processes to the public, ULI has found it helpful to frame them in terms of the three components of land development depicted in the graphic above.

It is land economics that perhaps is the component least understood by community members not involved in the real estate industry. ULI believes that educating the public on these current and future market supply and demand issues can lead to better land use choices by public decision-makers. ULI also believes it is possible to influence supply and demand with important interventions and investments in infrastructure, incentives for development, and improvements in amenities and programming for public spaces.

LAND ECONOMICS: SUPPLY AND DEMAND

The following are the basics of land economic regarding supply and demand:

- In modern free-market economies, most land use decision-making occurs through voluntary transactions according to the laws of supply and demand.
- A free-market economy is fundamentally one in which entrepreneurs are free to control and coordinate productive resources to pursue profit by creating outputs that are more valuable than the inputs used in the process. They are equally free to fail and go out of business if they are not profitable.
- In land economics, the natural forces that regulate the market economy tend to constantly change, moving through cycles in different regions and submarkets. The tendency is to always move toward equilibrium. (An excellent source of information on property sectors in various metropolitan areas is the annual *Emerging Trends in Real Estate*® forecast, published by ULI and PwC. *Emerging Trends* provides an overview of investment and development prospects for real estate markets and property sectors, as well as analysis of the economy and trends affecting the industry. Visit americas.uli.org/research/centers-initiatives/center-for-capital-markets.)

From a land economics perspective, most developers/investors must investigate and consider the current market supply and demand, projected future market supply and demand, interest rates, and capitalization rates (cap rates)—the ratio of a property's net income to its purchase price.

LAND ECONOMICS: THE IMPACT OF PUBLIC INVESTMENTS

The following are the basics of the impact of public investments on land economics:

- The market demand for various land uses can be significantly affected by a variety of public investments. For instance, it is well documented that establishment of a transit system along a major corridor can fundamentally change the trajectory of demand from both a use and timing perspective. Numerous examples around the globe show transit projects that have transformed unproductive areas into thriving centers of activity and investment.
- Though less well documented, long-term benefits are provided by other types of public investments, such as in placemaking initiatives, and in public facilities such as parks, amphitheaters, public art, food markets, and retail locations. These public investments can be instrumental in transforming neighborhoods by catalyzing development and attracting private investments that otherwise would have occurred in other locations or not at all. The ability of local governments to encourage, initiate, plan, fund, create, and support these public investments can have a significant impact on market demand.

IMPORTANCE OF LAND ECONOMICS

Rarely do local elected and appointed officials, municipal staff, and residents consider these land economics fundamentals. And though these fundamentals constitute only one of the many factors that should influence a community's land use decisions, a broader understanding of these underlying market forces can be a powerful tool for a community as it considers options for the future. For the past 70 years, ULI through its Advisory Services, education, and UrbanPlan programs has been a leader in educating the public regarding these fundamentals.

A legacy city seeking to reinvent its economy has its best chance at success if decision-makers are aware of land economics. For instance, a city that has long relied on planning and zoning policies that designate all waterfront land for industrial use may find that the projected land economics for waterfront land do not indicate demand for that use, but do indicate pent-up demand for multifamily rental housing. Longer-term strategic reasons may exist for retaining the land for industrial use, but good decisions cannot be made without knowing the current and future demand for various land uses.

Market indicators provide an important perspective that can lead to a community redeveloping underused sites such as waterfronts for more lucrative purposes, such as mixed-use developments that can revive declining areas.

Anchor Institutions: Building on Innovation

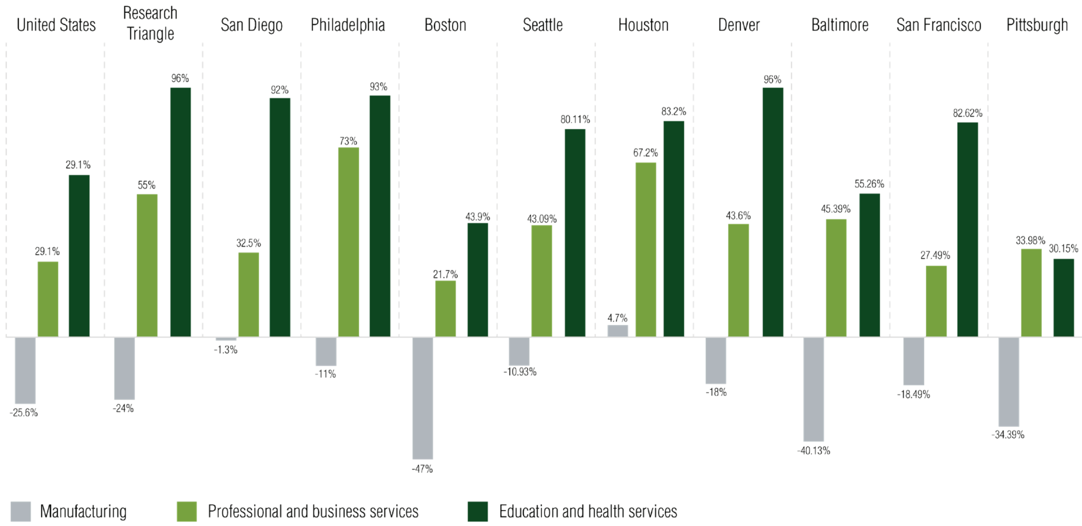
In 1903, while attending a medical conference in San Francisco, Dr. Horatio Nelson Jackson went to dinner with a group of fellow doctors. In a spirited conversation, Jackson and his colleagues discussed a new invention, the automobile, and its impact on society. All the other doctors thought its usefulness was limited, that autos were just a fad. Jackson believed otherwise, and that evening he bet the others $50 that he could drive across the United States in 90 days. They all took the bet and laughed.

At the time, there were only 8,000 cars, 150 miles of paved roads, and no highway departments in the entire country. The very next day, Jackson bought his first car, a Winston, and convinced a young mechanic, Sewall Crocker, to go with him on this improbable journey. Two days later, the two men, along with Jackson's dog, were on the road with no support team or infrastructure to provide gasoline or repairs. Sixty-three days later, they drove down Fifth Avenue in New York City, the first people to drive coast to coast.

By 1923, the United States had 8 million cars and hundreds of thousands of miles of paved roads, and every state had a highway department. In just 20 years, the nation's economy and society in general had undergone complete, lasting change.

We are currently at a similarly pivotal moment in time. We are looking at a future in which the forces of global trade, technological innovation, climate change, infrastructure needs, and demographics are changing society as we know it.

EMPLOYMENT BY SECTOR: PERCENTAGE CHANGE FROM 2000 TO 2019



Source: U.S. Bureau of Labor Statistics.

THE NEW ECONOMIC ENGINES

Over the past 30 years, many cities lost thousands of traditional manufacturing jobs, even as employment in education, health, and other professional fields more than replaced those jobs.

In communities that have anchor institutions such as universities a shift has occurred: these anchors have become the economic engines of the region. Historically, universities have tended to wall them themselves off and not participate in the economic development strategies for cities. That attitude has now largely changed: dedicated partnerships between anchor institutions and communities are routinely formed to advance economic vibrancy and livability in urban areas.

Land use decisions are at the center of these efforts. A community's ability to reuse former manufacturing sites, synergistically locate university research labs and technology companies near one another, encourage anchor institutions to grow, and build vibrant and engaging places to live, work, and play is central to its ability to maintain its competitiveness.

For instance, the three most important ingredients in encouraging investment and the growth of a technology sector are a favorable local business climate, the availability of research dollars, and the ability of the community to attract and nurture talent. An institution's research is the raw material, but just like coal or oil, the raw material has no value without the infrastructure to exploit it.

This is also true for the products of research and development at institutions. The community's civic and political leaders, working in partnership with institutions, need to create a framework of support for research investments and the infrastructure that fosters an entrepreneurial business climate with incentives such as supportive tax policies, land use availability, and incubators with appropriate access to lawyers, accountants, and others who understand the nature of startup companies.

Although embracing the entrepreneurial often involves risk, it is important that public officials understand that the very nature of building an entrepreneurial culture to support a technology economy entails such risk. Whereas often the business and political climate of a community is one of resisting change, success will come to those that challenge the status quo. Undertaking the building of an entrepreneurial culture requires rethinking land use and infrastructure needs, workforce and kindergarten-through-12th-grade education, the tax structure, traditional business relationships, environmental conditions, housing costs, and a host of other urban challenges.

As important as an entrepreneurial spirit is a commitment to a high quality of life. Not all communities have a temperate climate and breathtaking natural resources, but every city can have character and charm if it focuses on authenticity. Several cities showcased in this report—among them Greenville, South Carolina; Loveland, Colorado; and Lowell, Massachusetts—are excellent examples of using authenticity to create an attractive and competitive place.

Anchor Institutions

In 60 percent of U.S. cities, the largest employers are anchor institutions. Several cities have built strong partnerships with their anchor institutions, forming a shared vision that builds on the strengths of these anchors and the community. Three cities of very different sizes—Phoenix, Buffalo, and Waterville, Maine—stand out as leaders in building great partnerships and making critical investments that are helping transform their communities. In each city, the leaders of the anchor institution indicated that their institution would not be successful if it were not located in a successful city.

Profiles of Three Cities

PHOENIX

POPULATION: 1,660,000

SIZE: 518 sq mi

LOCATION: Central Arizona

GOVERNMENT: Council/mayor/manager

BUFFALO

POPULATION: 256,300

SIZE: 53 sq mi

LOCATION: Western New York

GOVERNMENT: Mayor/council

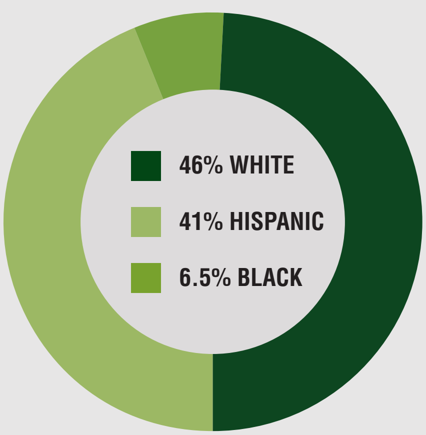
WATERVILLE

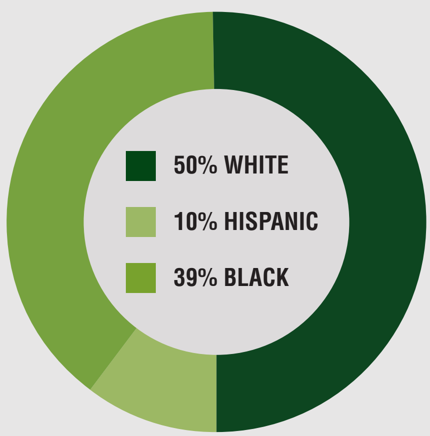
POPULATION: 16,558

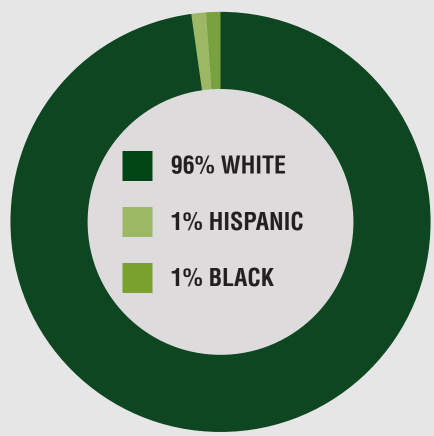
SIZE: 14 sq mi

LOCATION: Central Maine

GOVERNMENT: Council/mayor/manager







PHOENIX, ARIZONA

In 2003, Arizona State University (ASU) president Michael Crow met with Phoenix Mayor Phil Gordon to explore building a downtown campus on a blighted, largely vacant parcel that encompassed almost 28 acres. The city financed its investment primarily through a bond issue, of which $223 million was designated for the campus. In addition, the city embarked on the construction of a 28-mile light-rail system to connect ASU's Tempe and downtown campuses.

By 2006, campus buildings were under construction. Today, almost 14,000 students attend the downtown campus, which includes the Walter Cronkite School of Journalism and the Sandra Day O'Connor School of Law, among other programs. One remarkable place on campus is Civic Space Park, an almost three-acre park with art and sculpture.

The construction of ASU's downtown campus is attracting significant new private investment in the surrounding area. The campus represents a highly successful partnership between the university and the city that was based on a shared vision and the willingness to invest together to make that vision a reality.

BUFFALO, NEW YORK

Like many other cities in the Rust Belt, Buffalo struggled to define a new future throughout the 1970s, 1980s, and 1990s. In the 1980s, an unsuccessful effort was made to pursue education and medical anchor institutions as new economic drivers.

In the early 2000s, Buffalo Mayor Anthony Masiello convened a group to explore a bold vision that would relocate major medical facilities to downtown Buffalo, which was then in serious decline and plagued with vacant buildings. At the same time, the School of Medicine, State University of New York at Buffalo, was in an aging complex that lacked a teaching hospital. The mayor's effort brought together civic, political, and medical leaders to establish the Buffalo Medical Campus Inc., a nonprofit organization. After much discussion, the organization created a bold vision for a new 120-acre campus in downtown—a goal far beyond what most thought possible. The group persevered despite much skepticism from others in the community.

In 2013, plans were unveiled for a new medical school in downtown, and by 2018, the University of Buffalo's new Jacobs School of Medicine and Biomedical Sciences opened—a $375 million investment that is transforming downtown Buffalo. It has already leveraged millions of dollars of adjacent development for technology companies, housing, offices, and additional institutional needs.

Upon opening, the Jacobs School created more than 2,000 jobs, and its success led to the development of a transit station integrated into the facility. The project was funded by a mix of public, private, and foundation and institutional investments that transformed a largely empty downtown into a lively mixed-use place to live, shop, and work.

The lessons from Buffalo's success are to think big and bold; get the right people in the room to create a shared vision; avoid getting stymied by an initial lack of funds; realize that a transformation takes time; and ensure that the vision goes beyond the immediate project.

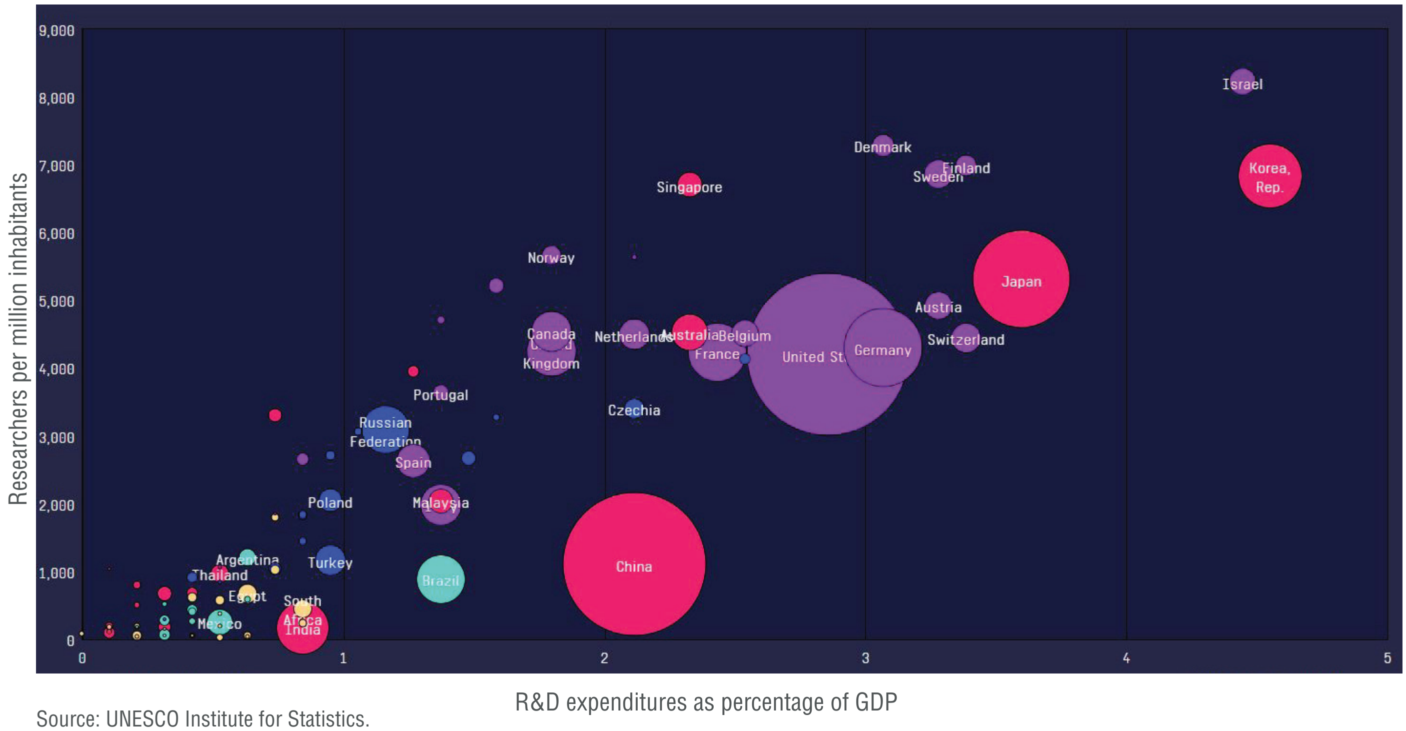
WATERVILLE, MAINE

Whereas large research institutions can transform the fortunes of the towns in which they are located, smaller institutions can also play a highly influential role in the revitalization of communities. An excellent example of this is the contribution a liberal arts college made toward reviving Waterville. A town of 16,500 people, Waterville is the home of Colby College, which has 1,800 students. After several mills closed in the town, the downtown largely became vacant. Like ASU president Michael Crow, Colby College president David Greene believed his institution could not be successful without an attractive, thriving town.

