

Retail in Context: Observations from Columbus

Positioning Your Neighborhood for Economic Development
Choice Neighborhoods Grantee Conference
U.S. Department of Housing and Urban Development



Roberta Garber
Hannah Jones
Lyneir Richardson
Robert Weissbourd

March 17, 2016

It's Not Our Parents' Economy: Neighborhood and Regional Development in the 21st Century

Choice Neighborhoods Grantee Conference
Department of Housing and Urban Development

Robert Weissbourd
March 17, 2016

THE FOLLOWING **PRESENTATION** HAS BEEN APPROVED FOR
MATURE AUDIENCES

RP

RADICAL + PRESUMPTUOUS



THIS PRESENTATION HAS BEEN RATED RP FOR
CONTENT. AUDIENCE DISCRETION ADVISED.

**CONTENT MAY BE UNCONVENTIONAL,
EXPLORATORY, ILLUSTRATIVE AND PROVOCATIVE**

Poverty and Economic Growth

“... poverty has no causes. Only prosperity has causes. Analogically, heat is a result of active processes; it has causes. But cold is not the result of any processes; it is only the absence of heat. Just so, the great cold of poverty and economic stagnation is merely the absence of economic development. It can be overcome only if the relevant economic processes are in motion.”

-- *Jane Jacobs*



Photo from Shelf-Basin Interactions

Market-Based Development

To address poverty, create wealth



Wealth is created by investing in assets



The economic mechanism for investing in assets is the market



Therefore, to increase wealth in poor communities, expand market activity to the assets of those communities

Agenda

Changing Dynamics of Cities

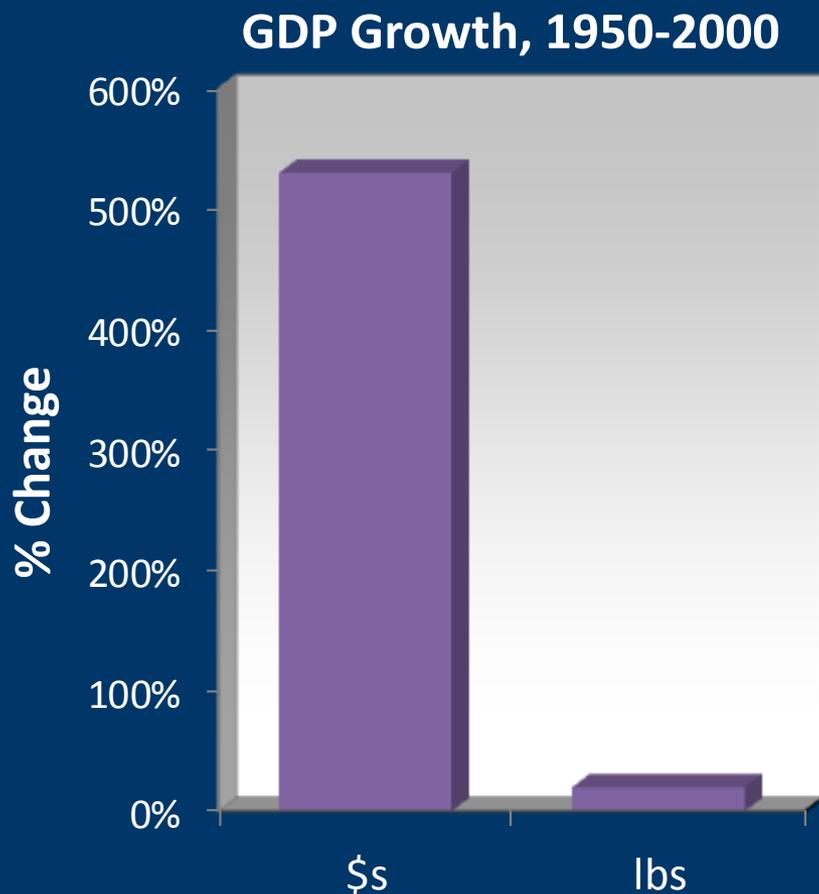


Changing Dynamics of Neighborhoods



Neighborhood Business Planning

The Global Economy is Undergoing a Fundamental Transformation, Driven by Knowledge Assets

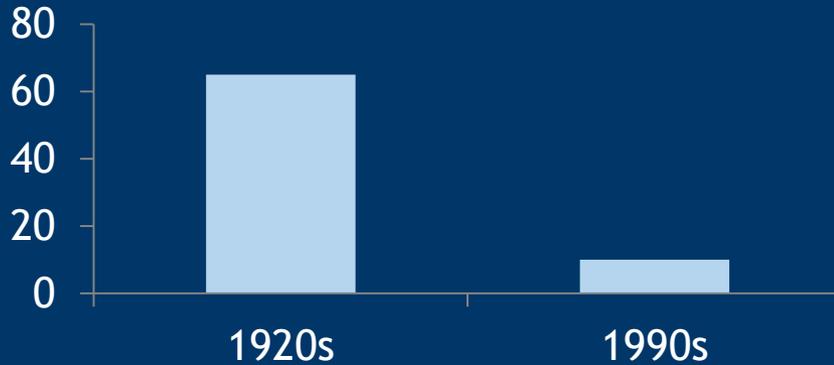


- **Human Capital**
- **Information technologies**
- **Product innovation; flexible customization**
- **Firm, consumer and knowledge networks**
- **Increasing returns; divergence**



