PLACEMAKING AS AN ECONOMIC DEVELOPMENT STRATEGY

ECONOMIC DEVELOPMENT ASSOCIATION OF MINNESOTA
January 20, 2017
OUR TIME TOGETHER

MACRO TRENDS AFFECTING REAL ESTATE & LAND USE

PLACEMAKING: A PROCESS TO CREATE PLACES WHERE PEOPLE (AND BUSINESSES) WANT TO BE

CASE STUDIES: APPLICATIONS OF A PLACE BASED STRATEGY
CHAIR EXERCISE

MOVE YOUR CHAIR SO THAT YOU HAVE PRIVACY
CHAIR EXERCISE

MOVE YOUR CHAIR SO THAT YOU HAVE PRIVACY

MOVE YOUR CHAIR SO THAT YOU CAN MEET EXACTLY ONE OTHER PERSON
CHAIR EXERCISE

MOVE YOUR CHAIR SO THAT YOU HAVE PRIVACY

MOVE YOUR CHAIR SO THAT YOU CAN MEET EXACTLY ONE OTHER PERSON

MOVE YOUR CHAIR SO THAT YOU CAN HAVE A CONVERSATION WITH A GROUP
CHAIR EXERCISE

MOVE YOUR CHAIR SO THAT YOU CAN BEST LISTEN TO THE PRESENTATION.
MOVABLE CHAIRS AS A METAPHOR
WHY PLACEMAKING MATTERS

MACRO TRENDS AFFECTING REAL ESTATE AND LAND USE
MACRO TRENDS RESHAPING REAL ESTATE

1) Mobile Technology

Business and organizations can no longer force people to be somewhere.

We can do anything from anywhere:
  • Work
  • Shop
  • Socialize
  • Communicate
  • Be entertained
  • Access information
MACRO TRENDS RESHAPING REAL ESTATE
Mobile Technology and Retail

Estimated Quarterly U.S. Retail E-commerce Sales as a Percent of Total Quarterly Retail Sales:
1st Quarter 2006 – 2nd Quarter 2015

Percent of Total

- Not Adjusted
- Adjusted
Have you ever telecommuted, that is, worked from your home using a computer to communicate for your job?

Based on employed adults

<table>
<thead>
<tr>
<th>Year</th>
<th>% Yes</th>
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<tbody>
<tr>
<td>1995</td>
<td>9</td>
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<tr>
<td>1997</td>
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<td>2007</td>
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<td>2009</td>
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<td>2011</td>
<td></td>
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<tr>
<td>2013</td>
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<tr>
<td>2015</td>
<td>37</td>
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GALLUP
MACRO TRENDS RESHAPING REAL ESTATE

Mobile Technology and Office Work

Percent of workers doing some or all of their work on their main job at home
2006-15 annual averages

- Total
- Management, business, and financial operations occupations
- Professional and related occupations
- Sales and related occupations
- Office and administrative support occupations
- Construction and extraction occupations
- Installation, maintenance, and repair occupations
- Transportation and material moving occupations

Click legend items to change data display. Hover over chart to view data.
### Ever Telecommuted — by Education, Income and Job Type

Based on employed adults.

<table>
<thead>
<tr>
<th></th>
<th>% Yes</th>
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<tbody>
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<td>College graduate</td>
<td>55</td>
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<tr>
<td>Non-college graduate</td>
<td>26</td>
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<tr>
<td>Annual household income $75,000 or more</td>
<td>52</td>
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<tr>
<td>Annual household income less than $75,000</td>
<td>26</td>
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<tr>
<td>White-collar profession</td>
<td>44</td>
</tr>
<tr>
<td>Blue-collar profession</td>
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</table>

Aug. 5-9, 2015.

Note: White-collar professions are those categorized as being executive/managerial, a professional specialty, technical, sales or administrative.
MACRO TRENDS RESHAPING REAL ESTATE

2) Demand for Real People

At the same time, people are increasingly demanding... real people

- Venues and opportunities for (unplanned) human social interaction
- Being “alone together”
- “3rd Places”
MACRO TRENDS REShaping REAL ESTATE

3) Meaning of Access in Changing

People still drive, but connecting via walking and biking is preferable.

Boomers and Millennials
60% prefer “urban-style” living with proximity to:
• Housing
• Shops and services
• Work

Changing Definitions of Access and Proximity
• 75% valued walkability in their communities
• Biking
• Walking

Downtown St. Paul

Source: Urban Land Institute’s (ULI) Terwilliger Center for Housing
MACRO TRENDS RESHAPING REAL ESTATE
Meaning of Access in Changing

Licensed Drivers as % of their Age Group Population

Figure 1  Licensed drivers as a percentage of their age-group population (color figure available online).