With Greene's guidance, the college has partnered with Waterville to create a strategic vision for the downtown that includes significant investments by the college—some for college-related uses, but others for purely commercial uses. The projects for the college already built or under way downtown include a residence hall and a performing arts center with artists' studio space. In addition, the college is financing and rehabilitating an old building to serve as a pizza pub and provide office space for tech companies. Now, after many years, private investments are being made in the downtown, and after years of decline, the city's population has grown for the past six years.

Colby College has committed $82 million of its own funds to invest in downtown Waterville, and additional funds from private, foundation, and public sources are supporting the revitalization. Lessons from Waterville's success include: a thoughtful, bold leader at the helm of a town's anchor institution can clear a path to success; and it is important to understand the real estate and market forces of the community, and to build a shared vision and a trusting partnership with the anchor institution in order to realize the vision.

R&D SPENDING BY COUNTRY, 2019



Source: UNESCO Institute for Statistics.

INVESTING IN INNOVATION

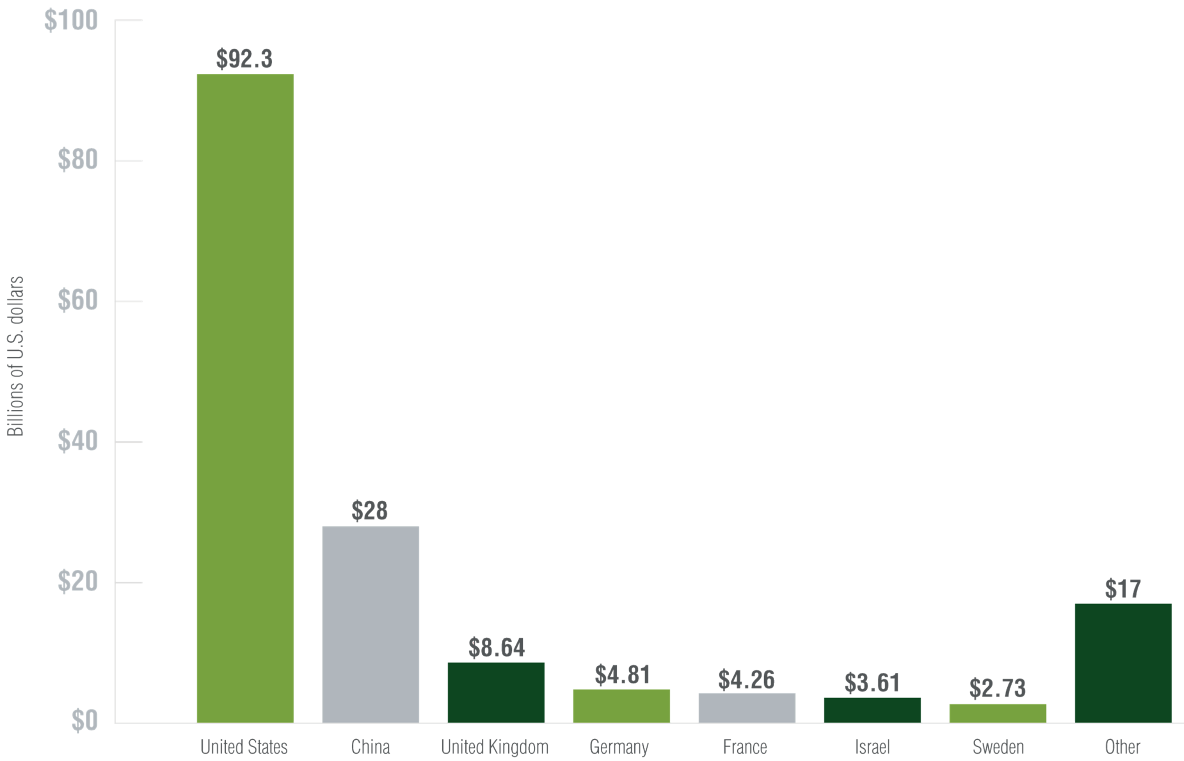
Supporting entrepreneurial economic development and providing a high quality of life means making choices about where and when to spend. Obviously, communities must make public investments to become vibrant places. But, for a technology economy to thrive, these investments must be supplemented with nontraditional funding such as research dollars to fuel technology breakthroughs, early-stage funding of commercialization for promising products, and broadly available venture capital.

Traditionally, the United States has been a leader in the critical investments in research by public, private, and philanthropic sources. The federal government has long been the single largest source of research investment. However, recent discussions about deficit reduction, including cuts in federal research investments, could seriously undercut the country's historic position as a leader in innovation, even as China, Japan, South Korea, Israel, and other countries have dramatically increased their research funding. This places growing pressure on communities to be creative in attracting alternative funding sources such as venture capital. It is at the nexus of research and venture capital that the role of public/private/university partnerships is central.

Anchor institutions need to build their research programs to attract funds; at the same time, the civic and political leadership needs to build a community that attracts talent. Globally, an overwhelming share of venture capital investment takes place in the United States. For years, the challenge has been that about 70 percent of that venture capital goes into just three regions—Silicon Valley, Boston, and the New York City metro area. Fortunately, that distribution has begun to change slightly as more cities create an entrepreneurial culture.

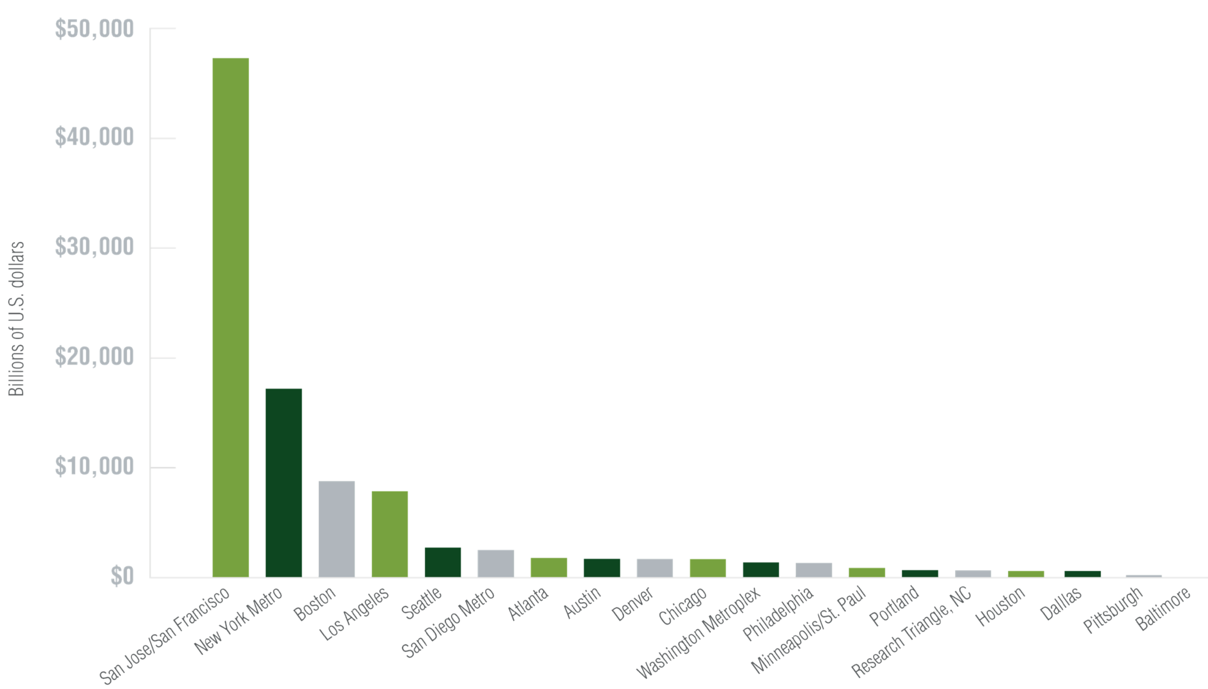
ULI has an important role to play in educating public officials, civic and business leaders, and university stakeholders about the economic and community development potential associated with the knowledge economy. This economy requires these leaders to guide their communities toward a more entrepreneurial perspective in their identification of growth opportunities—catalyzed by partnerships—that yield lasting, far-reaching benefits. A shared vision at the local level must leverage the leadership of anchor institutions, public officials, and private entrepreneurs to forge new local economies to sustain their communities.

VENTURE CAPITAL INVESTMENTS BY COUNTRY, 2019



Sources: Dealroom.co; KPMG; PitchBook.

VENTURE CAPITAL INVESTMENTS BY U.S. REGION, 2019



Source: PwC/CB Insights, *MoneyTree Report*, Investments by Region, 1Q 1995 to 4Q 2019.

Culture and the Arts

Culture and the arts have increasingly been emphasized as important components of land use decisions and economic activity in urban revitalization. To respond sufficiently to the knowledge economy, cities are finding they need not only build new economic platforms and employment sectors, but also prioritize pathways for social cohesion and higher property values.

The narrative of urban revitalization includes creation and sharing of culture, market activity by the creative sector, and contributions by these elements to fostering social and economic engagement. No matter how broad or narrow the definition of culture and the arts, they create value that is not always or completely captured by the private market. Because culture and the arts are experienced both quantitatively and qualitatively, their influence on the market is complex. Nonetheless, their prioritization has spurred cities from Oakland to Washington, D.C., to draft plans for their promotion.

Though culture and the arts endure challenges to their intrinsic role and value, cities that have been intentional about the success of their cultural sector have benefited from the introduction of wide-reaching platforms for creators, resources for producers, and access for consumers. As noted by Alexander Briseño and J. Fiona Ragheb in their *Urban Land* article "Enriching the City with Public Art" on April 19, 2018, "The economic impacts benefit residents directly, driving spending to local businesses and creating jobs and opportunities for artists and residents alike." Whether it is the philharmonic, the local jazz club, professional theater, nature and recreation in parks and waterfronts, or a favorite restaurant, a thriving cultural ecosystem enriches residents' lives, instills a sense of civic pride, creates a shared history, connects communities, and provides opportunities for dialogue, engagement, and learning.

FRAMEWORKS: CULTURAL DISTRICTS

Cultural districts create a tangible presence for the arts that has measurable impacts, boosting neighborhood appeal that spurs subsequent investment. These districts are on the front lines of supporting and promoting local artists, and the energy that accompanies creators and distributors of the arts contributes to the desirability of the built environment. They influence the choices businesses make in where to operate based on factors such as access to a creative workforce and a perceived high quality of life.

One of the most enduring cultural districts is the Pittsburgh Cultural District, which is widely regarded as a premier example of how to spearhead the transformation of an area into a magnet destination for arts lovers, residents, visitors, and business owners. It attracts 2 million visitors annually and generates more than $300 million in total economic impact each year for the city.

Other examples are the more recent cultural initiatives implemented in Allentown, Pennsylvania, and Lowell, Massachusetts. Allentown's ArtsWalk provides a pedestrian corridor that connects two anchor institutions—the PPL Center sports arena and Miller Symphony Hall. Its success has spurred new commercial development for a downtown area that features local ethnic eateries and a micro-creamery startup. In Lowell, the Canalway Cultural District, created in 2012 through public/private partnerships, has so far generated more than 80 new jobs and $4 million in investment. The success of the district has earned it recognition from the American Planning Association.

The importance of a viable arts and cultural district to the success of a community cannot be overstated because its impact is not insular: the contributions these districts make to shaping economic growth and improving livability affect not just adjacent neighborhoods, but entire metro areas.

Public art, like this mural in Cincinnati, can signal a community's revitalization.

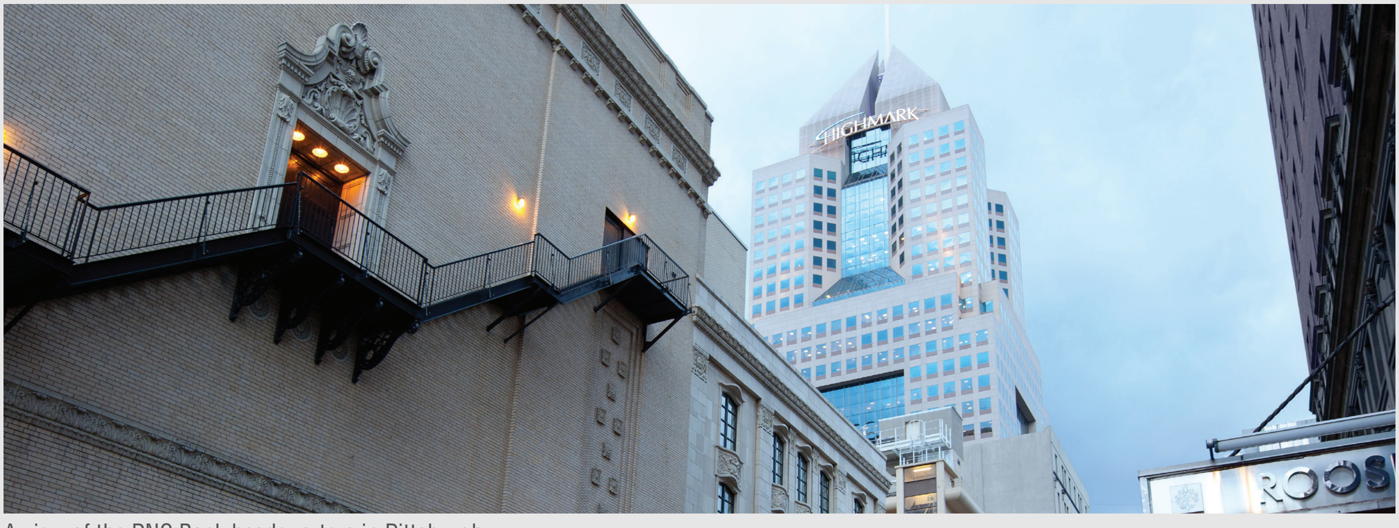
Arts and Culture/Cultural Districts: Pittsburgh Cultural Trust

Established in 1984, the Pittsburgh Cultural Trust was the vision of the late Howard Heinz, the Heinz Endowments, and other foundations in Pittsburgh. The trust has played an integral role not only in its immediate arts community, but also in Pittsburgh's revitalization as a legacy city. The trust is an unconventional cultural institution that is part arts promoter, part management organization, and part real estate developer overseeing more than 1 million square feet of property. Its unique approach is defined by its objective to not simply open a new venue, but to take a longer view in the creation of an entire district. That vision has resulted in a higher quality of life and increased activation of the neighborhood, as well as higher property values for the land and buildings within the trust's purview.

Pittsburgh's Cultural District encompasses 14 blocks on which are located such venerable organizations as the Pittsburgh Symphony Orchestra, the Benedum Center for the Performing Arts, the Pittsburgh Ballet Theatre, the Pittsburgh Opera, and the Pittsburgh Public Theater. The trust, which has a mission encompassing both cultural and economic revitalization, was initially created to stabilize the Cultural District by remedying adverse street activity and addressing challenges in the building stock through thoughtful redevelopment. With the trust now well into its fourth decade, its goals pertaining to land use also address catalytic residential development.

Diversity is essential to the trust's programming. Events such as gallery crawls and the Pittsburgh Public Arts Festival celebrate the visual arts. Touring Broadway shows hold reliable appeal and attract popular support, offering economic dependability that allows the trust to provide subsidized platforms for under-resourced disciplines, including modern dance and productions by small, innovative theater companies. These smaller companies, such as the Bricolage Production Company and the Pittsburgh Playwrights Theatre Company, provide arts enthusiasts with multiple options. The collection of world-class theaters, engaging art galleries, inspiring public parks and art installations, renowned restaurants, and diverse retail stores has created an inclusive arts and cultural environment with offerings of interest to all community residents. This has spurred the ongoing development of apartment buildings and condominiums that are contributing to the mix and vitality of downtown.

Though the trust as an entity is not replicable in every city, its mission to advance the economic viability as well as the social vibrancy and vitality of the Cultural District—and the means it deploys strategically and programmatically to realize that mission—provides guideposts that are universally relevant. To achieve success at the level achieved by the trust, it is essential to have the right blend of philanthropic support backed by leaders who are engaged and invested in the area, and who provide forward-thinking organizational direction to turn a vision into reality.



A view of the PNC Bank headquarters in Pittsburgh.

ACCESS: PUBLIC ART

Public art has played an integral role in the resurgence of the appeal of cities and urban living and the emphasis on a high quality of life. This holds true for legacy cities leveraging public art as a community asset. Public art that is tethered to a specific development can generate more publicity, public recognition, and real estate interest than any other element in a project budget.

Examples of public art initiatives adopted by cities are featured in the case studies section of this report. For instance, Buffalo's public art activities are the product of the unique role played by the Albright-Knox Art Gallery. Since the 2013 appointment of a public art curator—an employee of the gallery who leads the Albright-Knox's Public Art Initiative, a partnership with the city and Erie County—a variety of projects, including murals and sculptures like Casey Riordan Millard's inimitable *Shark Girl*, have enlivened Buffalo, generating an affirming response from residents and visitors alike.

In Lowell, the office of Cultural Affairs & Special Events (CASE) established LikeLowell.com in 2008 to promote Lowell's creative scene. Following several years of planning, the University of Massachusetts Lowell in 2016 opened Decatur Way, a formerly derelict alley converted into an outdoor walkway and art space in the city's Acre Neighborhood District. Transformation of the 1,200-square-foot space was the result of a collaborative effort among UMass Lowell, the Acre Coalition to Improve Our Neighborhood, and countless volunteers. In 2018, the city added a public piano to Decatur Way, available for spontaneous use by passersby as well as for scheduled performances.

