Why some places thrive and others fail

The new formula for community revitalization

By Ed McMahon

WHY ARE SOME COMMUNITIES able to maintain their economic vitality and quality of life in the face of a rapidly changing world, while others have lost the very features that once gave them distinction and appeal? How can communities, both big and small, grow without losing their heart and soul?

From coast to coast, communities are struggling to answer these questions. After working in hundreds of communities in all regions of the country, I have come to some conclusions about why some small cities and towns succeed while others fail. Some communities have found ways to retain their small town values, historic character, scenic beauty and sense of community, yet sustain a prosperous economy. And they've done it without accepting the kind of cookie-cutter development that has turned many communities into faceless places that young people flee, tourists avoid and which no longer instill pride in residents.

Every "successful" community has its own strengths and weaknesses, but they also share some common characteristics. It's clear, for instance, that successful communities involve a broad cross-section of residents in determining and planning for the future.

If you design a community around cars, you get more cars, but if you design a community around people – like Charlottesville did – you get more people and better places.

They also capitalize on their distinctive assets – their architecture, history, natural surroundings, anchor institutions and home grown businesses – rather than trying to adopt a new and different identity.

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Most successful communities also utilize a variety of private-sector and market incentives to influence new development, instead of relying solely on government regulations.

Have a vision for the future

Successful communities always have a plan for the future. Unfortunately, "planning" is a dirty word in some communities, especially in small towns and rural areas. In some places, this is the result of today's highly polarized political culture. In other places, it results from a misunderstanding of planning and its value.

The truth is, failing to plan simply means planning to fail. It is difficult to name any successful individual, organization, corporation or community that doesn't plan for the future.

Try to imagine a company that didn't have a business plan. It would have a hard time attracting investors or staying competitive in the marketplace. The same is true of communities. A community plan is a blueprint for the future. People may differ on how to achieve the community's vision, but without a blueprint, a community will flounder.

Understandably, people in small towns don't like change. But change is inevitable. Technology, the economy, demographics, population growth, market trends and consumer attitudes are always changing and they will affect a community whether people like it or not. There are really only two kinds of change in today's world: planned change and unplanned change.

Communities can grow by choice or chance. Abraham Lincoln used to say that "the best way to predict the future is to create it yourself." Communities that prepare for the future will always be more successful than communities that just accept whatever comes along.

Inventory community assets

Creating a vision for the future begins by inventorying a community's assets: natural, architectural, human, educational, recreational, economic, etc. Successful communities then build their plans – whether a land use plan, a tourism plan or an economic development plan – around the enhancement of their existing assets.

In 1975, Lowell, Mass., was a dying industrial city littered with abandoned textile mills. It was hemorrhaging jobs and people. The town brought the once empty mills back to life as museums, affordable housing, luxury condominiums, offices, shops, restaurants.

Twenty-first century economic development focuses on what a community has, rather than what it doesn't have. Too many communities spend all their time and money on business recruitment. They build an industrial park and then try like crazy to attract a plant, factory or distribution center to move there. The few communities that are successful at this strategy usually accomplish it by giving away the store.

The old economic development paradigm was about cheap land, cheap gas and cheap labor. It was about shotgun recruitment and low cost positioning. In the old economy, the most important infrastructure investment was roads.

Today, successful economic development is about laser recruitment and high value positioning. Today highly trained talent is more important than cheap labor and investing in education is far more valuable than widening the highway.

Another mistake is thinking that economic revival is about the one big thing. American communities are littered with projects that were sold as a "silver bullet" solution to a city's economic woes. Whether it is a convention center, a casino, a festival marketplace, a sports arena or a new factory, city after city has put all their eggs in one basket. If your city has a big convention center, my city needs an even bigger one. Festival marketplaces, for example, worked fine in cities like Boston and Baltimore, but similar projects went bankrupt in Toledo, Richmond, Jacksonville and a dozen other communities.

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Successful economic development is rarely about the one big thing. More likely, it is about lots of little things working synergistically together in a plan that makes sense. Most successful cities think small in a big way.

