





## Regional Placemaking for Prosperity in the New Economy

*Editor's Note: The Michigan economy is slumping. Our state is receiving national attention for unemployment and foreclosure rates. But there's a whole lot more to Michigan than economic woes. There are miles of freshwater coastline unlike any other place in the world. There are hundreds of acres of forests and parks inviting people to enjoy the outdoors. There is the expansive wilderness of the Upper Peninsula, the rise of automation technology in southeast Michigan, the automotive history of Detroit, and an agricultural ridge producing a wide array of crops sent around the world.*

*Township officials take great pride in this state. They know that their townships help make Michigan great. And MTA knows that townships can help rebuild Michigan's prosperity. The Association is launching a campaign encouraging townships to take the lead in becoming pillars of Michigan's future. We know that this task will take many hands to accomplish, but we believe in the power of townships, and that by working together, we can impact the future of this great state.*

*To kick off the discussion, MTA asked Dr. Soji Adelaja, a noted land use expert and director of the Land Policy Institute at Michigan State University, to address the concept of "regional placemaking"—how townships can work together to establish a sense of place, an area residents want to call home and businesses want to bring their companies.*

*Implementing such a concept can ignite a renaissance in Michigan. And townships can help lead the way. Continue the discussion during MTA's 2008 District Meeting tour, kicking off in Districts 1 through 13 in May. Fall District Meetings take place in Districts 14 through 25 in September.*

The concept of *placemaking* is based on the principle that places can remake themselves if they have the vision, leadership, knowledge, tools and assets to do so. Placemaking is the use of strategic assets, talent attractors and sustainable growth levers to create attractive and sustainable high-impact, high-energy, high-amenity and high-income communities that can succeed in today's economy.

Placemaking is not a new term. It has been used by architects to describe the process by which a place can redefine itself through the design of a mix of land uses that will serve as an anchor point for desired social, economic and quality-of-life activities. Essentially, a community can change its personality to achieve a higher level of "gravitas."

Placemaking is most likely to be effective where economic activity is highly concentrated, quality-of-life amenities are fairly scarce, and the community has the vision and drive to redefine itself to be distinct enough to take advantage of pent-up demand for an attraction point. In other words, placemaking has a greater likelihood of working for an area surrounded by great demand for a destination point, but where its attractive activities have the potential to be beefed up and better marketed.

### PLACEMAKING IN MICHIGAN

In Michigan, the land base is fairly extensive and people are largely dispersed across the landscape. Although 85 percent of Michigan's residents live in the lower half of the Lower Peninsula, even southern Michigan is fairly non-congested, compared with metropolitan areas in the Northeast, West and some Midwest states. Most places in Michigan are fairly rich in natural assets. Hence, with the exception of a few cities that can be revitalized based on their inherent cultural and infrastructure assets, the likelihood is slim of a township becoming so unique that it draws significant attention on its own. Moreover, individual community placemaking efforts may help a given community in the short-run, often at the expense of others and *not* resulting in the sustained economic growth that Michigan needs.

### Effective placemaking requires communities that share distinctive assets working together to create place identity and synergy.

A more appropriate framework is *regional* placemaking, which would involve leveraging the assets of Michigan's regions. Places across the state possess vast social, environmental, natural and recreational assets, which are largely untapped. Michigan has the "places," but few outside the state know about them. It has the *assets*, but they are not synergistically defined and managed in ways that will make its communities regionally, nationally or internationally relevant in our new, knowledge-based economy.

Even in some places where townships and cities have world-class potential and the ability to be the anchor points for new growth—with spillover benefits to surrounding communities—an inability to cooperate and deploy resources

## A New Vocabulary for a New Economy

**Assets**—The building blocks that townships can use to better position themselves to attract and retain residents, talent, businesses and entrepreneurs.

**Gravitas**—A seriousness, or quality of dignity and substance.

**Knowledge-based workers**—The new type of worker in the 21st century, they tend to work with their head, not hands, and produce ideas, knowledge and information. (Also known as “talent.”)

**New Agriculture**—Effective governance through policies and practices that help sustain the agricultural profession in today’s economy.

**New Economy**—A term coined in late 1990s to describe an evolution of the United States and other developed countries from an industrial/manufacturing-based, wealth-producing economy into a service sector, asset-based economy.

**Old Economy**—The economic model of the early 20th century, based on industry and manufacturing assets to promote growth and wealth in an area.