Paducah, Kentucky

POPULATION: 24,850

Paducah is a small city on the Ohio River in western Kentucky. In the late 1990s, its Lower Town neighborhood, comprising 20 square blocks near downtown, was in severe disrepair. Fifty-one percent of residents lived in poverty, crime was high, and dilapidated or abandoned housing was commonplace. Most residents were renters, but landlords were not held accountable for substandard housing or blatant code violations.

In 2000, a local artist teamed up with the town planner to create the Paducah Artist Relocation Program. The city began purchasing vacant properties and reselling them to artists for as little as $1. A local bank offered the new property owners home improvement loans that sometimes exceeded appraised value by as much as 300 percent.

To qualify for the program, artists had to meet certain criteria, including the ability to demonstrate they had already achieved some notoriety in the art world; that their business model produced sufficient sales to support living and working in Paducah; and that they had opened their businesses to the public or were otherwise making substantial contributions to the community through workshops or other projects.

Despite misgivings among some in the community, the program worked. In the first year, eight artists purchased properties, followed by eight more the next year. By 2005, more than 75 artists had relocated to Paducah, 80 historic structures had been rehabilitated, and 25 infill projects had been completed. Crime was down, community pride had improved, and the city's $3 million public investment had leveraged nearly $35 million in private investment.

The Lower Town revitalization project was so successful that the approach was later applied to the nearby Fountain Avenue neighborhood, where 36 new homes were built and 84 existing homes rehabilitated. The art boom was also boosted by the 2008 opening of the Paducah School of Arts and Design. The art school, an offshoot of the local community college, originally offered classes in drawing, painting, and digital photography but by 2018 had grown to a three-building campus covering two blocks and offering more than 40 programs each semester.

Paducah demonstrates that the arts can be an economic driver and a tool for revitalization. The program worked because "artists are the kind of folks who can see what can be," says town planner Tom Barnett. "They see potential, and we knew that was what it was going to take when they initially saw the neighborhood in its dilapidated condition."

EXPRESSIVE LIVES: VISUAL AND PERFORMING ARTS

Cultural organizations are integral to a community's fabric, providing opportunities and venues for artists and art consumers alike to exercise their expressive life. These venues range from those of historical significance such as the Fulton Theater in Lancaster, Pennsylvania (1852), and Akron Civic Theater in Akron, Ohio (1929), to modern catalytic projects such as the John F. Kennedy Center for the Performing Arts in Washington, D.C. (1971), and its recent REACH expansion (2019), the Kauffman Center for the Arts in Kansas City, Missouri (2011), and the Taubman Museum of Art in Roanoke, Virginia (2008).

Arts and cultural facilities play a fundamental role in their communities, often serving as anchor institutions in a capacity similar to that served by medical and educational institutions. Those facilities with real estate assets to leverage can play a particularly meaningful role in the local economy and land use decision-making.

RECREATION: PARKS AND WATER

The environmental reclamation of waterways and other bodies of water and the subsequent cultural reconnection of cities to their waterfronts and riverfronts have been a vital element of urban economic revival and an improved quality of life. In addition, though not every element of waterfront revival can be quantified, a variety of metrics consistently affirm the correlation of parks and land values.

This is demonstrated in numerous examples of assistance provided by ULI's Advisory Services program to cities seeking to capitalize on their waterfronts as economic assets and community amenities. These include development plans for the Boise Cascade paper packaging plant site in Salem, Oregon; the GM stamping plant site in Indianapolis; and the waterfronts of the Grand River in Grand Rapids, Michigan, and the Scioto River in Columbus, Ohio. Each reflects the opportunity for the cities to maximize the value of their natural resources. Improvements of these assets promote density, spur development, and increase land and property values.

As noted in the 2003 ULI book *Remaking the Urban Waterfront*,

> **"Cities seek a waterfront that is a place of public enjoyment. They want a waterfront where there is ample visual and physical public access—all day, all year—to both the water and the land. Cities also want a waterfront that serves more than one purpose: they want it to be a place to work and to live, as well as a place to play. In other words, they want a place that contributes to the quality of life in all of its aspects—economic, social, and cultural."**

EXPERIENCE: STREETSCAPES AND PLACEMAKING

An activated street is often the result of a coalition of stakeholders working together to expand or create walkable, transit-oriented places. Facilitating those efforts, business improvement districts (BIDs) have become a recognized tool in cultivating both economic growth and an identity associated with distinctive, dynamic street life.

Activated areas such as Cincinnati's Over-the-Rhine neighborhood and downtown Chattanooga, and award-winning public spaces in Greenville, South Carolina, and Cleveland, Ohio, illustrate the emergence of dynamic streetscapes and public spaces in a growing number of cities. As reported in the *Urban Land* article "Five Steps toward Implementing Creative Placemaking" in October 2017, "Creative placemaking—combining art and culture in tandem with good design—has proved to be an accelerator, not only in creating a unique sense of place that attracts people, but also in fostering healthy, culturally rich, and economically thriving places to live, work, and play."

The Main Street Approach to Economic Development

In 2018, Amazon announced that the location of its second global headquarters, HQ2, would be split between the Crystal City area of Arlington, Virginia, and Long Island City, New York—both walkable, urban neighborhoods, one in Northern Virginia just outside of Washington, D.C., the other in the Queens borough of New York City. (Long Island City subsequently withdrew its approval; Amazon also selected Nashville for a smaller operations center).

Nearly 240 U.S. and Canadian cities had bid for the headquarters, offering as much as $8 billion in economic incentives. But one criterion appeared to drive Amazon's decision as much or possibly more than incentives—the presence of a living and working environment that attracts and retains highly trained employees. While Washington and New York City are both global gateways—most certainly a high priority for Amazon—each has a highly educated population and a prevalence of walkable, mixed-use neighborhoods that appeal to young, talented workers.

One lesson to be learned from Amazon's decision is this: quality of life is an important driver of economic development. Communities that focus on providing an environment that is pleasant and welcoming for residents and workers will keep attracting businesses and investors.

Smaller cities and towns hoping to attract new talent would do well to consider Main Street America as a source of inspiration and practical assistance by getting involved in the Main Street Approach to economic development. Main Street America—a program of the National Main Street Center, a subsidiary of the National Trust for Historic Preservation—is a grassroots network of small towns, medium-sized communities, urban commercial districts, civic and nonprofit organizations, individuals, and local leaders that have banded together to help communities, particularly those with limited resources, revive their downtowns. The Main Street Approach centers on transformation strategies that articulate a focused, deliberate path to revitalizing or strengthening a downtown or commercial district's economy. These strategies are organized around four key points: economic vitality, design, promotion, and organization.

Over the past 25 years, the Main Street Approach has established a proven record of creating jobs and businesses while also rehabilitating countless historic buildings and revitalizing thousands of downtowns and disinvested commercial corridors. Since its inception, Main Street communities have experienced almost $75 billion in new investment, rehabilitated 276,000 buildings, and created 614,716 net new jobs. In addition, every $1 of public money invested in Main Street communities has leveraged over $26 of private investment. Yet, despite its enormous record of success, Main Street America receives relatively little public funding or acknowledgment from state policymakers or traditional economic development professionals. In fact, most state economic incentives still go to big business. Why? One reason is that the Main Street Approach typically involves modest projects in smaller cities and towns.

Public officials like nothing better than announcing big projects—the bigger the better. Many still think the traditional economic development approach of recruiting big businesses and "chasing elephants" is the best way to grow their communities for the future.

In fact, most new jobs in the U.S. economy are created by existing, smaller businesses. According to the U.S. Small Business Administration (SBA), small businesses generated 64 percent of new jobs between 1993 and 2011. The SBA also reports that middle-market companies—those with revenues of less than $1 billion—account for three out of five jobs in high-growth industries. Even in high-tech job centers like North Carolina's Triangle Research Park, most jobs are in small businesses. In fact, the research park's newsletter reported in 2018 that 60 percent of the employers there had 25 employees or less.

THE POWER OF SMALL

It is a mistake to think that economic revival is always about the "one big thing." American communities are littered with projects that were sold as the silver-bullet solution to a city's economic woes. Whether it was a festival marketplace, a convention center, a casino, a new factory, or a big-box store out on the highway, locality after locality has followed the copycat logic of big project mania. But successful economic development is rarely about the one big thing. More frequently, it is about lots of smaller things working together for the benefit of the broader community.

As demonstrated by Main Street America, small steps, small businesses, small deals, and small developments can add up to big impact. Building small is sometimes harder, takes more time, and is less flashy than building the one big thing, but it can also be the more realistic, more cost-effective, and more durable approach in the long run.

Loveland, Colorado

POPULATION: 77,440

Primarily an agricultural center historically, Loveland became more of a bedroom community for Fort Collins, Denver, and Boulder as farming waned in the 1970s. Its downtown declined, as reflected in the many vacant storefronts and limited activity there by the 1980s. Like many communities, Loveland settled into managing the status quo, though it was not thriving. Also, some resistance existed to government partnering—or otherwise being involved—in any downtown revitalization efforts that might require the use of public tax funds. There was no "big vision" for Loveland.

The Community Foundation of Northern Colorado played a critical role as convener to help spur a revitalization effort, creating the Loveland Community Fund to provide critical seed funding for several activities. Fund committee member Phil Farley understood that Loveland's downtown needed a vision and investment, and this commitment became even more important when he was elected to the Loveland City Council. Farley faced many skeptics, including a council reluctant to invest public funds.

To better frame the conversation about revitalizing downtown, the Community Foundation and the fund committee organized a Destination Downtown Loveland meeting in November 2008, inviting as keynote speaker William Hudnut, former five-term Indianapolis mayor and a ULI senior resident fellow. Hudnut "delivered an inspirational and direction-changing talk about the benefits of a vital downtown" that resonated with the audience and, perhaps most important, the Loveland City Council, foundation president Ray Caraway recalls. Among Hudnut's memorable comments: "It is the responsibility of the city to steer the boat, while the function of the private sector is to row the boat."

The conversation about downtown changed after Hudnut's presentation. The event inspired action and partnerships. The city, a private developer, and the foundation teamed up to expand and improve the 90-year-old Rialto Theater, adding amenities to accommodate artists and events that would draw people downtown. The Rialto Theater Center opened in 2012 with a new public meeting space, a new artists' green room, retail/restaurant space, and office space—all made possible by a condominium agreement between the private developer and the city. It immediately became the crown jewel of the community.

Another outcome resulting from Hudnut's presentation was the transformation of a vacant feed and grain warehouse three blocks from the Rialto Theater into housing and workspace for artists. Developed by ArtSpace—a nonprofit arts organization that creates, owns, and operates affordable spaces for artists—the Lofts project was also made possible by a partnership between the city and the foundation.

In 2013, with the theater complex and the Lofts completed, Loveland and the foundation invited Ed McMahon, another ULI senior resident fellow, to speak at the 2013 Destination Downtown Loveland event to stoke the enthusiasm and vision triggered by Hudnut's visit. Shortly thereafter, Loveland worked with private-sector partners to develop the Foundry, named for the Loveland's noted bronze foundries. The endeavor involved razing three city blocks behind the Rialto Theater and redeveloping it with apartments, a public plaza, a hotel, retail space, offices, a parking garage, and movie theaters—an accomplishment unimaginable in the early 2000s.

At the 2018 Destination Downtown Loveland event, Tom Murphy, former mayor of Pittsburgh and also a ULI senior resident fellow, told those gathered at the packed Rialto Theater that they should be proud of their accomplishments, but not to rest on their laurels. He said the city had established a strong foundation on which it could continue to build—a foundation built on arts, culture, and technology.

In 2019, a $7 million renovation began on the Depression-era Pulliam Community Building to bring that gathering space up to modern standards. The foundation's Loveland Community Fund is soliciting support for the project.

The initial spark for the city's revitalization efforts, redevelopment of the Rialto Theater, was originated by a public/private partnership. The Community Foundation of Northern Colorado signed a letter of commitment with the city to invest $700,000. (The foundation received gifts and pledges exceeding the $700,000 goal—a demonstration of remarkable community support.) The city then committed $2 million to the project, and the private developer invested $2.3 million.

Lessons learned in Loveland include the importance of several elements: vision and intentionality, a cadre of leaders with a shared vision, risk capital (supplied by the Loveland Community Fund), a community education strategy, a strong champion who supports the vision and galvanizes other stakeholders to achieve it, and inspiration.

The Main Street Approach focuses on creating better places. This is important because the link between quality of place and the ability to attract and retain residents and talent is becoming increasingly clear. As Mick Cornett, the four-term mayor of Oklahoma City, observed, “Economic development is really the result of creating places where people want to be.” Or, as expressed by Steve McKnight, a Pittsburgh-based economic development consultant, “In today’s economy, new investment is increasingly seeking locations based on the quality of place rather than the utility of location.”

The traditional economic development strategy was focused on cheap land and cheap labor. It involved shotgun recruitment and low-cost positioning; the most important infrastructure investment was roads.

The new reality is that highly trained talent is more important than cheap labor, and investing in education and workforce development yields far greater results than widening the highway. It is also important to recognize that the big-business-subsidy approach often pits one community against another by cannibalizing economic growth and fueling a never-ending need to maintain subsidies to keep businesses from leaving. Too often the result is taxpayers subsidizing huge global corporations, leaving communities few options if the market shifts or the company founders.

On the other hand, the Main Street Approach of making smaller, incremental investments builds lasting assets that pay dividends long after the initial funding. This approach, which is helpful for both existing and new businesses, helps create diverse, durable local economies and is a more realistic strategy for smaller cities and towns. Most important, taxpayers end up investing in themselves rather than subsidizing big businesses.

THE POWER OF HISTORIC ASSETS

Economic development is about choices. Some communities choose to spend all their time and money on recruiting businesses, whereas others focus more on expanding businesses in place. The Main Street Approach is a mix of both: it focuses on reusing and restoring the assets a community already has to support existing businesses and attract new ones.

Often a community’s greatest asset is its historic building stock. The Main Street Approach leverages the value of historic buildings, ensuring that they contribute to a community’s future. This approach is helping public officials better understand the value and importance of historic preservation and is debunking misperceptions of preservation as an impediment to revitalization.

The benefits of historic buildings and neighborhoods are plentiful. First, historic buildings physically connect a community to its past, serving as symbols of its heritage. In this manner, saving historic buildings is about saving the heart and soul of a community.

Sentimentality aside, though, historic preservation is also an extraordinarily important tool for economic revitalization. Dozens of studies over several decades have documented that preservation is good for the economy, having positive effects on jobs, property values, tourism, downtown and neighborhood revitalization, affordable housing, and environmental sustainability. What is more, though renovation and redevelopment are not new, today’s market is embracing older space with new fervor. For example, ULI’s *Emerging Trends in Real Estate® 2016* report noted that office space in rehabilitated industrial buildings—like former textile mills or warehouses—was commanding rents higher than those for new class A product. Industry experts interviewed for the report attributed the rent increase to the desire by employers and employees for space with authenticity and character. Historic industrial buildings also have large, open floor plans that make them flexible and adaptable—key attributes in a rapidly changing economy.

While it was once common to find corporate headquarters in sprawling suburban office parks, it is now just as common to find them in iconic historic buildings. Starbucks’ corporate offices, for example, are located in a former Sears warehouse distribution center. Sports apparel company Under Armour has located its offices in a former detergent plant in Baltimore. Similarly, Converse Inc.’s offices are in a once-derelict but now beautifully restored wharf on the Boston waterfront, and Ford Motor Company recently announced plans to restore the monumental but long-abandoned Michigan Central Station train depot in Detroit for its new world technology center.

Lancaster, Pennsylvania

POPULATION: 59,322

The city of Lancaster, located in Lancaster County, has the unique distinction of having been the U.S. capital for one day (in 1777, when the British occupied Philadelphia) and the state capital for 12 years. In the 19th century and through the mid–20th century, Lancaster was a center of agriculture and manufacturing, with several iron foundries located in the area. The county's large Amish population made the area a destination for visitors eager to learn about Amish history and culture, and the area continues draw tourists.

However, its tourism success could not offset the loss in the 1980s and 1990s of the iron industry, which succumbed to foreign competition, and the departure of residents for the suburbs. By that time, Lancaster was a failing community with vacant factories and houses and a reputation for being plagued by crime. Its major industry, Armstrong World Industries, a designer of wall and ceiling systems, was in rapid decline, and the city's fiscal situation was dire.

In 1997, a group of civic leaders formed the Hourglass Foundation, an organization focused on the "interrelated complexities of growth and change." It was created to educate and sensitize decision-makers on the countywide impacts of their decisions, to clearly define Lancaster's problem, and to supply reliable information to and educate the residents of Lancaster on solutions.

The organization catalyzed community action. Richard Gray, elected mayor in 2005, challenged the city to think big and be bold on revitalization. Decisions to revitalize the Central Market and Gallery Row were key initial steps, as was completion of a convention center and a Marriott hotel. Franklin and Marshall University and Lancaster General Hospital partnered to improve the neighborhoods near their campuses. These early investments spearheaded by the city led to investments in new hotels, offices, and downtown housing.

Partnerships consisting of public, private, university, and philanthropic stakeholders spurred the revitalization of downtown Lancaster. Now, its Central Market—a focal point of the city—is a lively, bustling place with shops, residences, and businesses. Through the state's Neighborhood Improvement Zone program, which uses combined state and local tax revenue from a specific district to underwrite bonds to fund district improvements, Lancaster had targeted the Central Market for investment.