One example is Cleveland, Ohio. Cleveland had an aging, undersized convention center. Civic boosters argued for a huge new convention center that could compete with much bigger cities like Chicago, Atlanta or Minneapolis. But small cities like Cleveland will never win in an arms race to build the biggest convention center. Instead Cleveland took a look at its assets, one was the Cleveland Clinic: a world renowned medical center located a short distance from downtown. Instead of trying to compete head-on with every other city, Cleveland decided to build a smaller, less expensive meeting facility focused on medical conventions and which has an attached medical mart, affiliated with the Cleveland Clinic.

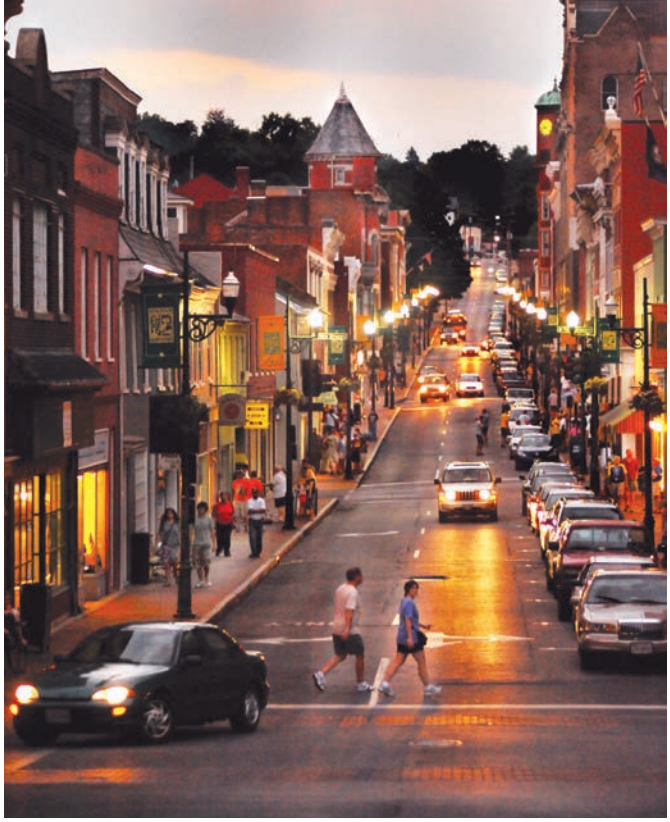
Shape plans around existing assets

Whether it is a land use plan, a tourism plan, a downtown revitalization plan or an economic development plan, savvy communities build on what they already have.

Sometimes a community's assets are obvious. Other times, they are not. Annapolis, Maryland, for example, has obvious assets: an abundance of historic buildings, an attractive waterfront and a long history of maritime activity. Annapolis used these assets to attract both the National Sailboat Show and the National Powerboat Show, which together bring more than 90,000 visitors a year to their waterfront.

Jackson, Wyoming, is another community with obvious assets: world class scenery, abundant wildlife and outdoor recreation resources. Jackson and Teton County, Wyoming, have built their economy around the marketing and promotion of these assets.

However, they have also built their land use plans around the protection of these assets. For example, they prohibit outdoor advertising to ensure that the scenery is not degraded. They also map wildlife migration corridors to ensure that development does not block the elk herds that attract visitors from all over the world, etc.



In Staunton, Virginia, the Historic Staunton Foundation offered free design assistance to any downtown business owner who would restore the façade of their building. Today, there are five historic districts in Staunton, but it all began with an incentive.

In other communities, the assets are not so obvious. Consider Lowell, Massachusetts. In 1975, Lowell was a dying industrial city. It had an unemployment rate of over 20 percent; it was littered with abandoned textile mills. It was hemorrhaging jobs and people. The common wisdom was that without manufacturing, it had few assets and a dim future.

Today, Lowell, is one of the Rust Belt's great success stories. The once empty mills have come back to life as museums, affordable housing, luxury condominiums, offices, shops, and restaurants. Even the University of Massachusetts at Lowell has moved into restored industrial buildings.