As a Result, the Economy is More Dynamic

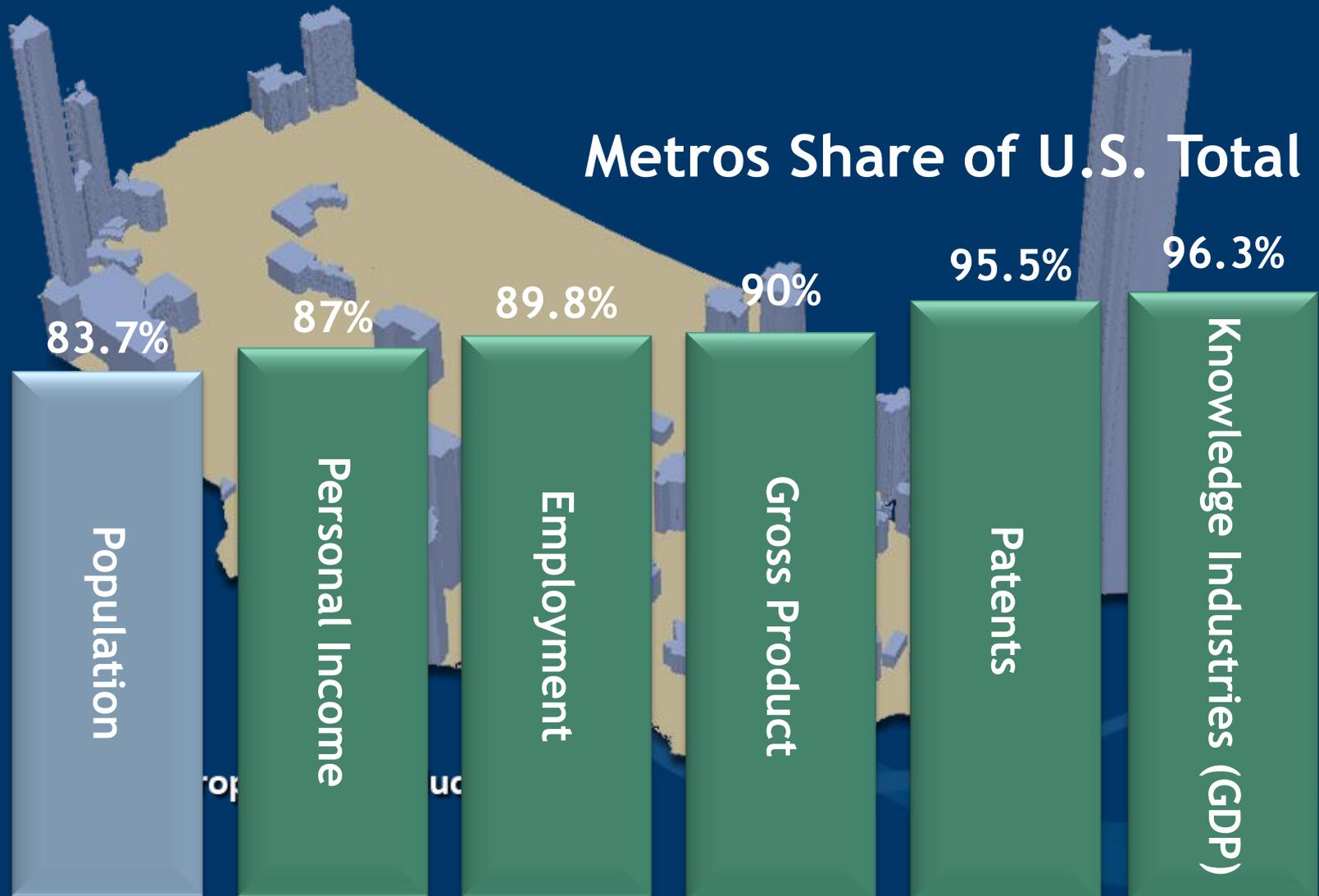
Years Spent on the S&P Index



Churn and GRP Growth by MSA

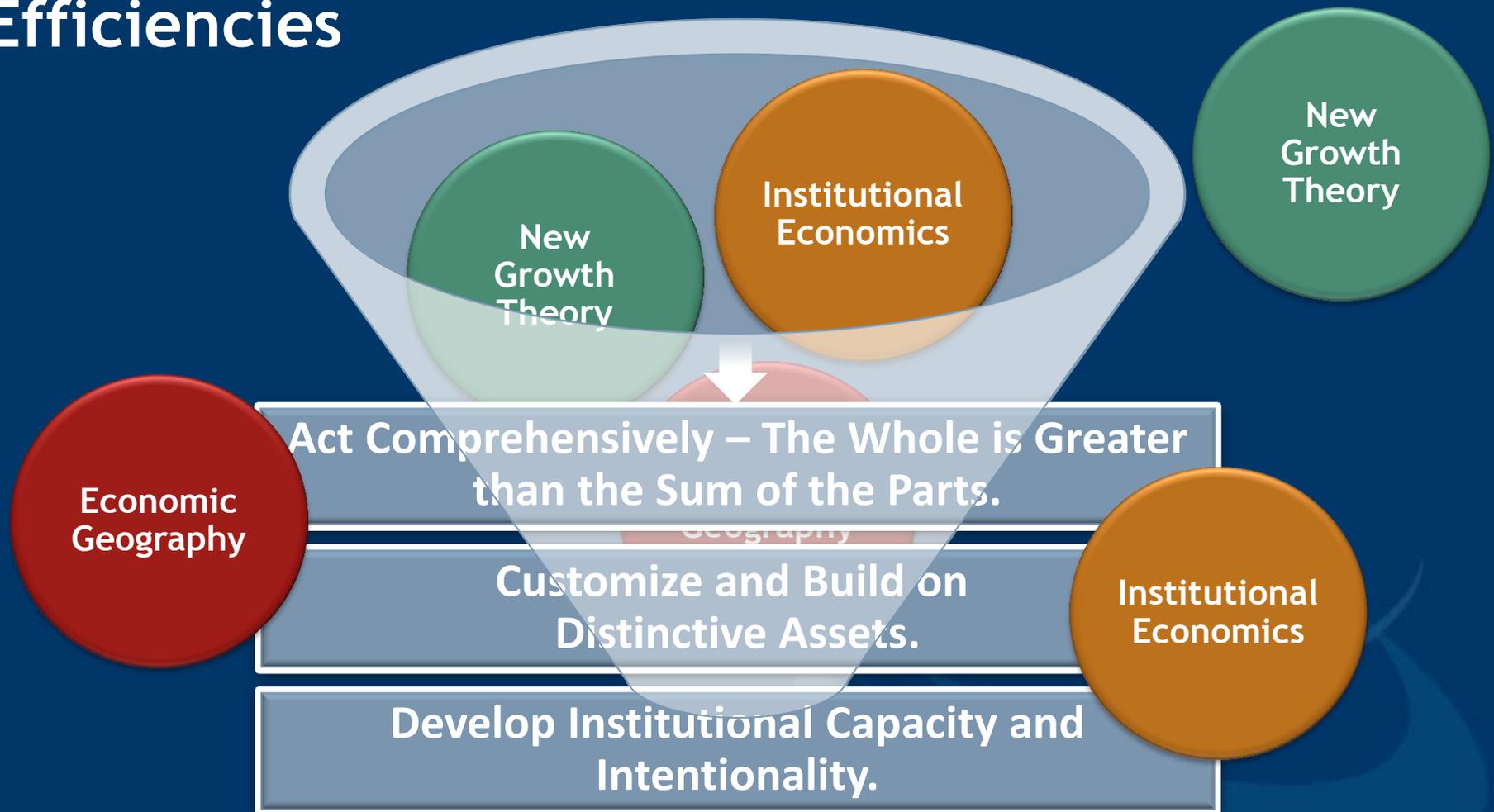


...and Centered in Metropolitan Areas



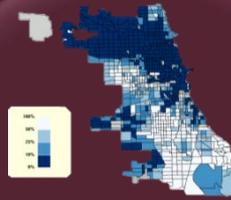
What Makes Metropolitan Regions more Productive in the Next Economy?

Metros Concentrate People and Firms to Achieve Efficiencies

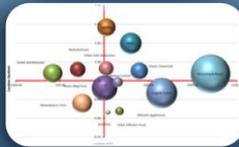


Five Market Levers Drive Regional Economic Performance

- ❖ Compact, well-connected urban form
- ❖ Segregation and isolation
- ❖ Jobs-housing mismatch
- ❖ Next generation infrastructure



Increase Spatial Efficiency



Enhance Regional Concentrations/ Clusters

- ❖ Current Concentrations: Assets, Legacies and Bets
- ❖ Cluster Dynamics and Drivers

Leverage Points for Sustainable and Inclusive Prosperity

Deploy Human Capital Aligned with Job Pools



- ❖ High levels of human capital and rich job pools
- ❖ Job matching and worker mobility
- ❖ Inclusiveness and opportunity

- ❖ Government fragmentation
- ❖ Tax-value proposition
- ❖ Cross-sector governance

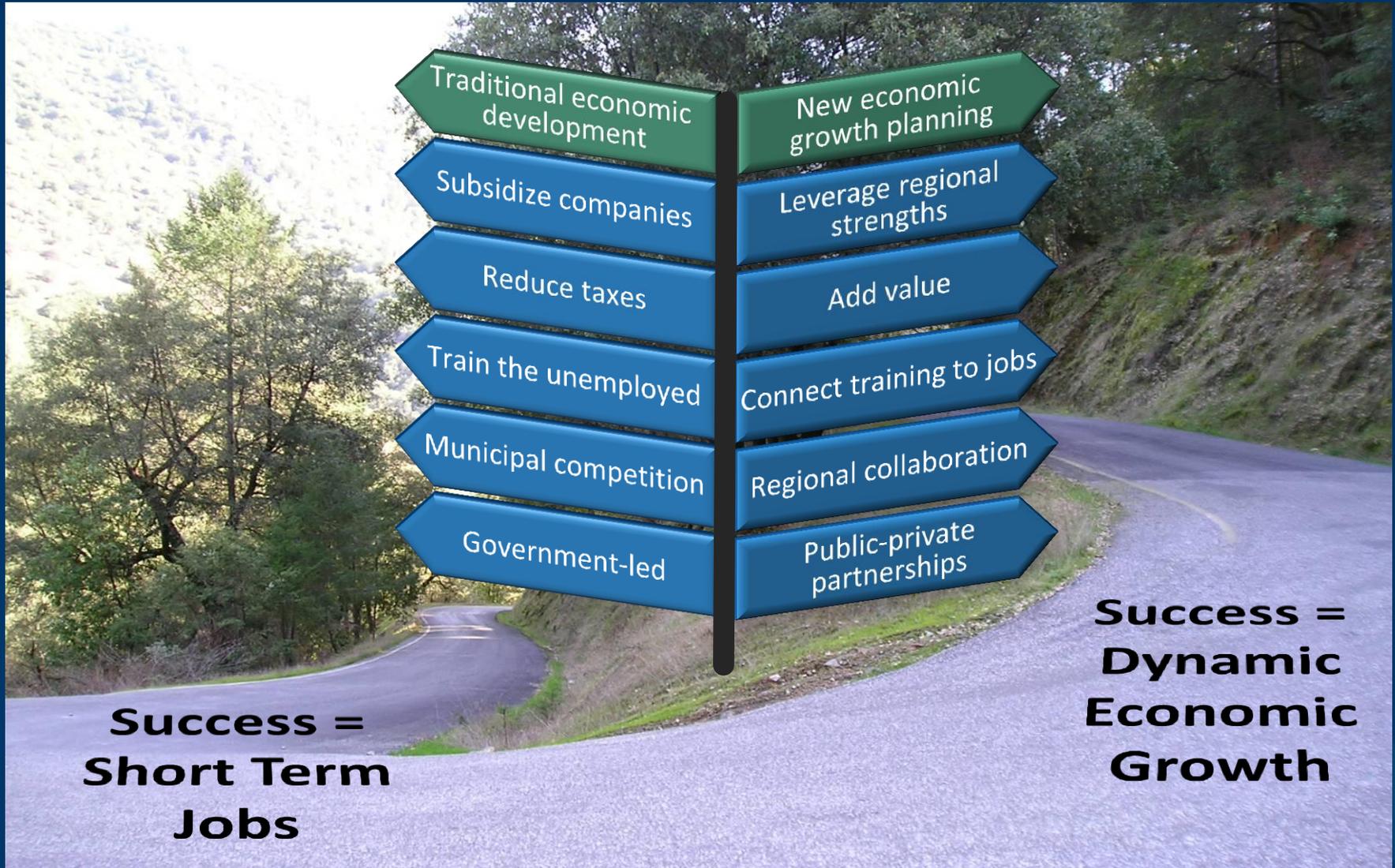
Create Effective Public & Civic Culture & Institutions