As an example of the confidence investors now have in downtown Lancaster, Willow Valley Communities announced in June 2019 plans to acquire the long-vacant Lancaster Newspaper Production Building and develop a 150-unit mixed-use adult living community at the site—a prime location just a couple of blocks from the Central Market. The company also plans to partner with Lancaster Equity Community Development Corporation to acquire the vacant historic South Market building and restore it. Located across the street from the proposed adult living facility, the South Market building is viewed as a critical component for improving the southern gateway into Lancaster.

Willow Valley Communities, considered a premier developer of adult communities, also owns a 2,400-unit senior living community just 10 minutes south of downtown Lancaster. Its willingness to invest in downtown Lancaster represents a significant vote of confidence in the vitality and future of the city's urban core.

Lessons learned in the revitalization of Lancaster include:

- Knowledge is essential.
- Partnerships are the best vehicle to garner support, secure financing, and implement best practices.
- Vision, thinking big, and challenging the assumptions help communities reconsider the future.
- Art and culture create vitality and make great places.
- Design matters.
- Achieving what is best for the community cannot be sidelined by politics.

The Lancaster Central Market.

THE POWER OF DOWNTOWNS

Downtowns are at the heart of 21st-century economic development because they are a community's nerve center and a key asset for regional prosperity. This observation is supported by *Revitalizing America's Smaller Legacy Cities*, a 2017 report from the Lincoln Institute for Land Policy, which asserts that downtowns play an outsized role in revitalizing America's communities because they are the first place people evaluate when judging the health of a community. This is true even if the people doing the evaluating plan to locate their home or business outside of downtown.

In simple terms, if you don't have a healthy downtown, you don't have a healthy city or town. In fact, the unique characteristics of a place may be the only truly defensible source of competitive advantage in the knowledge economy, which, through telecommuting, has vastly broadened location options for people and businesses. The Lincoln Institute report, which examined the unique challenges of smaller, older industrial centers primarily in the Midwest and Northeast, listed the trends affecting small and medium-sized cities: changing economies, declining manufacturing, growth in health care, increasing specialization, and diverging trajectories. Among the strategies for success outlined in the report are to "focus regional efforts on rebuilding a strong downtown" and "build on an authentic sense of place."

The outsized role of downtowns in regional economic development was also illustrated by Smart Growth America and Cushman Wakefield in their 2015 report *Core Values: Why American Companies Are Moving Downtown*. The report listed 500 major U.S. companies that had either relocated to, expanded in, or opened new offices in walkable downtown locations in the previous five years.

Among the Fortune 500 companies that have announced moves from suburban sites to downtowns in recent years are Caterpillar, Conagra, GE, Marriott, McDonald's, Motorola, Quicken Loans, and Walgreens. The top reasons given by company executives for moving: to attract and retain talented workers, followed by a desire to build brand identity and corporate culture and support creative collaboration. This strongly suggests that downtowns are coming back to life because downtowns are where businesses and talent want to be. In today's economy, place matters more than ever, and investing in downtowns as central gathering places is critical to economic competitiveness.

A historic building undergoing rehab.

Tucson, Arizona

POPULATION: 520,116

Over the past decade, downtown Tucson has experienced a dramatic economic revitalization, with unprecedented levels of investment, hundreds of new businesses, and thousands of new jobs creating a thriving downtown environment. Located in the heart of the city, downtown Tucson has evolved from a government center into the region's entertainment hub, offering a variety of restaurants, nightlife, and cultural arts venues, as well as scores of major events that attract more than a million people each year.

Since revitalization efforts began in 2008, investments in commercial properties have led to new construction and the renovation of a number of historic buildings, creating distinctive spaces for street-level businesses and company offices.

One key contributor to the success of downtown is the Sun Link streetcar, which has a four-mile route connecting the University of Arizona and the area to the west of Interstate 10. Opened in 2014, the line links five of the city's key districts, including downtown, the Fourth Avenue business district, and the university, attracting a ridership of about 950,000 people annually. New construction, primarily located near the streetcar line, has reestablished downtown as a magnet for real estate development and has been a major contributor to the Tucson economy. By early 2020, more than $800 million in private-sector investment had been made along the route.

At a cost of $196 million, the Sun Link line has been the single largest construction project in the city. Its success can be attributed to the leadership and commitment of the city, Pima County, and the Regional Transportation Authority to see the project through, as well as a variety of public and private funding sources.

A SunLink transit stop in Tucson.

Federal funding for Sun Link included:

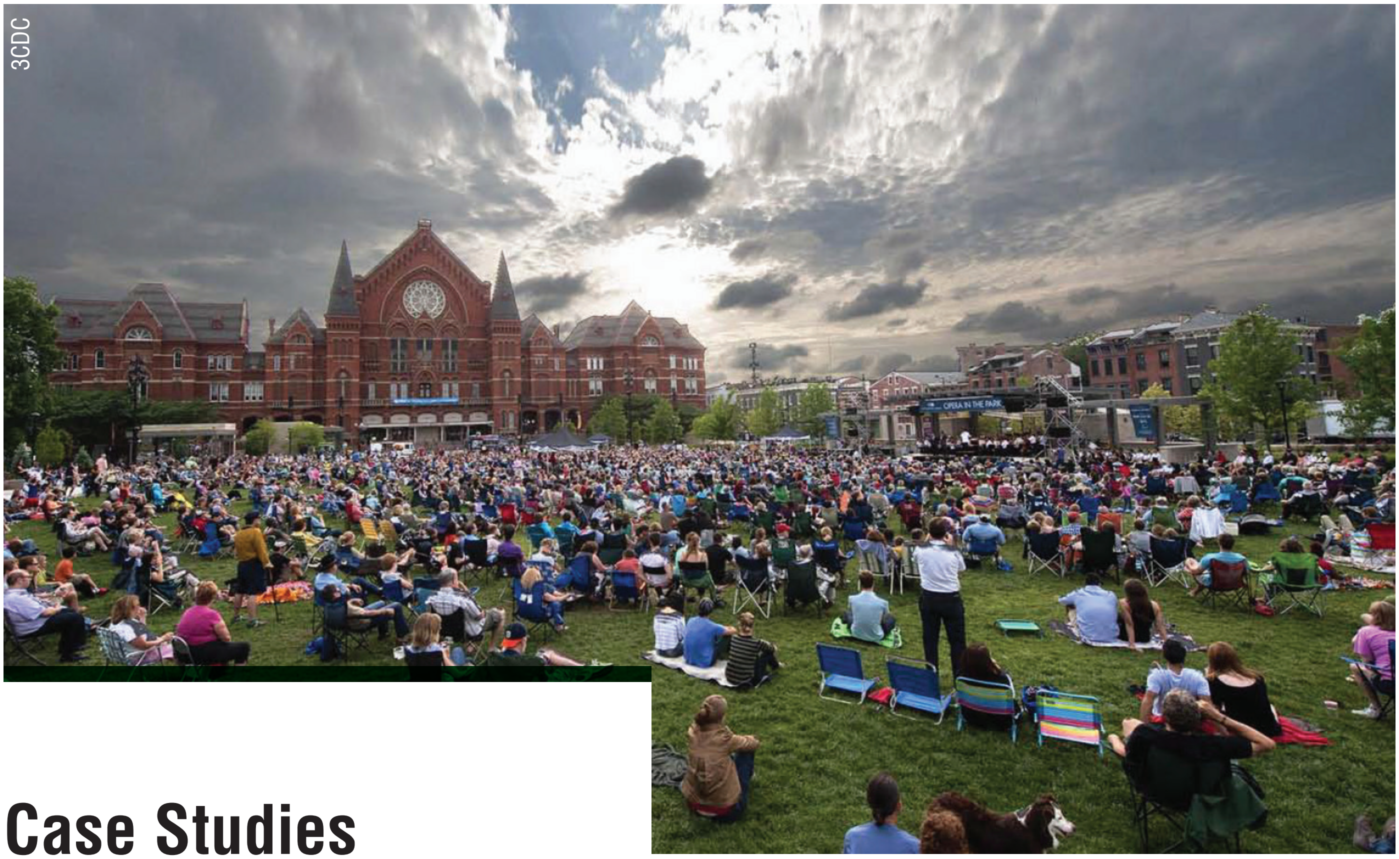
- $63 million from a Transportation Investment Generating Economic Recovery (TIGER) grant from the U.S. Department of Transportation;
- $6 million from a New Starts "Exempt" program grant from the Federal Transit Administration (FTA); and
- $4 million from a High Priority Program grant from the FTA.

Local funding included:

- $75 million from the Regional Transportation Authority;
- $8.5 million for public utilities—water/sewer;
- $4.1 million from Transportation Improvement Program/Pima Association of Governments grants; and
- $2.9 million from the Gadsden Company.

Other funding included:

- $20 million from city of Tucson Certificates of Participation/ Grant Anticipation Notes;
- $13 million for the Luis G. Gutierrez (Cushing Street) Bridge; and
- $12.7 million from the Regional Transportation Authority for streetcar operations.



Case Studies

Music Hall in Cincinnati's Washington Park.

The following eight case studies illustrate ULI's approach to legacy cities. Though the idea of a legacy city often brings to mind industrial centers of the 20th century in the country's Rust Belt, a legacy city is ultimately not differentiated by geography or a one-size-fits-all story.

Legacy cities represent a narrative of industrial prosperity succeeded by unexpected conditions, unforeseen changes, and exigent challenges. Legacy cities tell a story of not only innovation and growth, but also of fortitude, tenacity, community, and connection. The cities selected for this report were innovators, with economies originally propelled by the manufacture of products reflective of urban growth, including furniture, automobiles, and steel. Their legacies are based on perseverance, as seen through their original emergence, the pathways they laid for a role as future hubs of creativity, and their revitalization as viable market participants.

The examples of legacy city transformation in this report range from remaking specific sites (Salem, Oregon, and Buffalo, New York), to waterfront reclamation (Chattanooga, Tennessee, and Grand Rapids, Michigan), to elevating an entire downtown (Allentown, Pennsylvania, and Greenville, South Carolina). Though their comeback experiences differ, what these cities have in common are the factors that caused their initial successes to fade—a confluence of highways and urban decentralization directing residents away from the urban core. The clash between a loss of industry and a deactivated downtown resulted in outcomes these legacy cities did not conceive as possible. The trials they have overcome and the triumphs achieved to regain their footing echo in all cities that have faced circumstances upending their economic viability and quality of life.

One case study, Columbus, Ohio, is a particularly apt depiction of the proverbial road less traveled: unlike most legacy cities, Columbus opted during its heyday to diversify its economy beyond manufacturing. This choice offers an interesting comparison in terms of how Columbus has fared. Whereas Columbus has not experienced the population loss and negative economic effects of a manufacturing decline on the scale experienced by other legacy cities, other Ohio communities have not fared as well.

POPULATION: 121,437; as of 2017, the fastest-growing and third-most-populous city in Pennsylvania

AREA: 18 square miles

LOCATION: On the Leigh River in eastern Pennsylvania, near the New Jersey border and within 100 miles of urban areas with total population of 30 million

DEMOGRAPHICS: White, 43.2%; Black, 11.5%; Hispanic, 42.8%; Asian, 2.2% (2010 census)

GOVERNMENT: mayor/city council form of government

PPL Center in Allentown.

Allentown, Pennsylvania

The roots of Allentown, which dates to the Revolutionary War, are anchored in manufacturing. The discovery of iron ore deposits near the community shaped an iron manufacturing industry. Later, Allentown became a major textile manufacturing center primarily based on newly developed rayon. The Mack Trucks company set up manufacturing facilities in the area, and Western Electric located there; its research led to many of the early discoveries in electronics.

As the U.S. manufacturing economy declined during the 1980s and 1990s, many cities lost their major employment centers as factories moved or closed. Allentown was no exception. Its economy collapsed at the same time that suburbanization was shifting longtime urban residents to the outskirts of cities.

However, as the native residents of Allentown moved, its population did not decline significantly—a marked contrast with other cities facing similar circumstances. An influx of Hispanics and Latinos that began four decades ago helped maintain Allentown's downtown and central-city population. These new residents, many from Puerto Rico and the Dominican Republic, were drawn and continue to be drawn to Allentown as a more affordable place to live than communities in nearby New York or New Jersey. The population of Allentown is now nearly 50 percent Hispanic and Latino.

THE CATALYST

Despite maintaining its urban population, Allentown by 2000 was a declining, Rust Belt city. Its downtown was severely distressed with the loss of retail businesses and major commercial tenants. In response, in the early 2000s, a coalition of business and political leaders began to develop a strategy for Allentown's revitalization. The partnership included a Democratic mayor, a Republican state senator, and several Republican business leaders who were primarily suburban developers. Their vision was to revive the downtown as a place to live, work, and play, starting with construction of a publicly funded civic arena.

In a cash-strapped city barely able to pave its streets and remove snow, financing for the civic arena and future developments was difficult to imagine. The state senator,

TAXES THAT QUALIFY UNDER THE NIZ
STATE
Employer withholding tax
Sales, use, hotel tax
Corporate income tax
Capital/foreign franchise tax
Malt and liquor tax
Cigarette tax
Public utility realty tax
Realty transfer tax
Others
LOCAL
Local employer wage tax
Business privilege tax
Licensing fee
Local service tax

Source: ANIZDA.

Pat Browne, developed a financing program known as the Neighborhood Improvement Zone (NIZ), which was the first of its kind for Pennsylvania. He was able to get legislation establishing the NIZ program passed by a Republican-controlled legislature and signed into law by a Democratic governor in 2009, sparking development of an arena, which would become the PPL Center, a popular venue for concerts and home to a minor league hockey team affiliated with the Philadelphia Flyers. The PPL Center proved to be a catalyst for much-needed additional economic development in Allentown.

FINANCING MECHANISM

The NIZ program is designed to capture state and local taxes within a special taxing district; through tax increment financing, the NIZ revenues can be used to repay debt on bonds and loans employed for capital improvements in the qualifying area. The Allentown Neighborhood Improvement Zone Development Authority (ANIZDA) was created as the conduit for the financing. The NIZ designated a total of 128 acres as the special taxing and improvement district, an area that included a large part of downtown Allentown and the waterfront. Taxes that otherwise would have gone to the state and local government were directed into the NIZ (see table).

The NIZ has seen revenues increase dramatically over the nine years since its inception, from $7.1 million in 2011 to $71.1 million in 2018—$68.5 million for the state and $2.6 million in local revenues—according to the Allentown NIZ web page.

In addition to the NIZ funding, federal and state historic tax credits and tax credits from the federal New Markets Tax Credit program were used in the development of the PPL Center and subsequent projects.

IMPACT ASSESSMENT

The initial investment in the newly created NIZ was the public funds put into the 10,000-seat PPL Arena. That facility has succeeded in creating vitality in the downtown, bringing in more than 500,000 people per year for a variety of events. National trade publication *Pollstar* recently ranked PPL Arena the fourth-most-successful venue for concerts nationally, based on quality of the concert experience, quality of the facility, and performances offered. The initial investment in the arena, its success, and the availability of the NIZ has spurred the entrepreneurial spirit of Allentown's development community.

Led by the City Center Investment Corp. (CCIC) real estate development company, more than $680 million in private funds has been invested in the NIZ district since its creation in 2012, and an additional $200 million in investment is planned. At the end of 2019, CCIC announced plans to develop 1 Center Square, a 296,000-square-foot, class A office building with ground-floor retail space across the street from PPL Arena.

At 16 stories, it will be the tallest building in Allentown and will retain and incorporate the facades of the original Merchants National Bank building that has long been on the site.

This project is the latest in a stream of growth in the NIZ district since its inception. When built out, it will have added more than 1.8 million square feet of commercial space downtown, including new stores and restaurants; created 5,000 jobs; and attracted more than 1,500 new residents.

Since its inception, the NIZ has seen almost $1 billion in investment, including offices, an arena, and residential and retail developments. Surprisingly, in the midst of the pandemic, 2020 was a record year for tax revenues supporting the NIZ and bringing investment to Pennsylvania.

LESSONS LEARNED

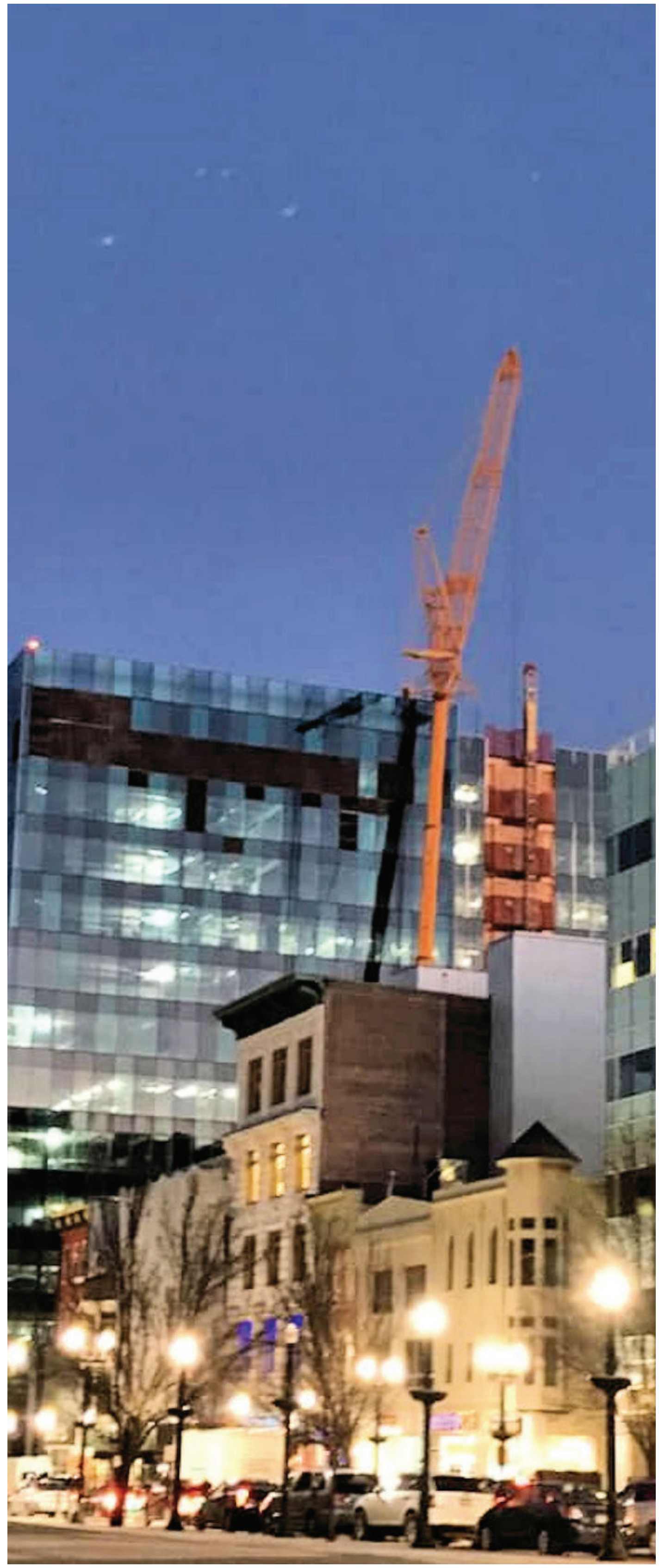
Be intentional. Change is happening. Understand the opportunities it presents. Shape a vision that builds on the competitive advantages of the community. Be strategic and proactive, not reactive.