**Placemaking**—Creating a sense of place by promoting an area’s assets and amenities that will attract residents and businesses.

**Townships**—Pillars of the Michigan community, and a linchpin in helping restore Michigan to prosperity.

regionally to strengthen those townships and cities sometimes have turned these assets into liabilities. Communities’ economic development strategies are often based on *Old Economy* strategies of attracting manufacturing-based companies and keeping out “bad development.”

In Michigan, townships are perhaps the most potent solutions to this problem, if not the last hope for the state. Michigan can begin to move faster when its communities realize that the only hope is to grow the *whole* state. The activities of townships, when coordinated around targeted strategic assets, can create an attractive state with attractive regions and communities. Since most states will not be able to compete with Michigan in this arena, this could provide a comparative advantage.

Regional placemaking is about asset-based capabilities assessment, visioning, planning and implementation. It is rooted in the principle of communities redefining themselves on the basis of what they have, and what they need to have to reposition themselves in a new “flat world” where competition is global. Assets and opportunities are not defined on the basis of city, township or county boundaries. Effective placemaking requires communities that share distinctive assets working together to create place identity and synergy.

Michigan is blessed with a huge diversity of local units of government, with most performing quite well the functions for which they were originally designed. But today’s challenges are different—very different. New tools are needed to mitigate the barriers to communities working together to placemake so that Michigan communities can deal with the challenges faced in transitioning into the *New Economy*.

### OLD VS. NEW ECONOMY

To understand what is feasible for a community, it is first important to understand what the New Economy is all about, and how it differs from the Old Economy. This is particularly relevant for Michigan communities that must champion the transition of the U.S. to the New Economy.

At the micro level, in the Old Economy, the currency for growth and development was attracting manufacturing companies with significant plant capacity. Places defined themselves and their economies on the basis of their manufacturing infrastructure and their ability to accumulate capital (plant, equipment, land, lending capacity, etc.). Therefore, people followed jobs. Because of the huge capital outlay and long-term planning involved in establishing a manufacturing facility, communities could keep, for a long time, whatever economic activity they had.

In the Old Economy, keeping the cost of doing business low was a critical economic strategy since low-tax, low-wage communities were potentially more competitive. The oversight of people, companies and communities was largely based on the notion of management and control. Labor markets were regional, competition among communities was regional, and since the talent pool adjusted to the needs of the region, the talent market was largely regional. With a largely growing U.S. economy,

townships simply had to decide *how* they wanted to grow, not whether or not to grow. The latter has become much more difficult, requiring creative and innovative strategies that are unique and globally competitive.

In the New Economy, the Old Economy paradigm has been turned on its head. *Talent* has replaced manufacturing plants as the currency of economic growth and prosperity. More importantly, talent is highly interchangeable, and tends to amass in enabling and friendly environments. The talented are driven by such factors as quality of life, access to amenities, walkable healthy communities, recreational opportunities, availability of trails and bike paths, urban parks, access to entertainment places, other talented people, diversity, an environment that promotes innovation, tolerance, access to universities, and non-auto-dependant transit opportunities.

### ATTRACTING AND RETAINING TALENT

The talented are more likely than ever before to create jobs in the community of their choice. Their lifestyles often put less pressure on the environment, and they tend to be fundamentally committed to the promotion of social justice. Therefore, in the New Economy, economic development does not necessarily come at the expense of depleted resources and social inequity, but is promoted by the culture of sustainability. Talent is the pertinent asset to prosperity in the New Economy. Given the flexible nature of talented people, they choose where they want to live based on what community amenities are offered.

### Michigan communities must focus on creating climates known for producing new ideas, enabling productive partnerships and attracting talented people.

Talented, hard-working people who bring new ideas and innovations to bear in the marketplace are the pivotal asset for growing the New Economy. Michigan particularly lacks places that are attractive and tolerant to young, talented people who bring fresh ideas and foster innovation.

In the New Economy, the role of a community has changed. To be successful, communities must create an environment that is attractive to New Economy drivers, which is what the concept of placemaking is all about.

### REGIONAL PLACEMAKING

In Michigan, the lack of in-state concentration of economic activity and people who are looking for better destinations makes it difficult to placemake at the individual community level. Economic development and prosperity in Michigan are likely a zero-sum game. As communities compete for a shrinking pie, individual community placemaking sets up expensive and duplicative competition that would only result in higher costs for Michigan as a whole. In essence, our communities



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will be competing with each other, making the state less competitive nationally and globally.