Source: University of Michigan Transportation Research Institute
MACRO TRENDS RESHAPING REAL ESTATE
Meaning of Access in Changing

US Vehicle Miles Traveled

Source: FHWA and Census Bureau
WHAT DOES IT MEAN FOR REAL ESTATE?

The Experience Matters

- Office
- Retail
- Housing
- Hospitality

Commerce Bank Branch and Cafe
WHAT DOES IT MEAN FOR OUR COMMUNITIES?

The Experience Matters

Experience is delivered through *places*

- Rooms
- Street corners
- Buildings
- Neighborhoods
- Regions

Albertville Shopping Center, MN – The Musicant Group
HOW CAN COMMERCIAL AND COMMUNITY ACTORS ADAPT TO THESE EMERGING DEMANDS?
CREATE PLACES WHERE PEOPLE WANT TO BE

To stay competitive and profitable organizations of all kinds must create places that people seek out and demand.

Wherever people want to be, they want to do things nearby: live, work, eat, play, shop, etc.

These places are valuable for commercial and community interests.
THE STRATEGY OF PLACE

VALUE
RELATIONSHIP
HABITS & ROUTINES
MORE USE
POSITIVE & USEFUL EXPERIENCE
HOW DO YOU MAKE A PLACE?

THE PROCESS OF PLACEMAKING
THE PROCESS OF PLACEMAKING
WHAT IS PLACEMAKING?

A LENS
WHAT IS PLACEMAKING?

AN: ITERATIVE HOLISTIC PROCESS
WHAT IS PLACEMAKING?

A BALANCING ACT

Physical Improvements

Stewardship & Management Capacity

Activities, Uses & Events
WHAT IS PLACEMAKING?

THE PROPER PROCESSING OF INGREDIENTS
“PLACEMAKING” IN SOFTWARE
PUTTING PLACEMAKING INTO ACTION
Creating Value from Underutilized Outdoor Spaces
333 S. 7th Street Tower

600,000 sf Class A tower in Minneapolis CBD

Attractive and well maintained decorative lawn, used for
Pathway to building
Smoking area
2-3 large tenant events a year

Minimal everyday tenant usage = minimal value derived from the space

Placemaking project goal and scope:

*Increase tenants’ attachment to the building by creating unique social experiences on a daily basis that were differentiated from peer buildings*
Our Process

*Engagement + Communication + Evaluation (and repeat)*

Tenant Engagement and Research

Rather than guess, ask the people what they want!

Generated ideas, buy-in, and sense of ownership

Establish a Brand and Marketing Platform

Value is derived from use, but also awareness

Multi-channel communications platform
Our Process

Focus on the Everyday User Experience

Putting the user experience first
Design: seating and games
Management: new procedures
Events: concerts, fitness, happy hours

Ongoing incremental improvement
• Year 1: physical improvements
• Year 2: programming and events
• Year 3: deeper tenant engagement and communication
Results

Creating a place where people want to be

75% of tenants reported visiting the Turf Club at least once a week

68% of those who visited did so with a colleague or client at least some of the time

Tenant Testimonials

• “It is AWESOME! Can't think of a better way to make the day more enjoyable. Thank you!”
• “Even though I didn't use it much, I enjoyed seeing others using the space.”
• “Although I wasn't able to directly participate very much I LOVED seeing activity out there. Brightened my day.”
• “Just the fact that it is available for use by our tenants and adds unique value to officing in this building and the accessibility.”
Results

People want to do things nearby

Tenant Satisfaction
• 94% reported being a more satisfied tenant
• 78% reported an increase their sense of community and connection within their organization and the building as a whole

Talent Recruitment, Retention, and Development within Tenant Organizations
• 48% reported being more interested in coming into the office every day (0% less so) - 2015
• 37% reported being more likely to stay at their current company, all things being equal (0% less so) - 2015
• 36% of respondents felt more productive at their jobs because of the Turf Club (0% less so) - 2016
Placemaking the Suburban Strip Mall
Vadnais Square
A Place-based Approach to Creating Value

Goals
• Increase sales for Vandais Square tenants
• Increase attractiveness of Vandais Square to future tenants

Strategy
• Increase the rate that customers patronize multiple businesses
• Increase trips to Vandais Square
• Build the brand of Vandais Square

Tactics
• Improve common areas in order to build community and lengthen the stay of customers
• Improve the linkages between the tenants of Vandais Square
Where we started
“The seating is fantastic; Vandais Square is a hub of activity. Customers are eating outside in the revamped patio and then hanging out for hours. Vadnais Square is slowly but surely becoming a gathering place for the community. The only complaint from tenants is that they want more of what we’ve done.”
- Jeff Hagan, President/CEO of Platinum Properties

• 50%+ of Jersey Mikes’ customers who order food at the counter use remodeled common area
• 90% of Cherry Berry customers use remodeled common area
• “We have customers that use the new seating area while they wait for a bike, with quite a few then going on to get Cherry Berry as well. It’s great to see the upgrades to the center.” Manager, Erik’s Bike Shop
• Fresh Thyme replaces Festival Foods
Thank you!