Build partnerships. Allentown's revitalization happened because a strong partnership developed between political leaders and developers. The partnership was strengthened further by the fact that all the partners had grown up in Allentown and shared a vision of what Allentown could become. The partnership was highly successful because the level of trust among the partners was high: each had faith that everyone would follow through on their commitments.

Cultivate an entrepreneurial spirit. Outside of the core group of public officials and developers, few believed anything could revitalize downtown Allentown. Initially, this core group took huge risks by investing in Allentown. That spirit of risk-taking now embodies not only the developments themselves, but also an innovation center and support for startups.

Understand public/private financing strategies. In order for a development to succeed—particularly in a weak market—a shared-risk approach to financing is needed. Private capital will support assets that yield the best returns; public funds support assets that serve the public good, whether by creating great places or creating jobs, or both. Public funds are the "gap filler" in developments that benefit the community but do not pencil out for solely private investment. It is important for public officials to have a strong understanding of the market in order to be able to determine the level of public financing necessary to start and sustain a project.

Commit to design excellence. If PPL Center had been located outside downtown, it would not have had the same catalytic impact in terms of additional investment in the area. Several elements—the center's relationship to newly developed office buildings and housing; the use of alleys for entertainment areas; larger culture, art, and music venues; and the landscaping in and around the developments—are wonderfully woven together to form an inviting place for people to live, work, and play.



Construction at Five City Center in Allentown.

POPULATION: 256,304; second-most-populous city in New York

SIZE: 52.5 square miles

LOCATION: eastern shore of Lake Erie at the head of the Niagara River, 16 miles south of Niagara Falls

DEMOGRAPHICS: White, 43.2%; Black, 34.6%; Latino, 12.1%; Asian, 6.7%; other, 3.2%

GOVERNMENT: city council/manager; mayor elected by citywide vote

Former state mental hospital, now a luxury hotel.

Buffalo, New York

During the latter 19th and early 20th centuries, Buffalo emerged as an innovative city serving as the western terminus of the Erie Canal, an important work of engineering that led to a market revolution redefining the possibilities of transportation and contributing to the city's subsequent prosperity as a lakefront steel town. As Buffalo grew in population and national significance, it was also making meaningful contributions to architecture in the form of homes and others buildings designed by renowned architects such as Frank Lloyd Wright and Louis Sullivan.

However, advances in transportation and a downturn in industrial manufacturing in the 1960s resulted in an economic shift for which Buffalo was not prepared. At the same time, the city was losing meaningful structures such as Wright's Larkin Administration Building to the widespread razing of structures occurring throughout U.S. cities as part of urban renewal. Despite the momentum of the urban renewal movement, the National Historic Preservation Act was put in place in 1965, helping set in motion efforts in many cities to start saving historically significant buildings.

Accordingly, preservation supporters in Buffalo were putting forth efforts to save the city's historic structures, starting with the Buffalo State Asylum for the Insane, dating from 1880. Designed by noted American architect Henry Hobson Richardson, namesake of the Richardsonian Romanesque architectural style, the hospital was preserved and recognized for its progressive architectural style as well as the patient treatment practices that intersected with the design of the hospital and its 203-acre grounds. Based on concepts from Frederick Law Olmsted's Central Park in New York City and Buffalo's park system designed by architect and landscape engineer Calvert Vaux, the hospital's pastoral setting in the heart of the city afforded nontraditional approaches to treating mental illness that were centered on proximity and access to the natural environment.

Over the years, mental health methodologies changed, as did the asylum buildings and surrounding property. In 1927, the site was reduced by half to develop Buffalo State College. Patients were moved to a new facility in the 1970s, and the site, known as the Richardson Olmsted Campus, began to deteriorate and the buildings were eventually abandoned.

Tacoma, Washington

POPULATION: 198,397

Tacoma is a medium-sized urban port city on Puget Sound, 32 miles south of Seattle. In the 19th century, Tacoma was chosen as the western terminus of the Northern Pacific Railroad. Connecting the deepwater harbor to the railroad spurred the growth of a variety of industries, including wood products, smelting, and manufacturing. However, Tacoma suffered a prolonged decline in the mid-20th century as the result of de-industrialization, disinvestment, and suburbanization. By the late 1970s, downtown Tacoma, with empty streets and abandoned storefronts, was described by the mayor as looking "bombed out."

The city's revitalization began in the early 1990s with the momentous decision by the local leadership to restore and adapt the derelict Northern Pacific terminal, Union Station, for use as the site of a new federal courthouse. This restoration effort led to the subsequent construction of the Washington State History Museum on a site next to the courthouse. The museum echoed the architecture of Union Station and attracted tourists to the neighborhood.

The revitalization movement received an even greater boost when the University of Washington decided to open a Tacoma campus in a group of century-old brick warehouse buildings across the street from the courthouse and the museum. The university's choice of downtown Tacoma over an outlying area of the city is often cited as being among the most important factors in the city's turnaround. The renovation of some of Tacoma's oldest remaining industrial structures for use as classrooms and offices also had a major impact, changing residents' perception of downtown and catalyzing privately financed projects near the campus, including new restaurants, stores, and multifamily housing.

The University of Washington, Tacoma, which has 5,000 students, has brought the downtown back to life, sparking construction of the region's first light-rail line, three new museums, the Greater Tacoma Trade and Convention Center, the Prairie Trail bikeway, a flourishing dining and shopping area, and a gleaming waterfront corridor. In 2013, State Farm Insurance moved into two new downtown office buildings.

Tacoma's extraordinary success illustrates the critical role that anchor institutions such as universities can play in urban revitalization. Other examples include the University of Pennsylvania and Drexel University in Philadelphia, Johns Hopkins University in Baltimore, and Duke University in Durham, North Carolina, each of which has actively sought to transform its surrounding neighborhoods. In Tacoma's case, the city received an additional benefit from the synergy achieved by having three anchor institutions—the federal courthouse, the state history museum, and the university campus—located in one formerly distressed urban neighborhood.

Today, as a preservation site known as the Richardson Olmsted Complex (ROC), it not only is considered one of Buffalo's most important and beautiful facilities, but also accordingly was designated a national historic landmark in 1986.

CHALLENGES AND OPPORTUNITIES

The physical neglect and effects of vandalism on the ROC structures presented monumental challenges. However, the reactivation of the ROC was part of a wave of redevelopment around the city that was being catalyzed by the Buffalo Niagara Medical Campus, a medical center founded in 2001 and located on 120 acres downtown. The campus contributed to the downtown's revival, which included a major revitalization of Buffalo's waterfronts as well as smaller, incremental developments. These initiatives boosted enthusiasm for plans to revitalize the ROC.

Resources secured in 2004 made it possible to commence stabilization efforts on the deteriorating structures on the campus. Additional support by then–New York Governor George Pataki provided the ROC with a pathway to restore the architectural treasure. As part of establishing a plan and pathway forward, the ROC in 2007 invited ULI to convene an Advisory Services panel to make recommendations regarding development of the complex. The scope of this panel was to develop a strategy for the ROC—identify means to ensure financial viability, achieve a mixed-use objective with multipurpose public and private uses, cultivate connectivity to neighboring districts, work with the existing and operating Buffalo Psychiatric Center, and enhance public access.

BUFFABOY/WIKIMEDIA COMMONS

The new Jacobs School of Medicine and Biomedical Sciences at the University of Buffalo.

THE CATALYST

Reflecting the panel's recommendations, development of three identified buildings became the core project to catalyze development of the complex. Crucial stabilization was employed in two phases between 2008 and 2012, followed by the completion of final designs and commencement of docent training in 2013.

Construction began in 2014, accompanied by a dedicated branding campaign, and 2017 marked the opening of the core project, the Hotel Henry Urban Conference Center and Resort, which includes the 100 Acres: the Kitchens at Hotel Henry restaurant. Realization of the hotel and resort served as confirmation to developers of what was possible for the campus and desired by the community in terms of attracting further restoration and reuse projects for the remainder of the buildings. Affirmative public and critical responses to the project reflect the leadership of the ROC; the efforts of the teams at Deborah Berke and Partners and Flynn Battaglia (architecture) and Goody Clancy (historic consultants, exterior rehab); and the management and operation proficiencies of Hotel Henry and 100 Acres as the complex's inaugural tenants.

FINANCING MECHANISMS

Financing efforts first took form in 2004, when $5 million in state funds were allocated after former General Assembly member Sam Hoyt, a local preservation group, and others brought a successful lawsuit to bring attention to the deteriorated condition of the state-owned ROC. Two years later, $100 million in state funds were set aside by Pataki: $24.5 million was committed to completing the Burchfield-Penny Art Center on the complex grounds along with a project for the Darwin Martin House, and the remaining $76.5 million to preventing further deterioration of the ROC and ready it for reuse.

Philanthropic support was subsequently received from the Community Foundation for Greater Buffalo and the Margaret L. Wendt Foundation, and efforts were made to further engage the philanthropic community. The core project is funded with $54 million in state support and $16 million in leveraged state and federal historic tax credits; the investor for the historic tax credits is M&T Bank. Empire State Development Corporation grants were used for preconstruction, stabilization, and efforts to protect and manage existing trees, as well as to promote natural regeneration of the complex grounds.

In 2019, the ROC received a $400,000 Save America's Treasures grant, which is funded by the national Historic Preservation Fund and administered by the National Park Service in partnership with the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum and Library Services. The federal funding will be used on roofing to stabilize and preserve the integrity of four buildings on the campus.

IMPACT ASSESSMENT

Since Hotel Henry opened, its impact has been quick and palpable. With innovative programming such as Harry Potter yoga, Yappy Hours for dog owners and dogs, an outdoor summer market, an indoor holiday and Christmas market, and a jazz music series, the development has community-wide appeal as a gathering place for Buffalo residents as well as visitors. The South Lawn is open to the public and is used for picnicking, walking, and flying kites. Paths on nine acres connect to a nearby bike trail and lead to Elmwood Village, one of the city's most vibrant neighborhoods.

In 2018, the ROC received the National Trust for Historic Preservation's prestigious Richard H. Driehaus Foundation National Preservation Award. In 2019, two private developers were secured for supplemental projects on the site. One project, in a partnership with the ROC, will involve rehabilitation of three buildings in the western wing; current plans include the transformation of these buildings into a new university-based retirement community. The second project will involve adapting two buildings on the eastern side of the campus to serve as live/work spaces for artists.

The ongoing transformation of the complex has inspired other legacy cities, such as Allentown, in their own preservation efforts. The Allentown State Hospital, which originally operated as the Pennsylvania State Homeopathic Asylum for the Insane, was closed in 2010. Although how the site will be redeveloped has yet to be determined, it was used as a movie set for the 2019 film *Glass*.

LESSONS LEARNED

Proof of concept is essential. Mark Mortenson, executive director of the Richardson Center Corporation (RCC), a nonprofit entity established in 2006 for the purpose of owning and redeveloping the ROC, pointed out that the success of the core project and the activity of the hotel have sparked developer interest in additional projects on the site. "The core project has become an example of what can happen and is a new catalyst for renewal," he said. Mortenson notes that renovation costs continue to be challenging and necessitate ongoing fundraising. In addition, the RCC continues to serve in both development and property management roles, which he says will grow as the campus becomes more fully occupied.

Community engagement brings vital buy-in. Monica Pellegrino-Faix, former executive director of the RCC and now executive director of the Central Terminal Restoration Corporation, noted that the ULI Advisory Services panel played a significant role in setting a course for the ROC board of directors to establish a community consensus-building process. Having a solid plan for gathering public input resulted in little community opposition to the revitalization effort, she said.

POPULATION: 179,139; fourth-most-populous city in Tennessee

SIZE: 144.6 square miles

LOCATION: southeast Tennessee, along the Tennessee River

DEMOGRAPHICS: White, 58%; Black, 34.9%; Hispanic, 5.5%; Asian, 2.0%

GOVERNMENT: mayor, with nine council members elected by district

Tennessee Aquarium in Chattanooga.

Chattanooga, Tennessee

Chattanooga, located on the Tennessee River near the borders of Alabama and Georgia, is surrounded by mountains and ridges. The city played a key strategic role in the Civil War, afterward becoming a major railroad hub as well as an industrial and manufacturing center, earning the nickname the “Dynamo of Dixie” by the 1930s. However, in ensuing decades, the same mountains that provide Chattanooga with its scenic backdrop also trapped so many industrial pollutants that by 1969 the federal government declared the city the most polluted in the nation.

Dirty air would prove to be only one of Chattanooga’s many problems. By the 1970s, the city was also reeling from de-industrialization, disinvestment, deteriorating schools and housing, and rising racial and social tensions. Alarmed by the city’s downward spiral, the Chattanooga-based Lyndhurst Foundation, along with a group of several dozen business and civic leaders, launched in the early 1980s a broad-based revitalization effort known as Chattanooga Venture.

With the unusual idea that the city’s economic fortunes could be reclaimed through resident engagement and community planning, Chattanooga Venture created a process called Vision 2000, which involved seeking suggestions and ideas for improvement from hundreds of residents. The primary objective of the process was to increase Chattanooga’s livability and its attractiveness for potential investment. Various resident-led committees came up with 40 specific citywide goals—perhaps the two most ambitious being to create a 13-mile-long river walk and greenway along the Tennessee River, and a related plan to revitalize the city’s dormant downtown district.

THE CATALYST AND FINANCING MECHANISMS

A nonprofit corporation, River City Company—later renamed River Valley Partners—was created to coordinate projects along the riverfront and in downtown, as well as to raise money and lead redevelopment of the riverfront. River City Company initially raised $12 million from eight local foundations and seven financial institutions, which was used as a revolving fund to initiate and complete development projects.

The first project was the Tennessee Aquarium. The project started with the $4.5 million acquisition of a key location along the river, occupied by several abandoned warehouses and named Ross’s Landing for the place where Cherokee Chief John Ross had established a trading post in 1815. The Tennessee Aquarium, the largest freshwater aquarium in the world when it opened in 1992, was built on the site for $45 million, with all the funds provided by private donors.

Tennessee Aquarium in Chattanooga.

Around the aquarium, the city developed a new public park and plaza with municipal funding. This public/private cost-sharing scheme became the hallmark of the Chattanooga process and was used to fund most of the projects that followed. Despite naysayers and misgivings, the aquarium was an immediate success, attracting more than 1.5 million visitors in its first year of operation. It was also a cornerstone for redevelopment in downtown Chattanooga, serving as a key connection between the city and the Tennessee River. Community leaders credit the aquarium with improving residents' perceptions of downtown, as well as attracting tourists, which led to the construction of hotels, restaurants, and other entertainment venues.

Though initial projections of the aquarium's economic impact in direct and indirect contributions were $750 million, by 2012, more than $2 billion had been invested in downtown Chattanooga, and the city's Tennessee Riverpark—with its 13-mile Riverwalk path—had become the most popular and widely used public facility in southeast Tennessee, attracting more than 2 million visitors annually.

Chattanooga's focus on the river and downtown redevelopment also led to several other innovative projects and initiatives. One is the Walnut Street Bridge, a 107-year-old structure crossing the river near downtown that was slated for demolition by the Tennessee Department of Transportation. Instead, the city repurposed revenue from the waterfront and downtown redevelopment projects to preserve and rehabilitate the decaying automobile bridge. It has reopened as a pedestrian bridge and become a major destination, helping revitalize neighborhoods on both ends of the structure while also helping the city win the first U.S. Presidential Award for Sustainable Development in 1996.

IMPACT ASSESSMENT

The aquarium, Riverpark, and bridge renovation helped stimulate private investment along the river and throughout downtown. The Bluff View Arts District, a Victorian-era riverfront neighborhood on a hillside near downtown, was renovated by a local developer who restored buildings in the district to house art galleries, restaurants, a boutique hotel, and a conference center. Of the 40 specific citywide revitalization goals set in 1984, most were completed by 1992, at which point Chattanooga Venture again convened hundreds of residents to create new community goals. Among those was a plan to introduce an innovative shuttle system using electric buses and other alternative-fuel vehicles. Today, a fleet of electric buses carries hundreds of thousands of passengers each year.