Develop Innovation-Enabling Infrastructure

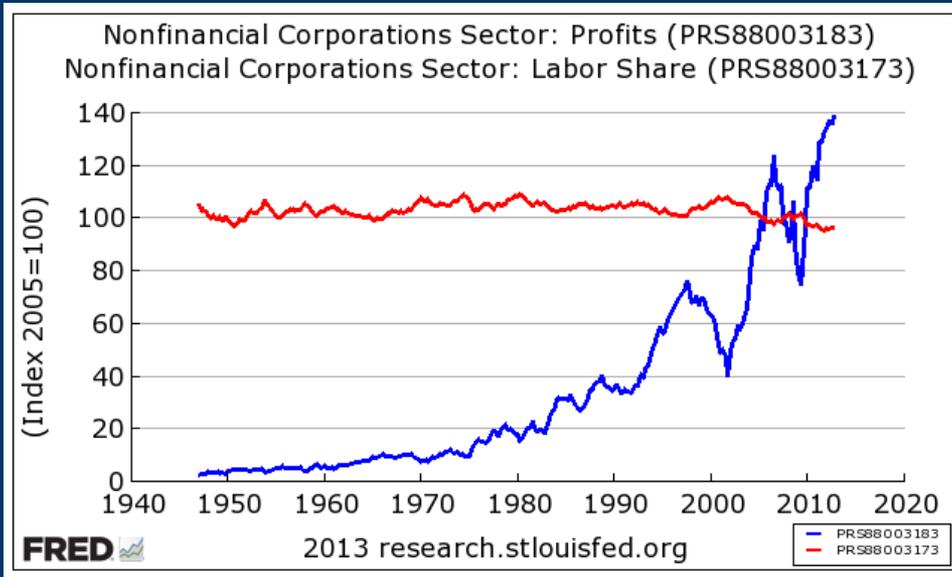
- ❖ Commercialization of R&D
- ❖ Cluster- and firm-based innovation
- ❖ Entrepreneurship

Implications for Urban Economic Development

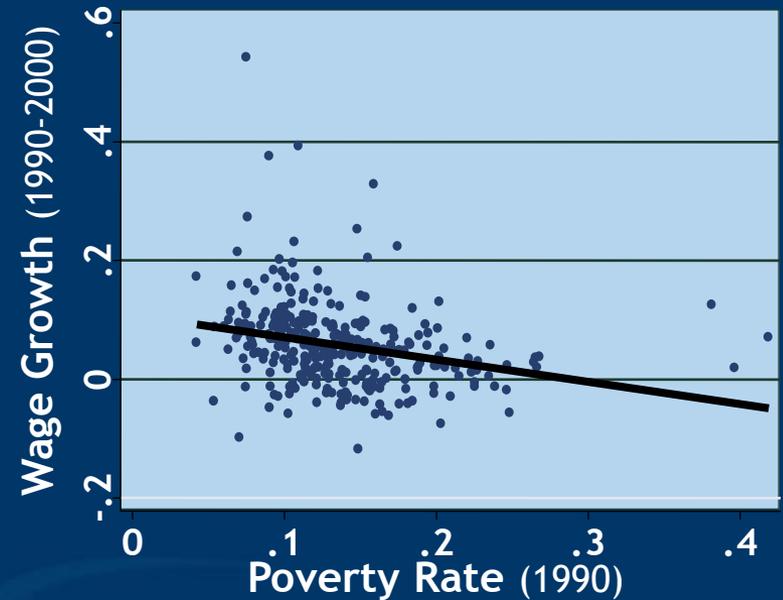


The Inclusive Growth Paradox

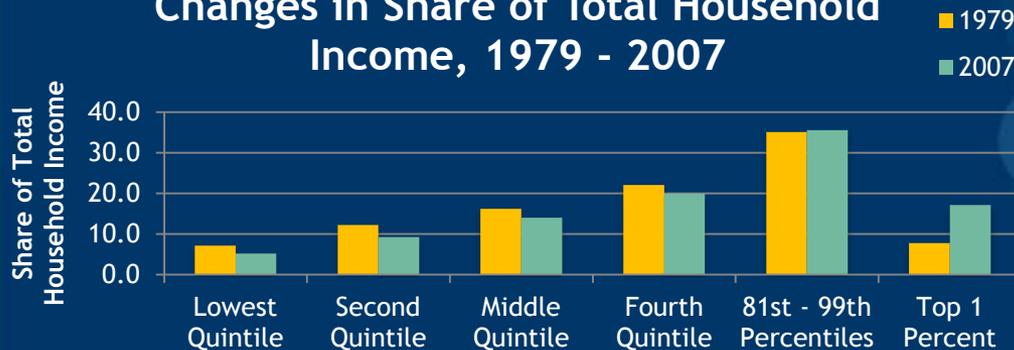
Drivers of growth exacerbate inequity



Inequity is bad for growth



Changes in Share of Total Household Income, 1979 - 2007



INCLUSION
is a
BUSINESS IMPERATIVE

Principles for Practicing Inclusive Growth

“It’s the Economy”

- Focus on opportunities (specific assets, markets and growth drivers) to leverage (not supplant) markets to create value.

“Skate to Where the Puck Is Going to Be”

- It’s the next economy. Stop programming that moves the disadvantaged into old economy jobs and businesses!

New Civics

- Embrace new cross-sector partnerships, networks and institutions to inform and implement work.

Act in Context

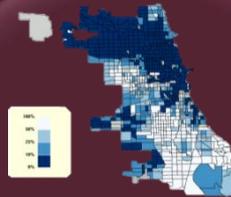
- Activities and geographies succeed or fail in context of each other and their interactions in place. Strategies and initiatives need to be aligned, integrated and mutually reinforcing.

Inclusion is Not a Separate Economic Practice

- It’s an intentional, integral design principle for every growth activity.