Use education and incentives, not just regulation

Successful communities use education, incentives, partnerships and voluntary initiatives, not just regulation. To be sure, land use regulations and ordinances are essential to protecting public health and to setting minimum standards of conduct in a community. Regulations prevent the worst in development, but they rarely bring out the best. Regulations are also subject to shifting political winds. Often one county commission or town council will enact tough regulations only to see them repealed or weakened by a future town council with a different ideology or viewpoint.

If regulations aren't the entire answer, how can a community encourage new development that is in harmony with local aspirations and values? Communities need to use carrots not just sticks. They need to identify creative ways to influence development projects outside of the regulatory process.

For example, they might make it easier to develop in places where the city wants development, like in downtown. They could also identify barriers to good development and use incentives like expedited permit review, conservation easements, purchase of development rights, tax abatements that promote the rehabilitation of historic buildings, award programs, density bonuses in exchange for saving open space and other techniques.

In Staunton, Virginia, the Historic Staunton Foundation offered free design assistance to any downtown business owner who would restore the façade of their building. They did this after the city council had rejected a measure to create a downtown historic district.

At first, only one business owner took advantage of the incentive, but then a second owner restored his building façade, and then a third, and then many more. Today, there are five historic districts in Staunton, including the entire downtown, but it all began with an incentive.

Successful communities also use education to encourage voluntary action by citizens. Education reduces the need for regulation. It is also important because people and businesses simply won't embrace what they don't understand. Finally, community education is important because, citizens have a right to choose the future, but they also need to know what the choices are.

Pick and choose among development projects

All development is not created equal. Some development projects will make a community a better place to live, work and visit. Other projects will not. The biggest impediment to better development in many communities is a fear of saying "no" to anything.

In my experience, communities that set low standards, or no standards, will compete to the bottom. On the other hand, communities that set high standards will compete to the top. This is because they know that if they say no to bad development, they will always get better development in its place.

Too many elected officials have an "it'll do" attitude toward new development. Worse yet, they'll accept anything that comes along, even if the proposed project is completely at odds with the community's well-thought-out vision for the future. They are simply afraid to place any demands on a developer for fear that the developer will walk away if the community asks for too much. This is especially true when it comes to dealing with out-of-town developers or with national chain stores and franchises.

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The bottom line for most developers, especially chain stores and franchises, is securing access to profitable trade areas. They evaluate locations based on their economic potential. If they are asked to address local design, historic preservation, site planning or architectural concerns, they will usually do so.

Bob Gibbs, one of America's leading development consultants, says that "when a chain store developer comes to town,

When CVS proposed building a new store in Davidson, North Carolina, the town insisted on a two-story brick building, pulled to the corner with parking in the rear. The result is a building that fits into the fabric of the community.

they generally have three designs (A, B or C) ranging from Anywhere USA to Unique (sensitive to local character). Which one gets built depends heavily upon how much push back the company gets from local residents and officials about design and its importance."

Chain drugstores, like CVS and Walgreens are proliferating across the country. They like to build featureless, single-story buildings on downtown corners, usually surrounded by parking – often after demolishing one or more historic buildings.

This is what CVS proposed in Davidson, North Carolina. The town was offered the cookie cutter design (Plan A), but Davidson insisted on a two-story brick building, pulled to the corner with parking in the rear (Plan C).

CVS protested, but they eventually built what the town wanted because they recognized the value of being in a profitable location. The lesson learned is that successful communities have high expectations. They know that community identity and quality of life are more important than corporate design preferences.

Cooperate with neighboring communities for mutual benefit

Historically, elected officials have tended to view neighboring communities, the county government, even the managers of adjacent state or national parks as adversaries rather than allies. Some community leaders see economic development as a "zero-sum" game: if you win, I lose.

Successful communities know that today's world requires cooperation for mutual benefit. They know that the real competition today is between regions. They also understand that very few small towns have the resources, by themselves, to attract tourists or to compete with larger communities.

Regional cooperation does not mean giving up your autonomy. It simply recognizes that problems like air pollution, water pollution, traffic congestion and loss of green space do not respect jurisdictional boundaries. Regional problems require regional solutions.