Substantial private investment has transformed the city's once-tarnished image. Since 1992, Chattanooga has

Chattanooga's Walnut Street Bridge.

seen more than $5 billion in private investment, including construction of Volkswagen's largest U.S. manufacturing plant, which employs about 3,000 people and includes a downtown development and research center employing 200 engineers and other highly skilled employees. The city has renovated the grand 1921 Tivoli movie theater and other historic buildings, including the closed Loveman's department store, which has been converted into a condominium development.

Projects initiated by Chattanooga Venture placed as much emphasis on social cohesion as economic prosperity, including daycare centers, a domestic violence shelter, arts programs, and the redesign and redevelopment of public schools. In addition, air and water quality were improved, and an innovative program for financing affordable housing was instituted. The city's remarkable success—attributable to the "can-do" spirit of its residents—has earned Chattanooga numerous accolades and awards, and has drawn businesses, civic groups, and city and county government officials from around the nation seeking to learn from its example.

The Chattanooga Institute has been formed to advance this process and spread the word. The latest vision centers on sustainability and balanced attention to economic growth, social equity, stewardship of the environment, and quality of life. Chattanooga is now focused on creating more downtown housing and on recycling energy and waste, and city officials are collaborating with the state governments of Tennessee and Georgia as well as Atlanta's governing officials on plans for a high-speed rail link to Atlanta.

Chattanooga is also now working to create a distinctive version of an innovation district that builds on its high quality of life, unique competitive advantages, and collaborative culture. One of its competitive advantages is an extensive municipal high-speed internet network run by the Chattanooga Electric Power Board, which Mayor Andy Berke describes as the "fastest, cheapest, most pervasive internet system in the western hemisphere." The high-speed "Gig City" setup has attracted many tech entrepreneurs and other businesses to Chattanooga over the past several years.

LESSONS LEARNED

Philanthropy can make a difference. Several private foundations played key roles in Chattanooga's rebound. The Lyndhurst Foundation and the Benwood Foundation—both of which derive their assets from executives of the Coca-Cola Bottling Company, which was established in the city in 1899—convened city leaders and helped spur many of the initiatives that transformed Chattanooga.

For example, Lyndhurst Foundation chairman Jack Lupton donated $11 million of his own funds, along with $10 million from the foundation, to help build the Tennessee Aquarium. The Lyndhurst Foundation also helped create influential nonprofits, such as the River City Company, the Chattanooga Urban Design Studio, and Create Here, an economic development program. Today, Lyndhurst is working to expand the city's bike trail network and supports a variety of other efforts.

The Benwood Foundation, the Maclellan Foundation, and the Greater Chattanooga Community Foundation are supporting efforts to make the economy more inclusive. The Benwood Foundation funded a pilot program to help low-income residents develop technology skills. Together with Lyndhurst and the Maclellan Foundation, it also created Launch Chattanooga to help low-income residents and support entrepreneurship in the Black community.

Identify and capitalize on existing assets. The top of Lookout Mountain, just outside Chattanooga, provides a clear view of the city's most prominent feature—the Tennessee River. The river is not just an aesthetic and recreational asset; it is at the center of Chattanooga's revival. Recognizing and capitalizing on a city's existing assets is critical to any successful revitalization effort. In one city, the asset might be historic buildings or a natural feature; in another, it might be a university or legacy industry or business.

In Chattanooga, the riverfront became the focus of the city's revitalization efforts. Today, most of the city's biggest attractions—the Tennessee Aquarium, the Hunter Museum of American Art, the Walnut Street pedestrian bridge—are located next to the river. And, the Tennessee Riverpark, now 16 miles long, will eventually be extended to 22 miles, with walking paths, bike trails, fishing piers, boat launches, and scenic overlooks. The city's investment in its riverfront as a key public amenity has catalyzed over $1 billion in private investment along the river. Capitalizing on this asset has given new life to Chattanooga's downtown as a great place to live and work, as well as visit.

POPULATION: 892,533; most-populous city in Ohio

SIZE: 223 square miles

LOCATION: center of the state; equidistant from Pittsburgh, Detroit, and Indianapolis

DEMOGRAPHICS: White, 61.5%; Black, 28%; Latino, 5.6%; Asian, 4.1%

GOVERNMENT: mayor, city council

A parking garage in the Columbus Arena District.

Columbus, Ohio

Columbus, the state capital, had established itself as a political and commercial center by the turn of the 20th century as well as emerged as a center of industrialization. Perfectly situated in relationship to the expansion of the railroads, Columbus benefited from innovations in transport. Companies such as Buckeye Steel thrived under the railroad expansion, as did the communities where the workers lived. Columbus was at the forefront of this movement, leveraging opportunities related to the iron, timber, and natural gas industries, as well as becoming the world capital for buggy manufacturing.

South Side Columbus became the city's industrial center, serving as the home to steel, glass, and auto parts manufacturers. However, it also became a victim of its own success: as residents saw their standard of living rise, they left for the suburbs. Their prosperity enabled them to buy cars and commute to their factory jobs on the new interstate highway. Then the factory jobs themselves also relocated, leading to further migration out of the neighborhood. South Side was no longer a symbol of Columbus's growth and progress, but of decline and blight.

For Columbus, the role of factories was a double-edged sword. The impact on South Side notwithstanding, the broader industrial expansion was accompanied by a tension between capitalizing on the city's role as a government center and courting manufacturing, which was considered necessary by public officials for attracting new businesses and industries. For instance, when Ford announced interest in locating a plant in the city in the 1950s, residents protested and thwarted the plans, reflecting a resistance by locals to becoming a factory town as well as a perception by investors that conservative Columbus lacked the risk capital necessary to support new industrial ventures.

CHALLENGES AND OPPORTUNITIES

One source of Columbus's growth has been the ongoing expansion of the city's footprint through annexation. In the 1950s, Columbus spanned about 40 square miles; by the 1970s, its had expanded to more than 175 square miles. Annexation not only broadened the tax base, but also has enabled the city to keep taxes comparatively low. Columbus delivers public services to 30 communities in Franklin

County, where the city is located, compared with Cleveland, which provides public services to 100 cities in its home Cuyahoga County.

Columbus's evolution is revealing when viewed in relationship to other cities across the state. For instance, Columbus's population is projected to grow by 25 percent between 2010 and 2040, whereas the statewide population is expected to slip by 3 percent during that time—illustrating the fact that nearly all of Columbus's growth so far is attributable to people moving in from other places in Ohio.

For its growth to continue at the projected pace, Columbus will need to not only attract new residents from outside the state, but also to provide a living environment that adapts as the sensibilities and inclinations of urban dwellers continue to shift. Real estate trends in Ohio reflect national consumer preferences for mixed-use communities, walkable neighborhoods, and shorter commutes, indicating a general preference for convenience over plentiful living space. Despite this demand for more dense, urban living, Columbus could find itself with a shortage of this type of housing and an oversupply of what it does not need—traditional homes on large lots. The city could have a surplus of up to 24,000 such homes by 2040, according to an estimate in a National Resources Defense Council report in 2014.

Until 2016, South Side remained the seat of Columbus's manufacturing identity. Buckeye Steel, subsequently rebranded as Columbus Castings, at one point was the largest single steel site in North America, covering over 90 acres and employing 2,000 workers. Its operations prospered until a market drop in 2000, which was followed by a series of booms and busts that culminated in the company's closure in 2016.

The company site, located on southern Parsons Avenue, was purchased just months after the closure and has been cleared for future development. At the same time, Parsons Avenue was identified as a viable corridor for development, with Nationwide Children's Hospital anchoring its northern end. The Parsons Avenue Redevelopment Corporation was launched in 2014 with a mission to serve all South Side neighborhoods in facilitating creation of a sustainable center of commercial activity that produces a sense of place. So far, more than $22 million in investments have been generated for the redevelopment effort.

The Scioto Greenway Trail.

THE CATALYST

Columbus has experienced a range of catalyzing development in response to its challenges. Projects related to parks and open space, the city's waterfront on the Scioto River, and the reactivation of neighborhoods and the downtown have proved particularly effective. A case in point is the opening of the Nationwide Arena in 2000, which sparked development of the Arena District, a $750 million mixed-use neighborhood of housing, offices, retailers, and entertainment venues in downtown. It is regarded as one of the Midwest's most successful urban redevelopment projects. Its final phase, launched in 2008, was a $250 million project with 450 housing units, 300,000 square feet of office space, an 80,000-square-foot grocery store, 40,000 square feet of retail space, and a 1,600-space parking garage.

The Columbus waterfront—once dedicated to industry—is now being reclaimed for culture, community, and recreation. Though riverfront efforts had been underway since 1998, the Scioto Mile completion in 2011 transformed an aging, neglected civic resource into a dynamic network of public green spaces. A $42 million project implemented by the Columbus Downtown Development Corporation (CDDC), the Scioto Mile reconnected downtown to the Scioto River with an integrated system of parks, boulevards, bikeways, and pedestrian paths. The result is a cherished community amenity that was recognized by ULI as a finalist for the Urban Open Space Award in 2014. Columbus Commons, another popular community gathering space, was also selected by ULI as an award finalist that year.

FINANCING MECHANISMS

The site of the Arena District, when identified in the mid-1990s, included land occupied by the shuttered Ohio Penitentiary and considered potentially the most valuable land in the city. The project began with the Columbus City Council's agreement to sell 23 acres of established district land to Nationwide Realty Investors (NRI) for $27 million. In addition to investment from the city and other private investors, NRI contributed $450 million in private investment for district development.

Further, the city supported development through tax increment financing for infrastructure improvements, providing $16.6 million for the Arena District and $20 million for surrounding neighborhoods. The city sold more than $30 million in bonds with repayment through 30-year property tax increments. Additional downtown tax incentive programs supported subsequent development, including a 10-year tax break introduced in 2002 that is specific to residential projects, and the Downtown Office Incentive Program, which provides a yearly payment equal to 50 percent of the income tax withholdings from each new job to employers who create new jobs downtown.

The Scioto Mile project was completed on budget for $44 million through a public/private partnership. Public investments came from the city, state, and U.S. Department of Transportation, and the leading private investor was American Electric Power. Additional support came from corporate entities Scotts Miracle-Gro and Time-Warner Cable, and foundational support came from the JP Morgan Chase Foundation and the Ingram–White Castle Foundation, among others. The CDDC has established an endowment with the Columbus Foundation to provide for the ongoing maintenance and upkeep of the Scioto Mile.

IMPACT ASSESSMENTS

The Arena District has experienced $744 million in private investments since the opening of Nationwide Arena. In addition, Columbus has been investing in revitalization efforts throughout the city for decades, including the King-Lincoln District, German Village, and Franklinton communities. The success of the Arena District and the Scioto Mile has reinforced support for prioritizing similar revitalization efforts in nearby neighborhoods and further improving connectivity to downtown. These investments have also helped more than double the downtown's residential population since 2002.

Though not the largest of waterfront reclamation projects along the Scioto River, the Scioto Mile is the centerpiece of parkland that includes a 15,000-square-foot water feature, performance space, scenic overlooks, and varied seating, along with entertainment and dining amenities. The momentum of the Scioto Mile project helped spur the Scioto Greenway, as well as the Scioto Peninsula Cultural District, located on a site that had been a developmental black hole.

The district, a 2019 ULI Global Awards for Excellence winner, spans 48.2 acres and comprises four distinct amenities: the Scioto Greenway Trail, a satellite location of the American Museum of Natural History in Columbus's Center of Science and Industry, the National Veterans Memorial and Museum, and Dorrian Green park. Though all its components are public amenities, the Cultural District has spurred over $900 million in investment on the Scioto Peninsula and the surrounding 21 acres. The Scioto River is healthier than it has been in a century as a result of sustainability efforts that include stormwater management and butterfly habitats.

LESSONS LEARNED

Resist conventional wisdom. Columbus has distinguished itself from other legacy cities not because it has faced different challenges, but because it has faced similar challenges differently. This has made Columbus a bit of an outlier among legacy cities in terms of its restraint regarding relying on manufacturing as its primary economic engine and its willingness early on to consider other paths to prosperity.

Understand market demand and embrace public/private partnerships. Columbus has embraced the merits of transforming its downtown and surrounding neighborhoods with mixed-use, walkable developments. Reshaping commercial development, providing housing options, and increasing the availability of modern transit services will be critical in meeting the expectations and desires of new residents. The city also realizes that effective public/private partnerships are necessary to unlock funding and galvanize support for these efforts.

POPULATION: 200,217; second-most-populous city in Michigan

SIZE: 45.3 square miles

LOCATION: on the Grand River about 30 miles east of Lake Michigan

DEMOGRAPHICS: White, 59.2%; Black, 18.3%; Latino, 15.2%; Asian/Native American/other, 2.5%

GOVERNMENT: city commission, full-time city manager, part-time mayor

Van Andel Arena.

Grand Rapids, Michigan

From its early days as a fur trading outpost, Michigan evolved during the mid-19th century into a center for the lumber industry, with Grand Rapids becoming known as Furniture City. With every piece made by members of the Furniture Manufacturers Association featuring a "Made in Grand Rapids" logo, the furniture industry influenced the city's cultural identity, economy, and accompanying prosperity until World War II. During the decades preceding the war, most of the lumber resources in the eastern section of the country were used to accommodate the growth of major cities along the Atlantic coast. The abundant forests around Grand Rapids made the city a national hub for lumber production, providing cities throughout the nation with building materials and furniture. Inextricably connected to the manufacturing economy of Grand Rapids was the Grand River, which provided passage to the west and frontier markets and power for the city's first factories.

Like all legacy cities, Grand Rapids was an innovator: it had one of the nation's first hydroelectric plants, it was the first U.S. city to introduce fluoride to its drinking water, and in 1969 it became the first city to launch a public art initiative. However, following World War II, its domination of the furniture industry was disrupted by Chicago, which had railroad access that Grand Rapids lacked. In addition to becoming the nation's largest furniture center, Chicago offered entertainment attractions and abundant hotel accommodations, making it far more competitive than Grand Rapids. By the 1960s, Grand Rapids was among the many once-flourishing cities suffering the effects of urban renewal: historically significant buildings and neighborhoods were being demolished and replaced by parking lots, freeways, and office parks. In addition, the effects of decades of logging, manufacturing, and urban activity had polluted the Grand River and rendered it unsuitable for fishing and recreation.

During the early 2000s, Grand Rapids had lost 12 percent of its jobs and 5 percent of its population from its peak years in the mid-20th century. This downward spiral triggered a massive effort involving a range of stakeholders determined to change the city's future. Twenty years later, and particularly in the past decade, Grand Rapids has rediscovered the value of its natural assets and historic structures and is cultivating a robust technology and biosciences economy.

CHALLENGES AND OPPORTUNITIES

Perhaps the most glaring and notable of the missteps that characterized urban renewal in Grand Rapids was the 1969 demolition of City Hall, an 81-year-old Gothic Victorian-era building. Fortunately, in the years since that major blunder, the city has recognized the value of its historic structures and has taken action to leverage them as assets.

A perfect example of this commitment to preservation is the Heritage Hill neighborhood, listed on the National Register of Historic Places in 1971. Historic designation often not only increases land value, but also leads to cultivation of areas that become a city's most stable markets over time. However, historic designation sometimes operates in dissonance with other factors. This was the case in Heritage Hill, which faced a number of challenges over the decades.

The neighborhood, located near the university district, the medical corridor, and entertainment venues, has evolved to become a diverse and appealing area. The effort to preserve and revitalize Heritage Hill was a step toward helping Grand Rapids overcome challenges regarding attracting and retaining out-of-state university students and talented workers. The investments made in the city's urban core over the past two decades are starting to yield results, helping make the city more active and vibrant.

THE CATALYST

Underpinning the downtown's revitalization was the construction the Van Andel Arena, a project conceived in 1991 by a group of the city's business leaders known as Grand Action. The arena, envisioned as a catalyst for economic growth, was named for Grand Rapids native and Amway Corporation cofounder Jay Van Andel, who guided development of the facility.

Since the arena opened in 1996, Grand Action has spearheaded additional projects such as the convention center in 2005, renovation of the historic Civic Theatre in 2006, and a new downtown Marriott in 2007, along with a capital gift toward creation of the Grand Rapids Art Museum. The factors that made these achievements possible were the business leaders' unwavering commitment and meticulous approach to achieving their goals, the alignment of the goals with those of city officials and other stakeholders, the substantial support engendered for a collective vision, and the empowerment of key players to help make the vision a reality.

A historic home in Grand Rapids.

Reclamation of the Grand Rapids waterfront and restoration of the Grand River, led by Grand Rapids Whitewater (GRWW), has also served as a key contributor to the downtown's revitalization. GRWW, a public/private partnership working to remove dams, protect the river's habitat, and improve flood control, can be credited with raising the visibility and awareness of the river as well as providing a vehicle for its restoration.

Teaching residents about the environmental effects and economic benefits of reclaiming the river has been particularly persuasive, enabling GRWW to amass a host of supporters over the years. Reflecting a national trend of river restoration efforts, the $40 million GRWW project will result in a cleaner river and a valuable recreational amenity. As much as $19 million annually could be generated by the reclamation, creating new employment opportunities ranging from river outfitters offering services and gear, to nearby shops and dining, as well as 120 acres of restored habitat serving as breeding grounds for fish.

FINANCING MECHANISMS

The reemergence of Grand Rapids is attributable in large part to private funding, mainly through Grand Action, that accounted for a sizable portion of the more than $420 million invested in large-scale downtown revitalization projects. In addition, the Grand River restoration is benefiting from tax increment finance funding made available through the Grand Rapids Downtown Development Authority, as well as funding from the GRWW.