Examples: Inclusive Regional Economic Growth Practice

Industrial land reuse:
Casey-Atlanta

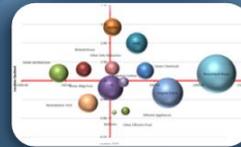


Increase
Spatial
Efficiency

Neighborhood/
Sub-Regional
Business
Planning:
**Greater Chatham
Initiative**



Create Effective
Public & Civic
Culture &
Institutions



Enhance
Regional
Concentrations/
Clusters

Inclusive Clusters: **Chicago
FOOD**

Leverage
Points
for Sustainable
and Inclusive
Prosperity

Deploy
Human Capital
Aligned with
Job Pools



Targeted
inclusive training
for emerging
industries:
YearUp



Develop
Innovation-
Enabling
Infrastructure

Doer-Maker Space:
Blue1647

Agenda

Changing Dynamics of Cities



Changing Dynamics of Neighborhoods



Neighborhood Business Planning

Comprehensive Neighborhood Planning

Inclusive Regional
Growth

ECONOMIC
GROWTH
Productivity,
Outputs

COMMUNITY
DEVELOPMENT
Healthy
Communities

ECONOMIC
DEVELOPMENT
Wealth
Creation

Wealth creation for
residents

Neighborhoods as
healthy, vital
places to live

Two Frames

Frame 2: Neighborhoods of Choice ←

→ Frame 1: Neighborhoods of Opportunity

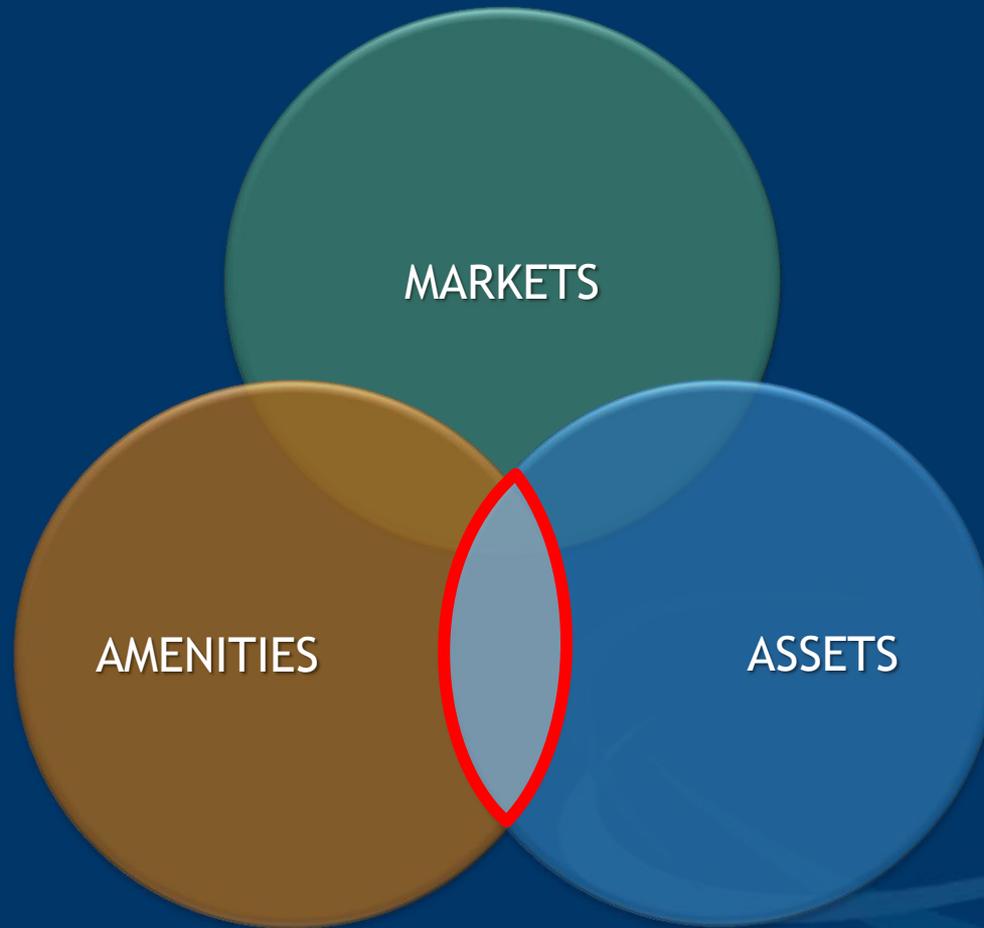
- Neighborhoods as collection of amenities - housing, retail, public goods, etc. - interacting in place
- Function = attract and retain particular segments of residents
- Emphasis on quality of life

- Neighborhoods as collection of assets - labor, land, businesses, etc. - nested in larger markets
- Function = develop and deploy assets into larger systems
- Emphasis on economics