One of the fundamental reasons for regional placemaking is that the smallest unit of economic development in an environment of a shrinking state is a region comprised of a thriving city core, surrounded by thriving suburban communities. Placemaking is about assets. Communities must leverage their assets to achieve national-level prominence. Few townships have the assets to gain such national-scale gravitas and should work to contribute to *regional* gravitas. This means that regional assets must be taken seriously. Cities can be important assets to the region, especially for knowledge-based workers. Working collectively to improve them would yield high payoff in conveying the story that a region is thriving.

Knowledge-based workers are often attracted to places that offer solitude opportunities in the midst of the splendor of nature. A network of trails in a region can be an important asset. The universities and colleges in a region can also be important assets. For example, Centre County in Pennsylvania has capitalized on Pennsylvania State University in branding itself as a destination retirement community for smart, early retirees who desire the intellectual stimulation of a university. Concentration of nightlife is also an important asset that can lure knowledge-based workers.

A region's network of cultural and historic landmarks can be an important asset as well. No single township in Michigan likely has enough such landmarks to be noticeable beyond Michigan. A region's concentration of thriving farms producing vegetables and fruits can be an important asset that could be leveraged to attract ecotourists and those seeking farm-based recreation. Local tourism opportunities can be important assets. With 11,000 inland lakes in Michigan, it is surprising that no region has gotten together to define itself as a destination point for water recreation.

The huge collection of state parks in the Upper and Lower Peninsulas can be an important asset that communities could use to brand themselves. Likewise, the Great Lakes are a hugely important asset.

In fact, in the author's observation, Michigan is the only state that has so much to offer, but has gained so little from its assets. I maintain that this is because officials are not working together across community lines to market and promote their communities' assets, or design, build and co-manage new assets that synergistically leverage their existing ones.

For example, the clustering of certain amenities—and the co-management and marketing of such amenities as an essential element of regional image-building—could be a viable strategy for a region. Leveraging waterfront resources that can be served by rural hospitality services can create opportunities for regional tourism. Townships can come together to integrate a regional trail network and coordinate their business-attraction strategies to create a regional persona that will foster creativity and attract innovation.

## A Note on Rural Placemaking

Just as Michigan has made a transition to the New Economy, there are great opportunities to make a transition to *New Agriculture*. Agriculture has essentially become a price-taking industry, where most farmers can only compete on the basis of efficiency, economies of scale and keeping the policy-induced cost of production as low as possible. Even if the most enabling environment for agriculture is created in Michigan, it will only ensure that our farmers can compete and stay in business.

State and local agricultural policies must go beyond that. Michigan must create an environment where its agricultural production is unique in the marketplace, commands a premium, and is nationally recognized as a premium-quality product. Michigan has good soil, quality water, production isolated from pollution and a diversity of quality products. Indeed, Michigan can probably support three to four regional brands of agricultural products that can be nationally recognized.

Few communities plan and vision for the future of agriculture. But agriculture is an industry, not just a land use. It, too, can grow and be more successful than it is today. Communities must cluster agricultural commodity assets to explore regional value-added opportunities, such as agritourism, ecotourism and farm-based recreation. The "fruit ridge" of

Michigan has the potential to be nationally prominent like Napa Valley, Calif., or Lancaster County, Penn.

Regions can conduct a national scan of innovative supplemental income opportunities in agriculture, and promote these as a framework for regional economic development. The fact that agricultural equipment and structures are frequently idle through critical months of the year suggests that we can work with our farmers within a region to explore supplemental income.

This is a good start, but communities can do more than that. The value of agricultural production is the result of commodities that are grown. A better understanding of the national agricultural profitability hierarchy and the needed support programs to transition agriculture can provide a framework for expanding the agricultural economy within a region. This is especially true in rural areas where agriculture is Plan A, or in other places where it is Plan B but has the potential to become Plan A, as a key strategic asset that will only go away if we fail to protect and enhance it. Agriculture can, in fact, be an engine for regional transformation. In this context, public support for farmland preservation can be galvanized based on the vision of protecting the land base for new, rather than old, agriculture.