IMPACT ASSESSMENT

Challenges remain in Grand Rapids, but the momentum of redevelopment has remained strong due to positive, measurable outcomes that are benefiting the entire city. In fact, Grand Rapids was identified by the Brookings Institution as one of the 20 strongest-performing metropolitan areas in the nation in 2016. Since 2010, the number of jobs has increased 19 percent and the city's population has reversed the 5 percent decline it had experienced. With a commercial vacancy rate of just 2.7 percent, downtown space is in high demand.

Pending approval by the Grand Rapids City Commission, a $439,000, quarter-mile trail extension—to feature lighting, decorative fencing, seating, and scenic overlooks—is planned along the Grand River to connect city buildings and the river. The extension—funded by a combination of $182,000 in federal grants, $131,000 from the city's capital improvement fund, $75,000 from the Monroe North Tax Increment Financing Authority, and $50,000 from the West Michigan Trails & Greenways Coalition—represents the potential of a much larger Grand River restoration effort.

A distinctive initiative that is part of the city's revitalization is Artprize, which has as its core mission the exhibit of contemporary art installations in a public setting. The temporary installations are intended to serve as an additional attraction, motivating public exploration of downtown and helping reinforce the area as the city's focal point. The idea of the initiative's founder was simple but striking: to create an art competition open to anyone willing to submit work, and to award a substantial prize—$250,000—to a participating artist based solely on votes from the public present at the event.

LESSONS LEARNED

Leadership is vital. Effective leadership is needed throughout the process of conceiving a vision and creating pathways for realization. Grand Rapids has benefited in particular from consistent direction under mayoral guidance, starting with Mayor John Logie, who served from 1991 to 2003 and was a public supporter of the city's 20 neighborhood business districts. He also was considered instrumental in cultivating constructive relationships with developers through advocacy for the five historic districts in the city, including Heritage Hill.

Logie's successor, George Heartwell, who served from 2004 to 2016, made sustainability a dedicated platform with his belief in the triple-bottom-line approach—focused on social, environmental, and economic benefits—and the tenet that if something is good for people and the planet, then it is also good for business. His efforts were embraced by the community and helped achieve myriad goals, including mitigation of threats to flood-prone areas.

In 2017, Heartwell's successor, Mayor Rosalynn Bliss, led a partnership with the National League of Cities (NLC) and ULI to explore new and innovative ways the city can use public land and financial incentives to support the vision of vibrant neighborhoods and economic opportunity for people from all walks of life.

Private allies extend civic reach. Private leadership has proved vital in Grand Rapids, as demonstrated by the outcomes made possible by Grand Action. This has also played out in the development of the Michigan Street Medical Mile, which resulted from the arrival of Spectrum Health and its 16,000 employees to the Grand Rapids campus of Michigan State University's School of Human Medicine, generating an estimated $28 million in economic impact. Over the past 10 years, Grand Rapids institutions have invested almost $1 billion in the Michigan Street corridor, which accounts for 55 percent of the downtown workforce.

The significant turnaround the city is experiencing—all due to a strong collaborative effort between the equally committed private and public sectors—has made Grand Rapids a top performer among cities of similar size and with similar demographics, as measured by job growth, strength of the housing market, and educational attainment.

POPULATION: 68,219 ; sixth-most-populous city in South Carolina

SIZE: 28.8 square miles

LOCATION: about halfway between Atlanta and Charlotte, North Carolina

DEMOGRAPHICS: White, 62.1%; Black, 31.6%; Hispanic, 3.4%; Asian, 1.3%; other, 2.7%

GOVERNMENT: council-manager; mayor and two council members elected at-large; four council members chosen from single-member districts

Downtown Greenville.

Greenville, South Carolina

Known as the textile center of the South, Greenville at the beginning of the 20th century was humming with textile and cotton mills. The mills had located in Greenville because of the water power provided by the Reedy River. But in response to foreign competition, the mills closed gradually, and by the 1960s, Greenville was distressed and its downtown largely vacant.

During this time, the South Carolina Department of Transportation built a four-lane structure, the Camperdown Bridge, over the Reedy River, obscuring the beautiful Reedy Falls. The department also widened Main Street through the middle of the city to four lanes, eliminating parking and narrowing the sidewalks. Camperdown Bridge and Main Street became affirmations of the decline of Greenville, making it easy to go through the city but not stop there. Soon, residents and retail businesses left the city for suburban locations.

THE CATALYST

Greenville languished until the 1990s, when its civic and political leadership recognized that strong public intervention in the marketplace was critical to stem further deterioration and initiate a rebound. Mayor Knox White, who took office in 1995, proposed removing the Camperdown Bridge and narrowing Main Street through downtown. Despite strong opposition, the bridge eventually was torn down in 2001, followed soon by the narrowing of Main Street. The Reedy Falls, which had been covered by the bridge for 40 years, could finally been seen and would eventually become the centerpiece of the remarkable 40-acre Falls Park on the Reedy that has brought the downtown back to life.

Removal of the bridge was preceded by a strong public/private partnership that shaped a dynamic new vision for the downtown, included pedestrian amenities, attractive landscaping, enhanced parks, and plazas. At the same time, as public investments were made in Falls Park and in the streetscapes, city officials pursued private, strategic developments with an extraordinarily creative public/private financing strategy.

One example of a project resulting from the public/private downtown revitalization efforts is the highly successful RiverPlace development, a collection of buildings along the river that includes office buildings, condominiums, restaurants, artists' studios, and an interactive water feature.

Its developer had assembled 10 acres along the river and was able to secure $27.5 million in public financing—a combination of tax increment financing funds, a local hospitality tax, and parking revenue—to support the $94.5 million development, which has catalyzed additional investments. As former city economic development director Nancy Whitworth notes, "This complicated public/private partnership required layers of ownership over different elevations."

Other key anchor projects in downtown Greenville include the Peace Center for the Performing Arts, the West End Market, the Westin Poinsett hotel, the Fluor Field at the West End baseball stadium, the Commons, and the Liberty Bridge, a popular 355-foot pedestrian suspension bridge that hangs above Reedy Falls and Falls Park. The park, which has become a favorite gathering place for downtown workers, families, outdoor enthusiasts, and tourists, has become known locally as Greenville's "Central Park."

Three-quarters of the investment in downtown Greenville has taken place since the creation of Falls Park. The latest major project, Camperdown Development, will add a mix of offices, retail space, and condos overlooking the park. As one of the tallest and largest developments to date, it is illustrative of Greenville's ongoing renaissance.

FINANCING MECHANISMS AND PUBLIC VISION

The public leaders of Greenville embraced the idea of public/private partnerships with a clear and bold vision for their city. Over the past 30 years, the city has used its public financing to attract a diverse group of employers and investors, all the while insisting on the highest-quality public spaces and building designs.


Yousef AH/flickr

The Reedy Falls.

More than $125 million in public investment has been used to attract more than $500 million in private investment. The public sources of financing include the following:

- Federal grants;
- City general funds;
- Tax increment financing;
- City bond funds;
- Hospitality tax funds;
- Local parking tax funds;
- Sewer and stormwater revenue bonds;
- New Markets Tax Credits;
- Historic tax credits;
- Land sales proceeds; and
- State and federal highway/transportation funds.

Two of Greenville's key leaders—Whitworth and Mary Douglas Neal Hirsch, downtown development director—have highlighted key managerial requirements for maintaining a great city:

- Create a clean and safe environment.
- Provide signage, events, and food.
- Establish anchors—sports, culture, great public spaces, and more.
- Create a critical mass: plan for people to live, work, and play.
- Become an entrepreneur: be willing to assume and share risks.
- Bring public value to the development: support in the approval process is as important as money.
- Be clear on the duties and obligations of each partner, and specify them in writing.
- Insist on residential uses in downtown to keep it continuously activated.
- Maintain an unwavering public commitment to the vision and ensure follow-through on actions and the steps needed to turn the vision into reality.

Greenville's revival—the result of public and civic leadership sustained for more than 30 years—serves as a fine example of collective determination to achieve the best outcome for the entire city.

Erie, Pennsylvania

POPULATION: 96,000

After a long history as a center for heavy industry with access to the Great Lakes, railroads, and Pennsylvania's steel and coal resources, Erie for the past 50 years has experienced a significant and steady decline in employment and population. In 2017, General Electric dealt the city a blow when it announced it would close its storied locomotive plant and relocate the operations to Fort Worth, Texas.

That same year, visionary business, philanthropic, and community leaders formed the Erie Downtown Development Corporation (EDDC) to transform Erie's core and spark revitalization across the region. Led by Erie Insurance, the EDDC modeled its operations on the Cincinnati Center City Development Corporation.

The EDDC is focusing its efforts on a concentrated group of properties in the downtown core, seeking to make incremental progress that can build momentum for future efforts. Its work has not come without challenges. In 2019, the EDDC faced public backlash when it informed three restaurants in the North Park Row properties that their leases would not be renewed when they expire in 2020. In addition, the State Street and East Fifth Street projects slated for downtown portend similar disruption for existing commercial and residential tenants. But the EDDC has maintained that transformational development cannot be accomplished without disruption of the status quo.

Private capital—critical for redevelopment on the scale needed to effect major change—was provided through the Erie Downtown Equity Fund (EDEF), a private, for-profit entity funded to support the EDDC's real estate purchases and redevelopment activities. This fund has raised $27.5 million to date to serve as gap financing until longer-term financing can be secured. Investors in the EDEF have made a long-term commitment to Erie's transformation, pledging "patient capital" as an acknowledgment that this transformation will take time.

IMPACT ASSESSMENT

In addition to a significant improvement in Greenville's quality of life, the city has experienced numerous economic benefits, including a substantial increase in local tax revenue. Downtown has become a magnet for tourists as well as businesses seeking to locate in or near the city. For instance, BMW has opened a large automotive cluster of companies close to the city, and Clemson University, about 40 miles away, has opened an office and located programs in Greenville's downtown.

LESSONS LEARNED

It takes time and patience to change the trajectory of a community.

A strategic vision defines the road map. Without it, developments often become a series of disconnected buildings with no greater impact on the quality of a place.

Public/private partnerships are the glue that inspires great places. A shared vision between public and private interests on the quality of development and land uses is critical in the choice between "It'll do" and a commitment to excellence.

Design matters. Greenville's downtown, with high-quality public spaces and streetscapes—as well as thoughtfully designed office space, retail space, restaurants, and housing—invites everyone to enjoy themselves.

Arts and culture are powerful drivers for great places. The Peace Center, in the middle of downtown, is the anchor for a cultural district that defines the downtown as a hub for the arts. A commitment to murals, public art, artists' studios, and other venues adds to vitality.

Build on assets and heritage. This was the genius in the vision for Greenville: opening the falls to create a spectacular park, repurposing old mill buildings for mixed-use development, and reclaiming Main Street for pedestrians.

Create diverse housing types and price points. An estimated 23 percent of people who work downtown live within a mile of their place of employment. Creating diverse housing types and price points brings more people into the downtown to live, work, and play.

POPULATION: 111,640; fourth-most-populous city in Massachusetts

SIZE: 14.5 square miles

LOCATION: at confluence of Merrimack and Concord rivers, 25 miles northwest of Boston

DEMOGRAPHICS: White, 49.3%; Asian, 20.2%; Hispanic, 17.3%; Black, 6.8%

GOVERNMENT: council and city manager; mayor elected from nine-member council

Middlesex Community College.

Lowell, Massachusetts

Lowell, founded in 1826 on the banks of the Merrimack River, was once known as the cradle of the American industrial revolution for its large complex of textile mills and factories. Lowell thrived in the 19th and early 20th centuries, but began to decline as its manufacturing base began relocating to the South.

By the late 1930s, many of Lowell's textile mills had closed, and the city was labeled a "depressed industrial desert" by *Harper's* magazine in 1931. Although Lowell received a boost during World War II when the mills were reactivated to manufacture parachutes and other military supplies, the boom was short-lived, and the city's economy lapsed again after the war ended. It received another boost in the 1970s, when Wang Laboratories moved to the city, but once again, the uptick was short-lived as Wang subsequently declared bankruptcy.

Wang's departure left Lowell blighted: large parts of the city were abandoned, and unemployment had reached 27 percent. At the same time, thousands of Cambodian refugees were migrating to Lowell. The city's decline, made more complex by the influx of immigrants, convinced state and local officials that Lowell needed to heighten its efforts to recruit new industries, and some called for tearing down the city's historic mills.

THE CATALYST

Unlike some other depressed Northeast cities that embraced urban renewal and large-scale demolition, Lowell had several community leaders who advocated for an approach to economic revitalization based on historic preservation. Working with urban planners and historians, they laid out a redevelopment plan building on Lowell's architectural and cultural heritage. At the heart of the strategy was a proposal to create a historical park that would present the city as a living museum.

Both political and business leaders offered support. In 1972, the city council endorsed the idea, and in 1974, Massachusetts created the Lowell Heritage State Park. Though the park designation came with a small amount of funding, the larger economic catalyst came when Lowell native and U.S. Senator Paul Tsongas led an effort to create the Lowell National Historical Park. The first of its kind, it was an urban national park consisting of a group of industrial and waterfront sites around the city with ties to the era of textile manufacturing.

Roanoke, Virginia

POPULATION: 100,000

In the early 1970s, the downtown of Roanoke—a former railroad and regional financial center—had crumbling concrete, vacant storefronts, crime problems, and no vision for revitalization. Simultaneously, area schools were struggling to fund programs for their students, the city's Mill Mountain Theatre burned down, and several other cultural organizations were in unsafe and unappealing areas. In 1976, a slate of business-backed candidates running under the banner of "Roanoke Forward" swept all seven city council seats. Three years later, under the leadership of Mayor Noel Taylor and the vision of new city manager Bern Ewert, the rebirth of downtown Roanoke began.

The larger revitalization of downtown, now known as Center in the Square, began with Design '79, an interactive city planning exercise presented on local TV and giving residents a stake in the revitalization process. One of the earliest ideas for a catalytic development was conversion of an abandoned feed and seed warehouse built in 1914 into a hub of education and tourism. The initial influx of local and state funds was bolstered by money from the Western Virginia Foundation for the Arts and Sciences, followed by private investments.

Today, the downtown has been revived with new residents and retail businesses. Demand is so strong that developers are building new communities downtown—a phenomenon inconceivable in 1979. Though downtown Roanoke remains a work in progress, it still represents a great success story. Among several critically important components of its success are:

- Political leadership from the mayor, administrative leadership from the city manager, and private-sector leadership from local businesses that supported a common vision; and
- Funding from a variety of sources that was jump-started with local government funds dedicated to the effort by public leaders who envisioned a better future for the city.

In addition to the standard U.S. National Park mandate to preserve and interpret a resource, the federal designation created a Lowell Historic Preservation Commission and granted it authority to protect and enhance cultural resources within a larger area, known as the Lowell Historic Preservation District.

The national park designation also opened the door to a wide variety of federal funding. The centerpiece of the national park is the Boott Cotton Mill & Museum, where visitors can learn about Lowell's dynamic role in the Industrial Revolution. The National Park Service also operates historic trolleys and boat and walking tours throughout the city. Together, these offerings have made the park a catalyst for revitalization because of its popularity as a destination for area residents and tourists. A number of older industrial buildings near the park have been repurposed for dining, lodging, and other entertainment-related uses.

The success of the park and surrounding redevelopments spurred a movement of households and companies back to the urban center. New residents were attracted by the beautifully refurbished apartments, condos, and loft-style housing alternatives in the restored mill buildings. Additional industrial and commercial buildings were converted into retail and office space. The city started offering a series of outdoor festivals and events, including the popular Lowell Folk Festival. By the 1990s, Lowell had also built an extensive canal and river walk system as well as a new minor league baseball park and hockey arena.

The economic lift that heritage and culture provided to Lowell was soon followed by a major catalytic effect from institutions of higher education. Since the start of the 21st century, both the University of Massachusetts Lowell and Middlesex Community College have significantly expanded their presence in the city's urban downtown. Between 2007 and 2017, the university experienced a 45 percent increase in enrollment and opened eight new buildings. In 2017, it broke ground on a $40 million new facility for its Manning School of Business. Currently, the university and the community college together have more than 30,000 students, and the university has served as an incubator for both small businesses and technology firms.

FINANCING MECHANISMS

The city's physical transformation was aided by Lowell Plan Inc., a private nonprofit economic development organization that worked with the city to create a collective vision for the renewal of Lowell. In addition, a separate entity known as the Lowell Development and Finance Corporation worked with the city to attract an unprecedented level of public and private investments.

Lowell also secured funding from various federal programs administered by the National Park Service, Department of Transportation, Department of Housing and Urban Development (HUD), and the Environmental Protection Agency (EPA), as well as employed a wide variety of state and local tax incentives, loan programs, and other mechanisms to support developers and companies investing in the city. For example, companies creating a significant number of jobs in Lowell or making significant capital investment became eligible for the Massachusetts Economic Development Incentive Program. Likewise, developers of market-rate housing in the city became eligible for the state's Housing Development Incentive Program, which allows developers to take advantage of state and municipal tax exemptions and deductions.

Also significantly aiding Lowell's revitalization is MassDevelopment, the state's economic development and finance authority, which finances companies of all sizes with loans, guarantees, and tax-exempt bonds. Financing can be used to buy property, rehabilitate buildings, or buy equipment.

Similarly, the Lowell Development and Finance Corporation offers low-interest-rate loans for the acquisition, construction, or renovation of commercial, industrial, or office facilities containing at least 10,000 square feet of space. Lowell also has a Downtown Venture Fund program that makes low-interest loans available to new retail and restaurant ventures in downtown Lowell.