Frame 2: Neighborhoods of Choice



Frame 2: Neighborhoods of Choice



Neighborhoods are Complex



Neighborhoods are Complex



PEOPLE

Ethnicity, Age,
Family Structure

AMENITIES

Physical environment,
Entertainment venues, Public
transit

GOVERNANCE

Infrastructure, Policing, Social
Services

SOCIAL ENVIRONMENT

Civic engagement, Social
networks, Community
organizations

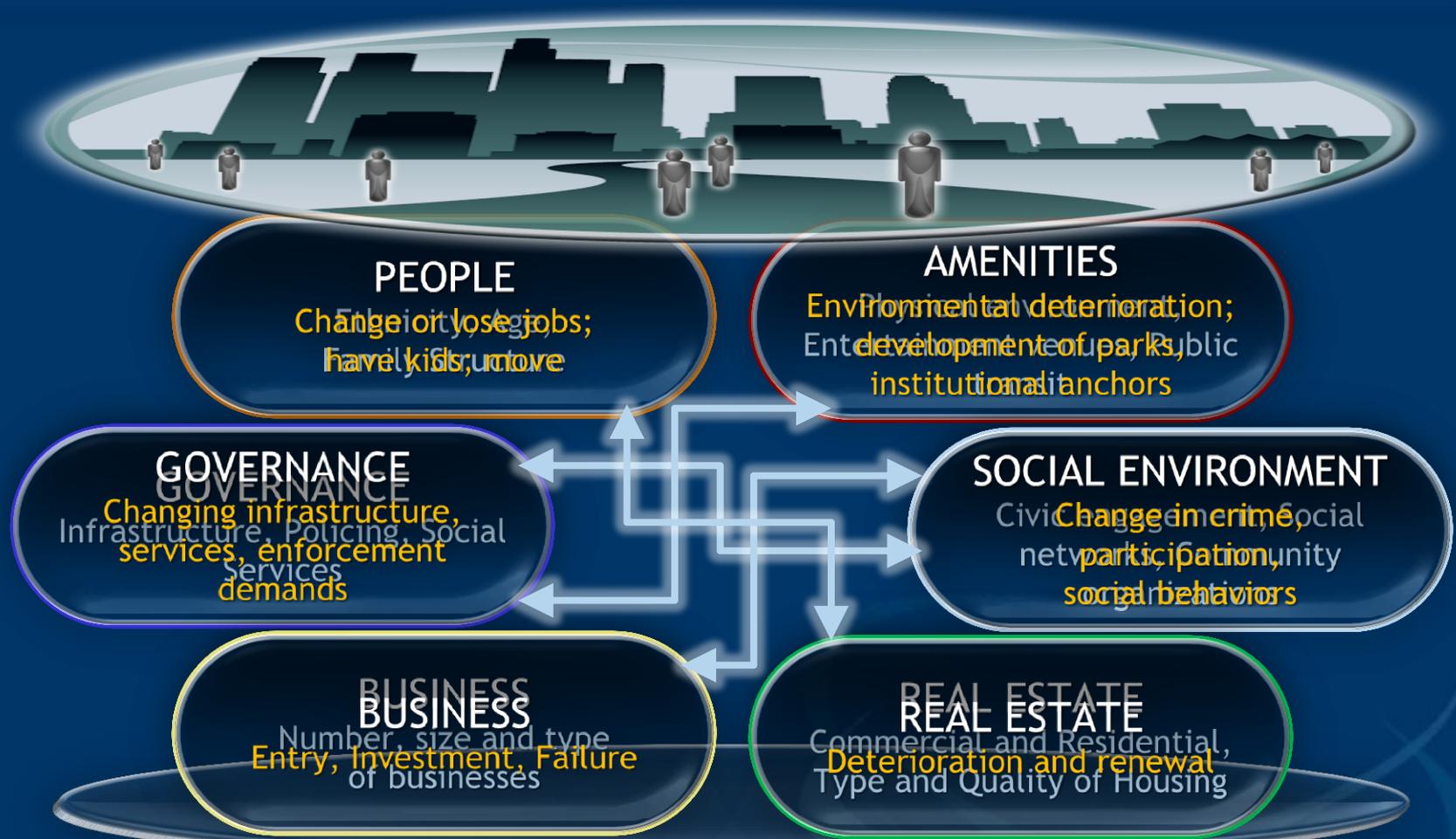
BUSINESS

Number, size and type
of businesses

REAL ESTATE

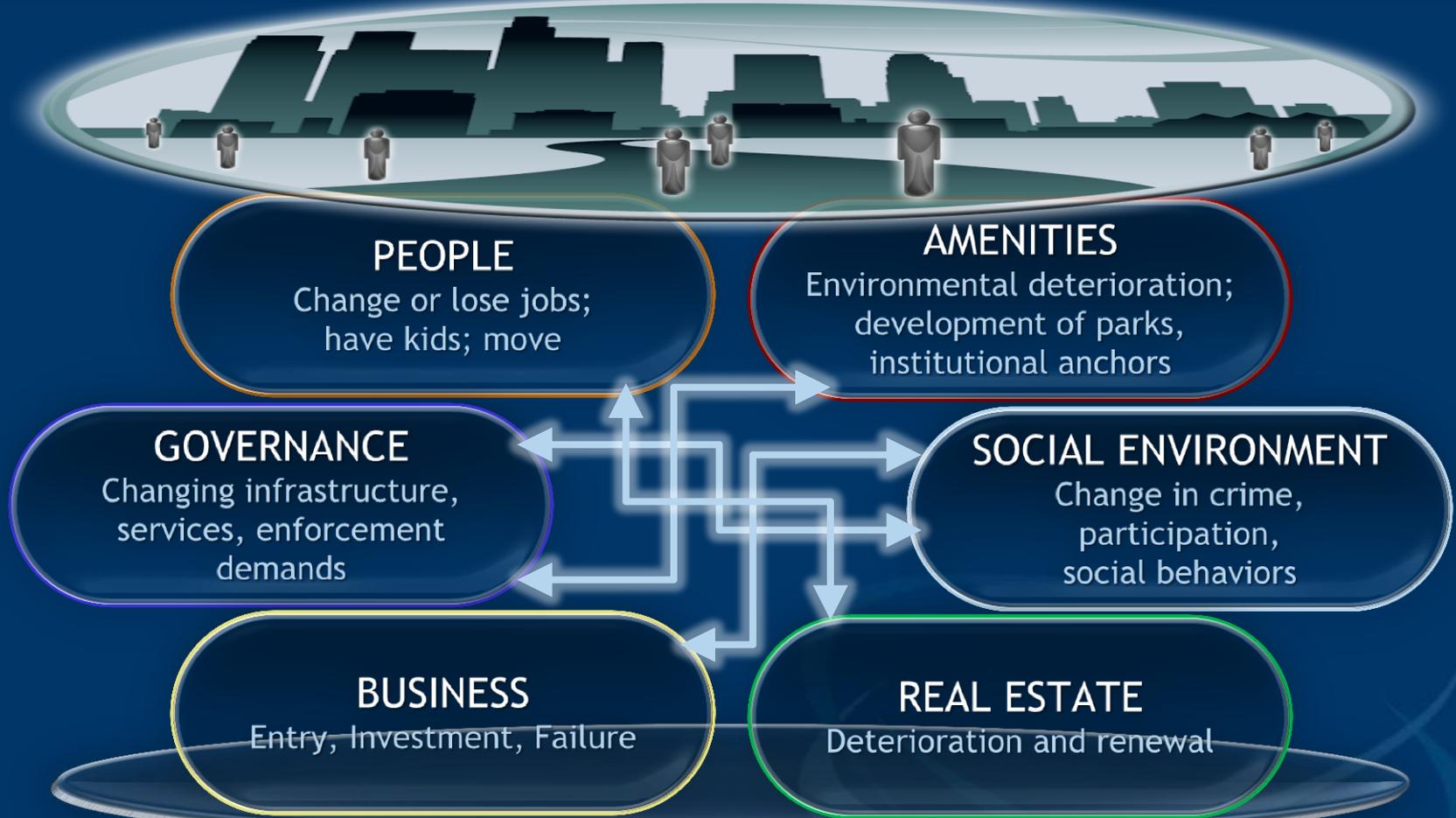
Commercial and Residential,
Type and Quality of Housing

Neighborhoods are Dynamic



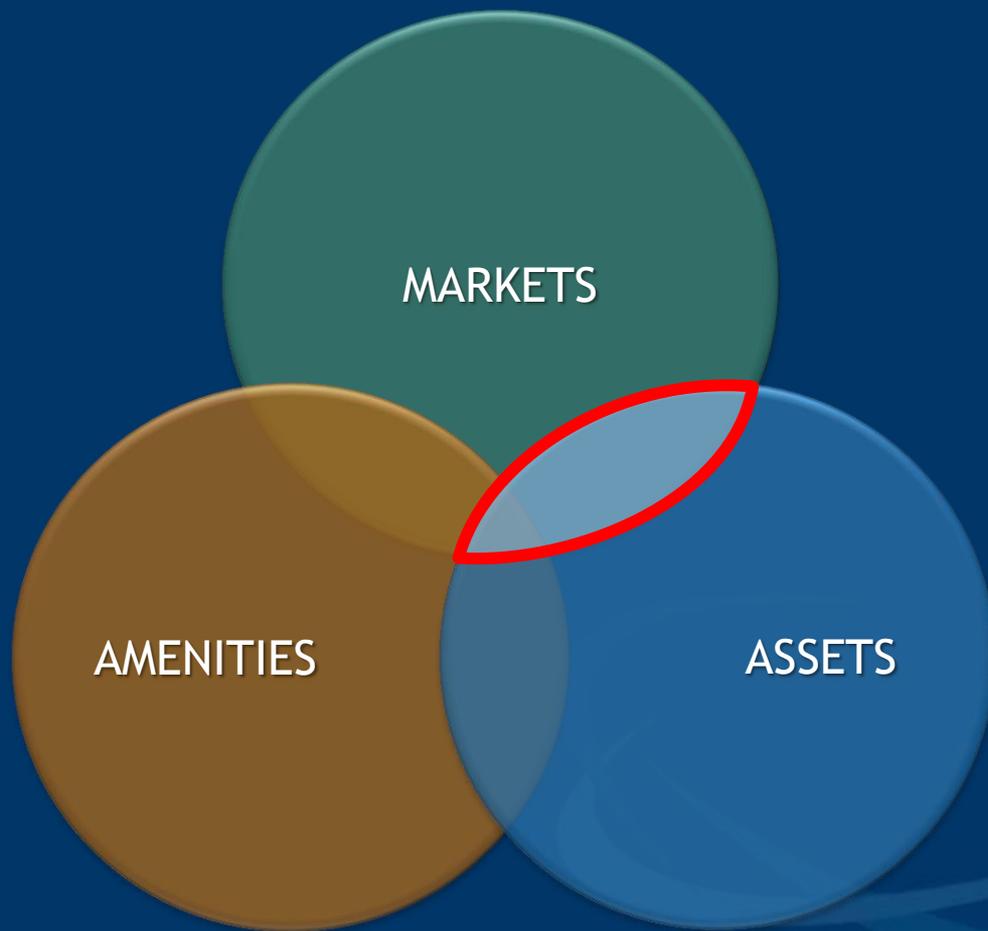
A Web of Interdependent Activities: “Organized Complexity” (Jacobs)

Neighborhoods are Dynamic



A Web of Interdependent Activities: “Organized Complexity” (Jacobs)

Frame 1: Neighborhoods of Opportunity

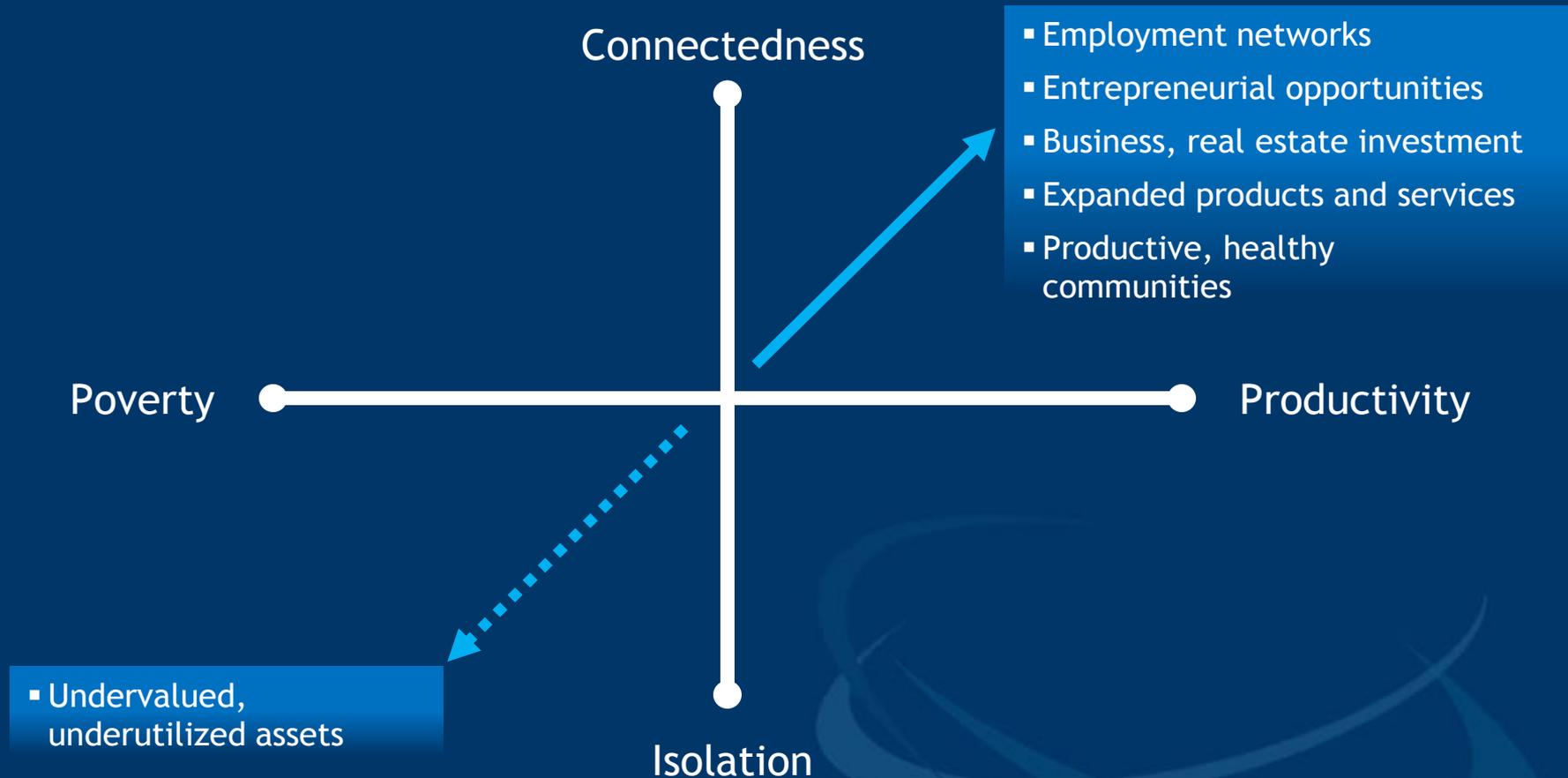


Neighborhoods are Nested in Larger Systems Which Drive the Flows of People and Capital



