



CREATING 21ST CENTURY COMMUNITIES

MAKING THE ECONOMIC CASE FOR PLACE

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PREPARED FOR:
Michigan Municipal League
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This overview is based on findings of PSC's January, 2016 report, "Creating 21st Century Communities: Making the Economic Case for Place"

WHAT MAKES VIBRANT AND ECONOMICALLY PROSPEROUS COMMUNITIES?

Research shows there are eight assets commonly associated with prosperous communities:

- Good physical design and walkability
- Multi-modal transportation networks
- Environmental sustainability programs and green infrastructure
- Arts and cultural amenities
- Entrepreneurial culture
- Welcoming community culture
- Educated population
- Strong technology and communication systems

PHYSICAL DESIGN AND WALKABILITY



Mixed use, walkable downtown developments generate ten times as much tax revenue per acre, save almost 40 percent on up front infrastructure costs, and result in about 10 percent lower costs for service delivery than sprawl development



MULTI-MODAL TRANSPORTATION NETWORKS

Increased and improved transit can also spur transit-oriented development, including housing, commercial, and office uses. Cleveland's Healthline Bus Rapid Transit Project for example has contributed to between \$4 and \$5 billion worth of investment along that corridor since it began operating.



ENVIRONMENTAL SUSTAINABILITY PROGRAMS AND GREEN INFRASTRUCTURE

Parks and trails help attract and retain well-educated professionals and, in turn, influence businesses' decisions on where to locate or expand.



ARTS AND CULTURAL AMENITIES

Venture capital investments have been shown to correlate with clusters of art jobs and people with arts education are more likely to start a business.



Grand Rapids' Art Prize generates over \$20 million in economic impact each year



ENTREPRENEURIAL CULTURE



Growth-oriented entrepreneurial startups, particularly high-tech companies, are generally responsible for most small business new job creation.

WELCOMING CULTURE

Studies have shown that the number of foreign-born workers in a given community increases jobs for U.S. natives.



International students and their families contributed \$926.9 million to the Michigan economy during the 2013-2014 academic year.

EDUCATED POPULATION

A 2013 report released by the Milken Institute finds that higher educational attainment explains more than 70 percent of the variation in GDP per capita across the 261 U.S. metros



TECHNOLOGY AND COMMUNICATION SYSTEMS



Investments in technology, such as high-speed internet infrastructure, accelerate business development by supporting innovation and entrepreneurialism, expanding existing businesses, and creating e-commerce opportunities.

COMMUNITY SPOTLIGHTS

ANN ARBOR

- Strong performer on all 8 asset areas
- Investment in urban design, multi-modal transportation, sustainability, arts, and welcoming culture in particular
- City has been more prosperous than state as whole on most the economic measures

Ann Arbor vs. Michigan Performance



Population Growth
Ann Arbor 3.4% Michigan 0.3%



Bachelor's Degrees
Ann Arbor 70.6% Michigan 25.9%



Home Values
Ann Arbor \$230,700
Michigan \$121,700



Residents Employed
Ann Arbor 57.1% Michigan 53.9%

Median income in the city during this period was \$55,003 (compared to \$60,793 for the state as a whole). Source: U.S. Census

Bureau Quick Facts, 2009 - 2013.

TRAVERSE CITY

- Strong performer on all 8 asset areas
- Investment in walkability, multi-modal transportation, arts and cultural assets, and entrepreneurial culture in particular
- City has been more prosperous than state as whole on most the economic measures

Traverse City vs. Michigan Performance



Population Growth
Traverse City 2.5%
Michigan 0.3%



Bachelor's Degrees
Traverse City 40.3%
Michigan 25.9%



Home Values
Traverse City \$168,900
Michigan \$121,700



Residents Employed
Traverse City 64%
Michigan 53.9%

Median income in the city during this period was \$45,497—about \$15,000 less than the state's median income level.

- Research shows all 8 asset areas are related to communities' economic prosperity in some way
 - Some of those relationships are stronger than others
 - Walkability, design, and multi-modal transportation impacts have the most available research
- Communities can see benefits from investing in any of these assets, but they are very inter-related.
 - Strategically coordinating investments in many or all of these asset areas will likely pay greater dividends



CONCLUSIONS