IMPACT ASSESSMENT

In many ways, Lowell is exemplary of the "creative economy" model of urban revitalization—offering museums and galleries, an arts hub containing 143 artists' studios, a dynamic urban university, a thriving restaurant scene, a popular summer music festival, a commemorative sculpture park dedicated to native son Jack Kerouac, and an influx of new residents seeking more affordable housing options than those available in nearby Boston.

Despite its comeback, Lowell has grappled with many of the same challenges as other cities, such as drug trafficking and gang violence. It has had mixed success in revitalizing neighborhoods outside the city center, historic districts, and the area around the university. Pockets of poverty remain throughout the city, and it continues to experience periodic economic downturns. Overall, though, many consider Lowell an example of successful post-industrial revitalization. Its population is growing, and the city has restored and reenergized hundreds of older, formerly abandoned industrial and commercial buildings.

LESSONS LEARNED

Authenticity is important. The city's commitment to its heritage is evident in the thoughtful, high-quality preservation of its mill buildings, canals, cobblestone streets, and historic architecture. Lowell has a unique look and an authentic feel, and it has applied the same standard of high quality to its new projects. The city has benefited from recognizing that the unique characteristics of place may be the only truly defensible source of competitive advantage in a rapidly homogenizing world.

Geography helps. Lowell is among the small legacy cities that benefit from being relatively close to a larger, global gateway city. Neighboring Boston—one of the nation's fastest-growing and strongest markets for finance, technology, health care, and innovation—is also one of the priciest housing markets in the United States. Lowell's proximity to Boston has allowed it to benefit from both those trends. Renters and buyers seeking a more affordable place to live have gravitated to Lowell to take advantage of its lower-priced housing. Likewise, small and medium-sized technology companies have been attracted by the UMass Lowell's technology hub and by the abundance of readily available space in the many older industrial buildings in Lowell.

An old mill converted to apartments in Lowell.

Partnerships are key. Partnerships link Lowell's past success to its current promise. The fundamental contribution of the nonprofit sector, as exemplified by the Lowell Plan Inc., has been to provide a setting for community leaders to gather, identify challenges, agree on objectives, and devise strategies to accomplish economic and community revitalization goals. From its initial concept of providing incentive financing for downtown building renovation to its current efforts to create a hub for working artists and small to medium-sized technology companies, Lowell has been proactive in creating partnerships between the public and private sectors. Today, key partners include the city, the Lowell Housing Authority, the Lowell National Historical Park, UMass Lowell, and the Merrimack Valley Housing Partnership, as well as numerous developers and financial institutions.

Money comes from many sources. It is often said that money follows good ideas. This is most likely to be true when the ideas grow out of a comprehensive strategy endorsed by all the significant players and interest groups. In Lowell, the public and private sectors have largely been on the same page. The city's largest employer, UMass Lowell, has also played a significant role in the city's revitalization by directing its resources and funding to projects consistent with Lowell's overall revitalization strategy.

No single source of money made Lowell's revival possible. For instance, the revitalization of Lowell's poorest neighborhood, the Acre, involved several funding sources, including the local, state, and federal governments, as well as private funders. Funding included a $500,000 EPA Brownfields Cleanup grant, a $2 million HUD grant for housing rehabilitation, a $1 million National Park Service grant to create neighborhood walkways, a $3 million U.S. Department of Health and Human Services (HHS) block grant, a $6 million HUD Section 108 loan, $18 million for school construction from the State Department of Education, and a $1.3 million job training grant from the Federal Institute for Environmental Health. In addition, private investments supported construction of a new grocery store, 150 units of new housing, and efforts to rehabilitate up to 500 houses.

Planning never ends. Almost all cities experience ups and downs. Through Lowell's difficult economic times, city leaders—both public and private—have sought solutions to the city's problems and have persevered.

In 2003, for example, city leaders sensed that the city, having completed its first phase of revitalization, was ready to move into a second phase. Lowell sought assistance from a ULI Advisory Services panel on improving four areas around Lowell's historic downtown. The panel made a series of recommendations covering marketing, planning, design, and development. Many of these recommendations have been implemented, but Lowell is continuing to engage in community and strategic planning to address future land use and market realities.

To further Lowell's commitment to continuous renewal, Lowell Plan Inc. has developed an ongoing civic engagement program known as Lowell Plan Matters. This program provides a cross-section of individuals from the business, nonprofit, and public sectors with an annual opportunity to immerse themselves in the city's history, revitalization, and plans for the future.

POPULATION: 169,798; second-most-populous city in Oregon

SIZE: 48.5 square miles

LOCATION: the heart of the Willamette Valley, 44 miles southwest of Portland

DEMOGRAPHICS: White, 80.9%; Asian, 2.7%; Black, 1.5%; Native American, 1.4%; native Hawaiian or Pacific Islander, 1.3%; other, 12.2%

GOVERNMENT: council-manager; mayor elected by citywide vote

New apartments in Salem.

Salem, Oregon

Salem is the seat of the state government, which is the city's largest employer. It is located in the heart of the Willamette Valley along the Willamette River, which has long played a defining role in Salem's history and character, leveraged by heavy industry as both a power source and means of transportation. By the mid-2000s, Salem was—and largely remains—on the cusp of change, moving from an industrial to a service economy. Many of the city's traditional industries have moved inland, and Salem's main draw has become the city-maintained parklands adjacent to the waterway.

This presented the opportunity to reinvent Salem's riverfront as a regional amenity, contributing to the city's economic vitality and providing expanded opportunities for gathering and recreation.

THE CATALYST

Since 1862, Boise Cascade, a manufacturer of paper products, had occupied a 324-acre site on the Willamette River divided into two parcels by the Willamette Slough. A 13-acre parcel directly adjacent to Salem's downtown contained a concentration of large industrial buildings used for packing and distribution; the remaining 311-acre parcel was undeveloped and flood-prone land on Minto Island, the rest of which is a city-maintained park and bird sanctuary.

Boise Cascade had expressed interest in relocating its facilities (and jobs) to another site in the city. The company's pulp and paper mill, built in 1919, was a major part of downtown Salem's history: for decades the mill and its associated lumber division were second only to the state government as the city's major employer. The plant was among the finest on the West Coast when it was constructed, but by the 1980s company officials deemed it antiquated and uneconomical to operate. Labor and raw material costs were higher in Salem than in the South, where other lumber and paper mills had located. In addition, a recession that gripped the country at that time made matters worse.

Boise Cascade continued to use the property for paper production until 2007, when company officials decided to close the plant, marking the end of an era along Salem's riverfront. Other industrial uses nearby had ended earlier: Oregon Pulp and Paper's Spaulding sawmill closed in 1955, and Boise Cascade's cardboard container plant moved to the city's Fairview Industrial Park in 1984. The cardboard plant and associated buildings were demolished shortly thereafter, laying the groundwork for what would eventually become Riverfront Park.

CHALLENGES AND OPPORTUNITIES

In 2006, ULI convened an Advisory Services panel to evaluate the Boise Cascade site for redevelopment. The panel thought Salem had a favorable economic climate overall, but that certain obstacles blocked potential redevelopment scenarios. The city had a diversified and growing economy characterized by steady population growth, expanding industrial employment, and a growing education sector. With its natural resources and recreational opportunities, Salem offered a high quality of life and attracted many families. However, the panel noted that area household incomes were 5 percent lower than the statewide average and 16 percent lower than the average for nearby Portland. Some retailers in downtown Salem were struggling, the result of being unable to attract a broad base of customers beyond daytime hours.

The panel concluded that redevelopment of the Boise Cascade site could help the city overcome some of these challenges. The site had high potential because of its prime downtown location next to Riverfront Park and near the Salem Conference Center, Willamette University, the Capitol building, and Salem Center Mall. It presented a premier opportunity to develop a mix of high-quality places and destination attractions that would target a more diverse population, turning around Salem's reputation as a sleepy town while fostering growth in the number of young residents—particularly entrepreneurs and those employed in technology—as well as empty nesters.

The panel also identified likely demand for several other types of uses downtown. Growth in activities related to the new Salem Convention Center suggested the need for additional hotel capacity, and the panel found a significant need for parking, with many downtown garages at capacity due to demand from employees, daytime shoppers, and users of Riverfront Park. Demand for office space, however, had fluctuated with government activities, and increased suburban construction had eroded the downtown market—both factors that made speculative construction undesirable. Despite the risks and uncertainties inherent in undertaking a large-scale redevelopment, the panel was confident that developing the Boise Cascade properties constituted a compelling opportunity that warranted an "all in" effort by the city and Boise Cascade.

Panelists ultimately proposed redevelopment of the Boise Cascade site with a mix of condominiums, offices, retail space, restaurants—including some with a direct link to the Willamette River—a hotel, and parking. The panel thought no single use could absorb the full development capacity of the site, and that the proposed mix would help reinvigorate downtown Salem in a way that would attract a diverse array of residents and a substantial customer base.

In early 2014, a developer purchased the site and explored various redevelopment scenarios. It found retail interest to be lacking due to both local market demographics (low median household income, in particular) and the availability of more appealing commercial parcels elsewhere in the Salem area. The still-poor site accessibility was also a deterrent for retailers, as it was for restaurants and food markets. The developer, Mountain West Investment Corporation, proposed a multifamily housing development, but the project met political barriers and plans were scrapped.

Ultimately, a mixed-use building with 163 residential units, 15,000 square feet of retail space, and two levels of parking was constructed on the southern portion of the site, on top of an old paper mill structure. The new development, Pringle Square Apartments, opened in 2015 and commands some of the highest rents in the Salem market. In addition, a 24,000-square-foot, build-to-suit office building was constructed for a local company on the northern portion of the Boise Cascade site.

The city purchased 3.8 acres on the northwest portion of the site to create an addition to Riverfront Park and built the $10 million Minto Island Bicycle and Pedestrian Bridge to link the park with the island; it was completed in 2017.

FINANCING MECHANISMS

Financing for the project came from several sources, including the following:

- Tax-increment financing project bonds;
- A 10-year property tax abatement;
- One-time builder fees; and
- Urban renewal performance grants.

IMPACT ASSESSMENT

Even though significant development has taken place on the Boise Cascade site, multiple portions remain undeveloped. For instance, though preliminary work has been finished for a creekside esplanade linking Pringle Square Apartments to Riverfront Park, regulatory restrictions and missing railroad crossings have prevented the project's completion. A northern portion of the site is owned by a developer and operator of skilled nursing facilities that is planning to develop a 38,000-square-foot post-acute medical rehabilitation center. There are currently no plans for redevelopment on the southwest portion of the site, an area that sits partially in a floodplain and has limited access.

Though the site is not be fully redeveloped, significant progress has been made toward the revitalization recommended by the ULI panel and embraced by city stakeholders. Once home to heavy industry, the Boise Cascade site now has residential and commercial space that is giving the area new life, and it offers enhanced recreational amenities with the expanded Riverfront Park and its connection to Minto Island.

LESSONS LEARNED

Planning never ends. The land economics equation for the Boise Cascade site in 2006, the year of the Advisory Services panel, had dramatically changed by the time a developer acquired the site in 2014. The new Pringle Square Apartments development filled a need for new downtown living that had not existed years earlier.

Proximity to employment and recreation is key. The proximity of the Pringle Square Apartments to state offices and collateral private employment associated with state government makes the apartments an appealing location for young professionals. The development's proximity to the Riverfront Park and the Minto-Brown Island Park is a bonus.

Adaptive use of buildings reinforces authenticity. The developer of the Pringle Square Apartments was able to use the foundations of the old mill site. While not a complete reuse of the original structure, incorporation of the existing concrete and steel foundations of the old plant provides an important connection to the site's history and reduced costs in the initial site development process.

Washington Park in Cincinnati.

10 Lessons Learned from Legacy Cities

The planning and execution of an urban revitalization initiative requires that actions be tailored to address the specific challenges and needs of the community. There is no one-size-fits-all solution. The legacy cities profiled in this report offer a range of lessons applicable to issues commonly faced by communities seeking resources for stabilization and strategies for advancement as they work to redefine their identity and reinvent their future. A discussion of some of those lessons follows.

1. Planning never ends.

The intrinsic character of cities is kinetic because every city's conditions are in constant flux. City planning needs to reflect that reality in order to avoid becoming static and obsolete. Cities that approach planning as a process rather than a project are far more likely to be successful with their revitalization efforts than those that do not. Every community needs a person in charge of planning—not just to manage zoning and building permits, but also to be the keeper of the future.

2. Existing assets have capital value.

Cities should capitalize on assets such as historic buildings and natural resources in order to reinforce authenticity and provide a link to the city's roots. This can instill a strong sense of community pride and foster a high quality of life, increasing the city's appeal to residents, visitors, workers, and businesses. Many legacy cities had a strong manufacturing base that faced challenges from improved technology and foreign competition. Opportunities exist to build on that manufacturing legacy.

3. Proximity has power.

Proximity is critical. Access—to downtown, to public spaces, employment, anchor institutions, culture, and recreation—is a key component of urban revitalization. It is the thread that connects people to economic and social opportunities, fostering the high level of stakeholder engagement needed to achieve progress and keep momentum going.

4. Intentional leadership has impact.

Intentional leadership affirms the leader's place, purpose, and agenda. Intentionality drives the message about what is desirable, meaningful, and wise; it influences choices, changes, and outcomes. Intentionality transforms plans into action by providing a framework for articulating a vision and turning that vision into reality. Leadership can originate in many spheres—from the traditional political arena, but also from the civic and business communities and the philanthropic and resident-based communities, as well as from partnerships made up of constituents from a combination of these spheres.

5. An entrepreneurial sensibility is important.

An entrepreneurial sensibility can be adopted by exploring ways to improve on the status quo and create or enhance value, considering new perspectives, and cultivating ideas that fill a void. This will necessitate taking calculated risks and approaching problems from different angles in order to achieve an outcome that best serves the entire community. It also requires a willingness to be inspired—rather than intimidated—by challenges, as well as a desire to remain steadfastly committed to the vision for revitalization.

6. Funding comes from many sources.

If there is a compelling civic strategy, public and private funding to implement a development can be found. Initially, the vision rather than the availability of funding should drive the discussion. Federal, state, local, philanthropic, and private sources are often available. An entrepreneurial team that understands how to bring the various sources of funding together is critical, as are strong public/private partnerships that facilitate access to financing.

7. Community engagement is essential.

Inclusive engagement of the community creates a sense of pride and belonging that helps build support for development and promotes a shared civic identity. Community engagement sends the explicit message that all stakeholders have a voice in determining what is developed and why, and where and how it is developed.

8. Effective planning and design excellence go hand in hand.

The planning system provides the means to encourage good design, and securing good design is central to good planning. Good design provides a tangible statement about the values of a community, particularly in the public realm.

9. Manufacturing remains vital.

While the role of manufacturing as an economic driver has diminished in many cities, it remains important in some and could become stronger in the years ahead. In Elkhart, Indiana; Rocky Mount, North Carolina; and Sheboygan, Wisconsin, among others, manufacturing is flourishing due to advances in technology that expedite production and lower production costs. Key sectors such as the auto industry, agriculture, health care, and furniture production are recovering or boosting manufacturing and contributing to the vitality of urban centers.

10. Aspirations must be translated into action.

In order to optimize efforts to achieve success, a strong, empowered local government staff must be in place with the organizational capacity to undertake planning, shape the vision, negotiate the deals, and employ public financing tools. A strong ethical foundation is essential for this staff and for public confidence.

Conclusion

The cities featured in this report demonstrate that adversity can breed opportunity. When the mill closes, it does not mean the city has no future. Rather, the case studies prove that older industrial cities can use their assets and authenticity to reinvent themselves. They also show how small cities can make big changes to create a stronger economy and improve the quality of life for residents.

The contribution of legacy cities to America's progress cannot be overstated. Legacy cities are complex places, juggling distinctive burdens to concurrently stabilize themselves and advance into the future. Such complexity merits leaving room for flexibility that reflects the pathways of transition for any legacy city. The accounts shared in this report and the strategies and resources described are far from exhaustive, and the journey each city has taken resonates beyond the immediate location and situation. Examining the unique challenges faced by legacy cities and the creative ways they have recovered from decline provides valuable insights that can inform the future growth of all urban areas.

Legacy cities continue to benefit from a number of factors that underpin their efforts and produce positive outcomes. Authenticity, sense of place, and natural and cultural assets help many smaller cities. And while manufacturing has declined as an economic driver in many cities, it remains important in others. As we have seen with the case studies, legacy cities have wonderful history, often great architecture, and strong civic pride. In many ways, they have the potential to be competitive places to live. The challenge is whether the leadership and vision exist to build on that legacy.

The sharing of these success stories contributes to ULI's own legacy, which is shaping the future of the built environment for transformative impact in communities worldwide. As cities around the world grapple with new challenges, ULI continues to be a reliable source of information on thoughtful urban development that helps achieve and advance the best economic, environmental, and social outcomes. By reflecting the tenacity, resilience, and innovation of legacy cities, this report seeks to spur future efforts by cities—large and small—that are seeking to build a better future.

As a nation, we have rediscovered the appeal of communities as places to live, work, learn, and play. This movement is on the upswing in small towns and suburbs as well as large cities. Residential development in town and city centers is up, and employment opportunities are increasing—particularly in communities that are receiving an economic boost from anchor institutions such as medical facilities and universities. And, though the world is virtually connected through technology, the places that exude vitality and celebrate their authenticity and community spirit are the ones where people want to establish roots and relationships.

We hope the stories and lessons in this publication will inspire you to engage in community building, to challenge the "It'll do" attitude that plagues too many communities, and instead reimagine a more vital future for your community. You and your community have a choice.

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