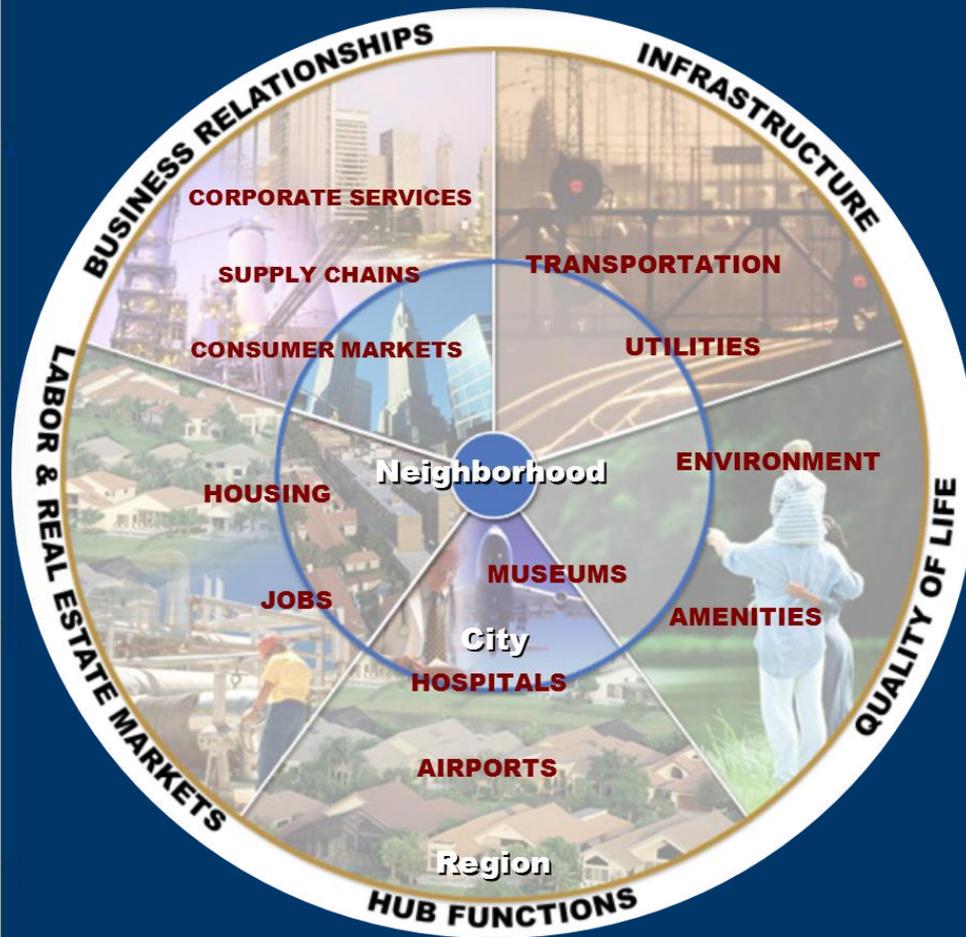
Neighborhoods arise from the interaction of regional economic, social and political systems with physical place.

Neighborhoods Need Regions

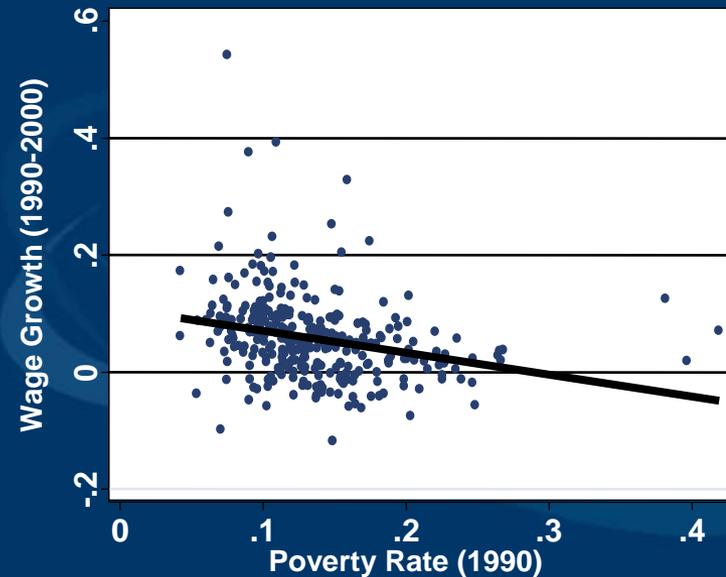
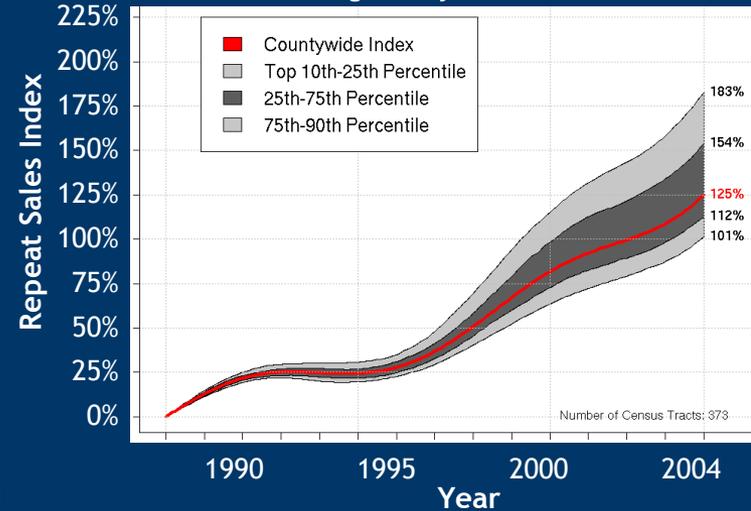


Goal: Neighborhoods that Build Capacity and Opportunity (Amartya Sen)