There are numerous examples of communities working together for mutual benefit. In Metro Denver, 41 communities cooperated to support funding for a regional transit system (i.e. Fast Tracks). Cleveland area communities cooperated to build a Metro parks system. Minneapolis and St. Paul collaborate on tax base sharing.

Even small rural communities can cooperate for mutual benefit. In Mississippi, small towns have worked together to organize and promote US 61 as "the Blue's Highway," linking Memphis with New Orleans. Similarly, rural counties on Maryland's Eastern Shore collaborated with the Eastern Shore Land Conservancy to create a regional agreement to preserve farmland and open space.

Pay attention to place

During the development boom of the 1980s, *Time* magazine ran an article about what it called "America's growing slow-growth movement." The article began with a quote from a civic activist in Southern California, who said, "We were in favor of progress, until we saw what it looked like." Looks count! Place matters!

Mark Twain put it this way, "We take stock of a city like we take stock of a man. The clothes or appearance are the externals by which we judge."

In the old economy, quality of place didn't really matter, but today communities are in a global competition to attract and retain talented workers. Increasingly, these workers decide where they want to live and then they figure out their job situation.

Creating a great place will pay dividends long after the initial investment. In fact, economic development expert, Joe Cortwright says, "The unique characteristics of place may be the only truly defensible source of competitive advantage for cities in a global world."

Consider tourism, for example. The more any American community comes to look just like every other community, the less reason there is to visit. On the other hand, the more a community does to protect and enhance its unique character – whether natural or architectural – the more people will want to visit.

This is because tourism is about visiting places that are different, unusual and unique. If everyplace was just like everyplace else, there would be no reason to go anyplace. In today's world, community differentiation is an economic development imperative.

Strong leaders and committed citizens

Successful communities have strong leaders and committed citizens. A small number of committed people can make a big difference in a community. Sometimes these people are longtime residents upset with how unmanaged growth has changed what they love about their hometown.

Other times, the leaders might be newcomers who want to make sure that their adopted hometown doesn't develop the same ugliness or congestion as the one they left. More often than not, they're simply citizens who care a great deal about their community.

There are hundreds of examples of small groups of people working successfully to improve their communities. Some of these people are elected officials, like Joe Riley, the ten-term mayor of Charleston, South Carolina. Others are private citizens, like Robert Grow, the founder of Envision Utah.

Leadership is critical, but often unappreciated. As the mayor of one small town remarked to me, "If you don't care who gets the credit, you can get an awful lot accomplished."

What about the naysayers?

Every community has naysayers. Whatever the civic or community leaders propose to do, some people will always say things like: "You can't do it"; "It won't work"; "It costs too much"; and "We tried that already."

And, "no," is a very powerful word in a small community, but leaders of successful communities, know that "yes" is a more powerful word. Yes, we can make this town a better place to live in, to look at, to work in, to visit. A pessimist sees difficulty in every opportunity. An optimist sees opportunity in every difficulty.

Quality of life is the competitive advantage

We live in a rapidly changing world. The post-recession economy is reshaping the way we live, work, shop and move around. Communities that prepare for the future will prosper. Those that do not will decline. Today people and businesses can locate anywhere. Communities that cannot differentiate themselves will simply have no competitive advantage. This means that quality of life is more important than ever. Successful communities set themselves apart. They know that place matters now, more than ever.

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VML CONDUCTS REGIONAL SUPPERS around the state each spring and fall to provide local government officials with timely information. Elected and appointed officials from member localities are encouraged to attend one of these informative get-togethers. Each of the dinner meetings will include a review of the 2017 legislation session as well as presentations by other subject experts on issues of importance to the region.

All of the suppers will begin at 6 p.m. and cost $35.

Wednesday, April 5	**Marion - Holston Hills Community Golf Course**
Thursday, April 6	**Appomattox - Appomattox Inn and Suites**
Wednesday, May 3	**Culpeper - Germanna Community College**
Thursday, May 4	**Onancock - Mallards at the Wharf**
Wednesday, May 10	**Emporia - The Bank by Kahills**
Thursday, May 11	**Williamsburg - The Stryker Center**

Register on-line at www.vml.org/regional-suppers