Max Musicant
Founder + “Chair-man”
The Musicant Group
max@musicantgroup.com
FRIENDLY FRONTS
CREATING COMMUNITY ONE YARD AT A TIME
6 Innovative Projects That Are Making Cities Better—That Other Cities Should Steal

The winners of the Knight Cities Challenge should be an inspiration for creative urban planners everywhere.
A Step by Step Process to Activate Any Space

- Vision and desires for what you and others want to do and experience
- Improvements based on feeling
- Cycles of evaluation and adaptation (ie trial and error)

A Few Guiding Questions

- How does the space feel right now?
- What do people do in the space right now? What do they do inside or nearby?
- What do you want to feel in this space in the future?
- Are there things that you and others are already doing inside or in other places that could happen here?
CREATING ACTIVITY, CONNECTION & EDGES TIPS AND TRICKS

If you would like, use the following tips and tricks when you are drawing out your project plan.

**SEMI-ENCLOSURE FEELS GOOD**
Think of a good porch or a cozy booth at a restaurant it allows you to choose whether to be social or private.

**ADD {MOVEABLE} SEATING**
If you can't sit down comfortably you won't want to stay in your front yard.

**HAVE MANY THINGS TO DO**
If there is nothing to do, you won’t be there. Think about what you like to do and others in your neighborhood.

**PROTECT YOUR BACK**
Having a structure behind you - like a house, ledge or hedge - so as not to be surprised, ideally with a view out to a larger space.

**DAYLIGHT AND SUNSHINE**
Sun in the morning comes from the east. In late afternoon and evening it is from the west. The sunniest direction is the south. Consider how activity areas interact with the sunny and shady parts of your space.

**ACTIVE EDGES MAKE ACTIVE INTERIORS**
If you don’t feel comfortable on the edge of a space, they won’t venture into the middle.
FRIENDLY FRONTS
USER DRIVEN TRANSFORMATIVE PLACEMAKING

22 Pilot Project Participants from Frogtown and Hamline-Midway in St. Paul
- Training
- Micro-grants
- One-on-one advising
- Mutual aid via social media platforms
- Friendly Front Yard Festival

250+ Downloads of Toolkit at www.friendlyfronts.com
FRIENDLY FRONTS
Preliminary Data from Pilot Project Participants

Building Relationships
• Met 6.5 new neighbors

Changing Behaviors
• 75% ate outside and played games for the first time due to using the toolkit
• 43% bike and walk more often

Connection to Place
• 43% feel safer in their neighborhood (0% less so)
• 85% likely to continue making improvements to their front yard
• 71% feel more interested in continuing to live in their neighborhood (0% less so)
Living Room Station
Small scale improvements create big change

6th Street and Nicollet Mall

1,000+ daily riders, stop with the highest ridership and no shelter

DID issued RFP: TMG only winning team not to respond to with a design concept

We asked what people wanted to do:
• A place to sit
• Protection from the elements
• A bus schedule
• Something to stop the boredom
Living Room Station
Small scale improvements create big change

Strategy
• Places to sit (with back protected)
• Warm materials
• Signage, a clock, branding, and an attractive bus schedule
• Cubby with games, art supplies and books
• Creative programming

Results
• 86% of bus rides felt Living Room Station made their experience in downtown better
• 70% of bus rides said the Living Room Station made them feel safer downtown
• 95% of bus riders said the Living Room Station made them want to catch the bus at 6th and Nicollet
“I stop here with my 2-year-old daughter every morning. This used to be the WROST part of our daily commute. Sitting on the bus bench was always scary with a 2 year old and the vehicles driving by so closely. ... Now we feel warm, safe and invited here daily.

This stop is the HIGHLIGHT of our daily commute, and the bus always seems to arrive too soon. Thank you so much for taking this step to improve our daily lives. We are truly grateful.”

- Rider and user
FOR FURTHER READING

Christopher Alexander: *A Pattern Language, A Timeless Way of Building*

William H. Whyte: *Social Life of Small Urban Spaces*

Stuart Brandt: *How Buildings Learn*