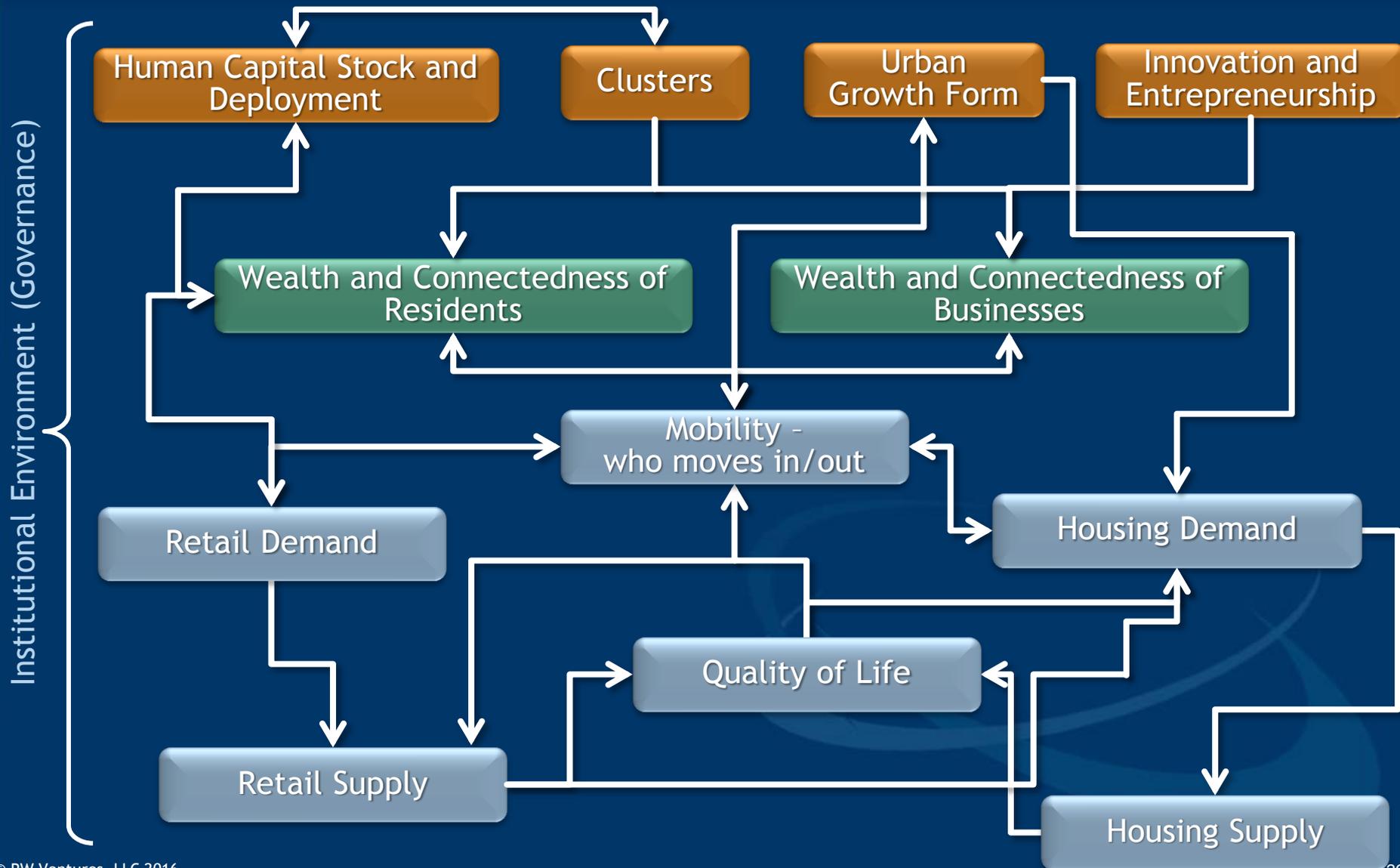
Regions Need Neighborhoods



Variation of appreciation across Neighborhoods
King County 1990-2004



Connecting the “Frames”



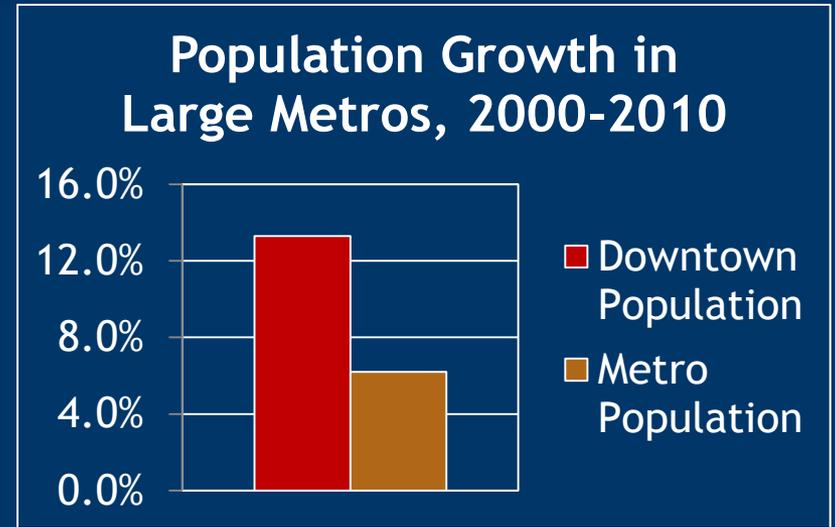
Unified Theory of Change - Frame 1: Choice ↔ Frame 2: Opportunity

- Neighborhoods do not have economies: they have assets
- Frames are closely interrelated
 - Success in frame 1 affects frame 2 - attractiveness and types of changes
 - Frame 2 iterates with and supports success in frame 1
- Neighborhoods are whole greater than sum of parts:
 - Differentiated amenities to serve/house varied residents/assets - range of neighborhood types and trajectories
 - Where economic and non-economic factors most iterate
 - Ultimately, we care about more than economics



Next-Economy Dynamics Create New Urban Development Opportunities

Industrial Economy	Knowledge Economy
Large factories	Smaller space, less physical capital
Sectoral specializations	Functional specializations
Sprawl	Densification
Continuous rise in VMT	Decrease and stabilization of VMT
Highest property values = single family houses	Highest property values = condos, apartments
Majority of households married with children	Majority of households single, no children



Coming soon

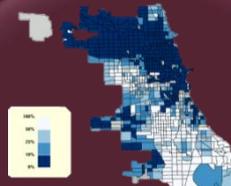
- ag
- ky
- herald
- bamboom

Legend:

- GreenTech
- Social Media/Communications/Publishing
- IT/Software Development
- E-Commerce
- Incubator/Accelerator
- Non-Profit/Social Entrepreneurship
- Life Sciences/Biotech
- Architecture/Design
- Education/Academia
- Manufacturing/Engineering
- Finance/Professional Services

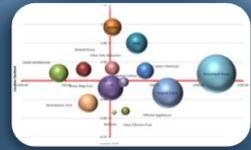
Regional Market Levers Create Opportunities for Neighborhoods in the Next Economy

- ❖ New, mixed uses
- ❖ Development opportunities
- ❖ Bring jobs back
- ❖ Next-generation infrastructure



Increase Spatial Efficiency

- ❖ Efficiency
- ❖ Engagement
- ❖ Networks



Enhance Regional Concentrations/ Clusters

- ❖ Employment and entrepreneurship opportunities
- ❖ Commercial and industrial development

Leverage Points for Sustainable and Inclusive Prosperity



Deploy Human Capital Aligned with Job Pools

- ❖ Targeted training
- ❖ Access/mobility/networks



Create Effective Public & Civic Culture & Institutions



Develop Innovation-Enabling Infrastructure

- ❖ Targeted entrepreneurship
- ❖ Connecting to ecosystem

Agenda

Changing Dynamics of Cities



Changing Dynamics of Neighborhoods



Neighborhood Business Planning

Business Planning: A Proven Discipline for Comprehensive, Effective Action

- Identify neighborhood assets/opportunities
- Develop customized strategies
- Turn strategies into concrete actions
- Build institutional capacity
- Execute

NEIGHBORHOOD BUSINESS PLANNING

Mission and Vision

Market Analysis

Strategies

Products and Services

Operational Planning

Financial Planning

Performance Monitoring

Elements of a Business Plan



Why Neighborhood Business Planning?

- Neighborhoods and regions succeed or fail together
 - Regions need neighborhood assets to sustainably grow
 - Neighborhoods don't have economies - they have assets, and prosper when they contribute to & benefit from regional growth
- Integrated regional/sub-regional growth plans align the two
 - Regional plans provide “North Star” - market context, mutually reinforcing strategies
 - Neighborhood plans bring regional priorities to ground, tailored to the challenges and opportunities of specific places

Outcomes: Catalyzing Action

The Plan

- Detailed, objective market analysis, providing a shared, understanding of opportunities and foundation for collaboration
- A strategic economic growth action agenda, providing unified goals, vision and strategies; detailed business plan for coordinating, organizing and aligning activities

Initiatives

- Identification and design of implementation activities, the most important outcome of the planning process

Civics

- Institutional infrastructure, providing platform for long-term cross-sector collaboration and invention

The Civics of NBP

- Next-economy plan requires next-economy governance
- Next-economy imperatives include:
 - Regional connectivity
 - Flexibility/adaptability
 - Inclusion
 - Rich formal and informal networks
- Key partners include:
 - Civic/non-profit - convene stakeholders, represent community constituencies, deliver programs/services
 - Business - provide market perspective, drive economic growth
 - Government - align resources/programming with strategies

Civics and economics are iterative and mutually informing

← lower income

higher income →



Taxonomy Structure: “Genus, Phylum, Species”

Applying the Taxonomy: Neighborhood Transition

Type 5: Urban
Tapestry
58.9%

*High Racial Diversity
Older, Single Family Homes
Average Incomes,
Low Unemployment
Low Crime*

Type 4: Port of
Entry
21.1%

*High Population Foreign Born
Families, High Resident Mobility
Below-average Incomes
Unemployment < 10%
Low Crime*

Type 8: Close,
Cool,
Commercial
7.8%

*Young, Educated Professionals
Rented Apartments
Mid-High Income
Many Consumption Amenities
High Residential Mobility*

Type 3: Stable
Low Income
7.2%

*Primarily African American
Single Family Homes,
High Residential Stability
High Crime
High Unemployment*

Transition Matrix

		2000									
		Truly Disadvantaged	Trans. Underdeveloped	Stable Low Income	Port of Entry	Urban Tapestry	Coming Attractions	No Place Like Home	Close, Cool, Commercial	Fortune 500	
1990	Truly Disadvantaged	35.8	40.8	19.2	0.8		0.8		1.7	0.8	
	Trans. Underdeveloped		45.5	16.7	16.7	11.1	4	0.5	5.1	0.5	
	Stable Low Income	1.2	2	89.8	0.4	2.5		4.1			
	Port of Entry	0.9	3.7		74.1	17.6			3.7		
	Urban Tapestry		1.7	7.2	21.1	58.9			2.8	7.8	0.6
	Coming Attractions		1.2		9.5	13.1	61.9	3.6	9.5	1.2	
	No Place Like Home			3.6	2.2	6.6	0.3	86.3	0.5	0.5	
	Close, Cool, Commercial					4.9	3.9	1	85.3	4.9	
	Fortune 500		1.8				5.3	14	1.8	77.2	

Retail in Context: Observations from Columbus

Positioning Your Neighborhood for Economic Development
Choice Neighborhoods Grantee Conference
U.S. Department of Housing and Urban Development

Roberta Garber
Hannah Jones
Lyneir Richardson
Robert Weissbourd



Background – Columbus TA Request

- Focus on retail/commercial initiatives
 - Potential grocery store
 - Historic commercial/arts district
 - Proposed neighborhood gateway
- Issues
 - Neighborhood in regional context
 - Aligning strategies
 - Looking forward: serving existing AND future residents
 - Staging

Physical Context



The PACT geography is a portion of what is known as the Near East Side of Columbus. Nestled between downtown and Bexley. The boundaries of our planning area are Woodland Avenue to the east; Broad Street to the south; I-71 to the west; I-670 to the north.