According to the author's previous work evaluating the drivers of farm viability, most of the eroded profitability of farms is tied to those things that are largely

Communities in a region can work together to enhance natural assets through farmland and open space preservation. They can partner with nearby universities to intensify their technology-transfer activities to impact on the regional economy. Nightlife, entertainment, arts and culture, tourism, and sports activities can be coordinated to increase the natural appeal of a region and make it more attractive to entrepreneurs. The young and talented thrive in places with 24-hour buzz. Smaller communities can cooperate with a nearby city in the region to create that kind of environment with spillover benefits to communities in proximity to the central region.

### OVERCOMING THE BARRIERS

The knowledge exists, but is mostly compartmentalized and "silofied" in individual units of government that are held back



beyond farmers' control, such as onerous regulation, lack of local support, a not-in-my-backyard mentality, wildlife problems, constraints on agricultural marketing infrastructure, absence of entrepreneurial and technical assistance to farmers, and vandalism to crops and animals. Local policies that target these extraneous factors may well yield a more prosperous agricultural environment. A typical township is not large enough to champion these issues. A regional-scale approach can make a world of difference.

The same applies to mining, forestry and tourism. The analogous goal is to create a natural commodity district that has substance. It is important to remember that whether a rural community is driven by agricultural, mining or forestry, linkages can be made to urban and global markets. Township officials must plan for these things, not treat them as an afterthought.

by the lack of motivation to placemake across their regions. Although the assets are abundant, they can be ignored as individual communities get so carried away by what little they have in their backyard. The very nature of regional placemaking requires that communities build on assets. Assets don't follow township or county boundaries. Just as most labor markets are not local, most talented people draw on assets that are regional. A fundamental element of placemaking is the exploitation of regional assets to create an environment that is globally palpable.

Prosperity thrives in places where there are many talented people and new ideas, so *place and quality of life do matter*. Michigan communities must focus on creating climates known for producing new ideas, enabling productive partnerships and attracting talented people. They must cooperate with their neighbors to do more than that. To prosper in the New Economy, communities must come together, harness and cluster their assets, and collectively decide how to align those assets to achieve a state of regional cohesion.

Especially in many rural areas of Michigan, the chances are slim that an isolated township will be able to define itself uniquely to prosper. Asset-based economic development is more nearly appropriate at the regional level. Translation: Townships, villages and cities in a metropolitan area *must* work together to define and reposition themselves in the New Economy.

That said, some regions will have an easier time transitioning than others. This is evident in the current success of many of the Sunbelt Cities, and in states such as Oregon, Florida and California which have significant inherent beauty in natural assets. Some states with limited assets may have a hard time being relevant in the New Economy. But other states, like Michigan, will achieve prosperity through intentional placemaking and their ability to work together to redefine themselves to achieve prosperity. This would require not only leveraging the inherent assets, but *creating* other assets too.

### RENOVATING MICHIGAN'S IMAGE

To achieve prosperity in the New Economy, Michigan townships need to refocus their efforts to the concept of regional placemaking. The first step in a strategic regional placemaking initiative is a comprehensive asset-based economic development assessment for the communities in a given region. Old Economy



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principles focus simply on studying one's own local unit of government. New Economy regionalism principles are better served when there is a cooperative and strategic approach to public policy that aims to maximize the efficiency of economic investment and land use management through cooperation, rather than fragmentation, of local units of government.

New Agriculture cannot happen without regional leaders working across township and county boundaries that do not always align with economic boundaries. Documenting assets along socioeconomic boundaries helps to establish a benchmark for a region. The assets that need to be targeted in such an assessment should include specific educational, green infrastructure, university, business, cultural, civic, neighborhood, agricultural, service, enterprise, transportation, recreational, trail, bio-based, human resource, schools, entertainment and energy.

Michigan's regions need to renovate their image, revisit their talent and population attraction strategies, and perfect the act of placemaking by leveraging their assets and concentrating their investments. They need to develop and employ new regional growth strategies that are relevant in the New Eco- ►

onomy, pursue new energy platforms to unhook itself from the bandwagon of increased fossil fuel dependence, and develop and implement new approaches to revitalizing the urban centers. In addition, it will be necessary to invent and implement new public-private partnership models that are appropriate for distressed regions, invent new growth management tools aimed at “attracting good growth” (rather than just deterring bad growth), and develop new models of university engagement in sustainable economic development.

Doing so will help leverage Michigan into a place of prosperity in the 21st century. ■

*Continue the discussion at MTA's 2008 District Meeting tour. For more information, visit [www.michigantownships.org/district-meetings.asp](http://www.michigantownships.org/district-meetings.asp) or call (517) 321-6467.*



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