Development Context: Challenges

- Vacant residential and commercial buildings
- Depopulation
- Only 3% of people who work in the neighborhood, live in the neighborhood
- Poverty—large family public housing development
- Crime and safety issues
- Limited retail/commercial options
- Few large commercial sites that are ready to develop

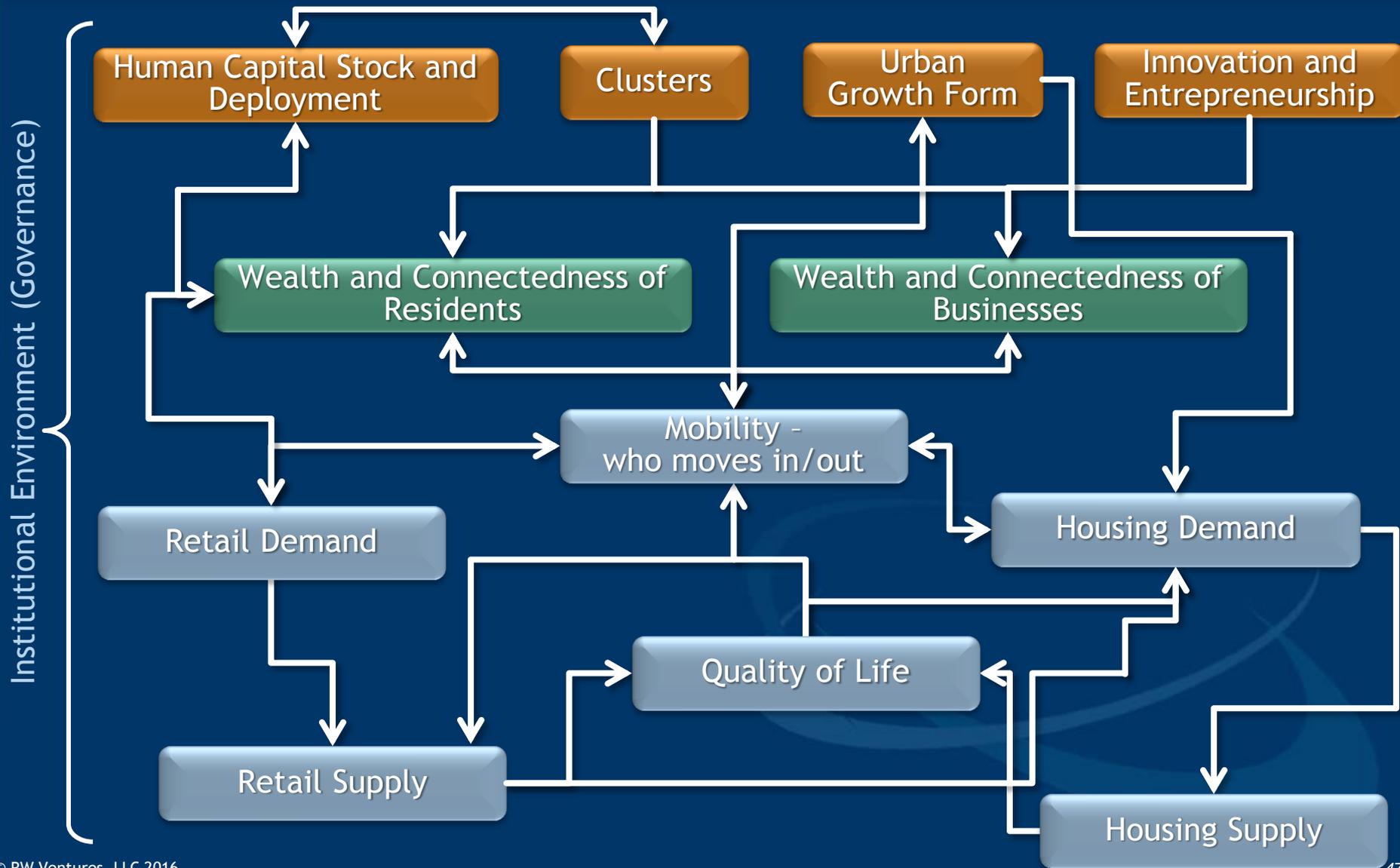
Development Context: Assets

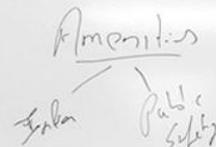
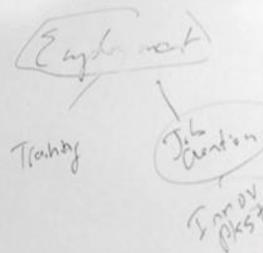
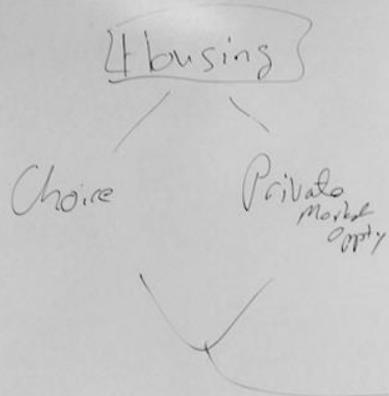
- Adjacent to downtown, Columbus State, major thoroughfares
 - New Long St. and Spring St. bridges and caps over I-71
- Significant new development and revitalization in the west end of the neighborhood
 - King-Lincoln Historic Cultural District
 - NoBo homeownership development
- Active residential market
- Ohio State investment in PACT, Taylor Ave. corridor
- Poindexter Village demolished in 2013; rapid new housing development

Blueprint for Community Investment



Connecting the “Frames”





Retail

Brand

- CREATIVE DEMAND SE
- EXISTING RESIDENTS
 - NEW RESIDENTS 500 CHOICE 1000
 - DAYTIME EMPLOYEES AT ANCHORS NEARBY
 - UNIQUE USES?
 - SPECIAL EVENTS LINCOLN CHURCH
 - OTHER

Neighborhood Retail Framework

- Retail tends to follow neighborhood development
 - Leading edge retail possible, but difficult



Strategic Retail Development:

Retail development that capitalizes on neighborhood trends, aligned with the emerging market, to accelerate neighborhood transformation

Retail Guidance for Columbus

- Viability depends on mutually reinforcing and aligned strategies
 - Define/brand the neighborhood
 - Adding households, income, daytime population
 - Addressing safety and other concerns
 - Business retention
- Trajectory and Timing
 - Future focused
 - Role in regional economy
 - Targeting and staging
 - Specialty retail opportunities

Takeaways for Columbus

- Retail tends to follow neighborhood development
 - Leading edge retail possible, but difficult
- Need coordinated vision for where community is going, and staged activities to get there, to create and stage retail opportunity
 - SF rehab market
 - Anchors: co-investing, procurement, employee homeownership
 - Strategic employer attraction → add'l shoppers
 - Branding
 - Business friendly; Public safety (e.g., “safe zones”)

Takeaways FROM Columbus

- “helped us focus...appreciated the straightforward feedback”
- “brought new people to the table”
- “better understanding of sequencing of retail/commercial and housing development”
- “plan is more focused...targeted geographic nodes and fewer individual projects...thinking about what kinds of businesses fit where and what their needs are”
- “could have used more help to move it along”

After the TA: Back to Reality

- Neighborhood economic development strategy is bigger than retail/commercial
 - Institutional organizations and buildings are the drivers of investment
- No one entity is in charge of implementing the overall economic development strategy
 - Many individual projects
- The readiness issue
 - Need to strike while the iron is hot
- Choice CCI parameters

Retail in Context: Observations from Columbus

Positioning Your Neighborhood for Economic Development
Choice Neighborhoods Grantee Conference
U.S. Department of Housing and Urban Development

Bobbie Garber
Hannah Jones
Lyneir Richardson
Robert Weissbourd



March 17, 2016