

The Center for Local, State, and Urban Policy

Gerald R. Ford School of Public Policy >> University of Michigan

Michigan Public
Policy Survey January 2014

Michigan local governments increasingly pursue placemaking for economic development

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This report presents Michigan local government leaders' opinions regarding the community and economic development strategy known as placemaking, and its use by Michigan jurisdictions. By engaging in placemaking, policymakers attempt to capitalize on local assets in order to create appealing and unique places where people want to live, work, and play. When used for economic development, placemaking seeks to help a community attract and retain talented workers and the businesses that seek them. The findings in this report are based on statewide surveys of local government leaders in the Spring 2013 and Spring 2009 waves of the Michigan Public Policy Survey (MPPS).

>> The **Michigan Public Policy Survey (MPPS)** is conducted by the **Center for Local, State, and Urban Policy (CLOSUP)** at the University of Michigan in partnership with the **Michigan Association of Counties, Michigan Municipal League, and Michigan Townships Association**. The MPPS takes place twice each year and investigates local officials' opinions and perspectives on a variety of important public policy issues. Respondents for the MPPS include county administrators and board chairs, city mayors and managers, village presidents and managers, and township supervisors, clerks, and managers from 1,350 jurisdictions across the state.

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Key Findings

- Placemaking is an increasingly common economic development strategy in Michigan, according to local leaders. Approximately one-third (34%) of local jurisdictions report using the strategy in 2013, up from 21% that said the same in 2009.
 - » Placemaking is correlated with jurisdiction size and type. While 68% of the state's largest jurisdictions report using placemaking for economic development in 2013, the same is true for only 21% of the smallest jurisdictions. This may not be surprising, since larger jurisdictions tend to carry out more economic development efforts in general.
 - » By jurisdiction type in 2013, cities (77%) are more likely to pursue placemaking, compared to counties (51%), villages (42%), and townships (22%). Still, placemaking is more common today than in 2009 within each of these types of communities.
- Local leaders are increasingly confident that placemaking can be a successful economic development strategy for their communities. Overall, 51% of Michigan's local leaders say they believe placemaking can be effective in their jurisdictions as of 2013, compared to 39% who reported confidence in placemaking's effectiveness in 2009.
 - » Even in jurisdictions that are not currently engaged in placemaking efforts, 35% of local leaders say it would be an effective strategy for their jurisdictions, and only 12% believe it would be ineffective.
- Michigan jurisdictions report pursuing numerous approaches to create more appealing communities through their placemaking efforts. The most common types of development efforts include creation of open spaces, trails, and bike paths, as well as efforts to become more bicycle and pedestrian-friendly in general.
- Fostering local entrepreneurship is a specific goal for 65% of jurisdictions that are active in placemaking, but local leaders cite numerous barriers to attracting more entrepreneurs, particularly lack of access to capital.

Background

“Placemaking” is a community and economic development strategy that attempts to capitalize on existing local assets in order to create appealing and unique places where people want to live, work, and play.¹ Different approaches to placemaking might focus on developing a community’s arts or cultural amenities,² on architectural design and the use of sustainable materials,³ on the provision of accessible transit, cycling, or walkable streets,⁴ or all of these and more. In each of these cases, one main goal of placemaking is to create stronger relationships between people and the places they live.⁵ Although there have been some concerns raised over how to define⁶ or measure⁷ specific outcomes of placemaking and how to identify whether placemaking is “working,” advocates suggest that a range of both quantitative (economic) and qualitative (social) metrics can help clarify the impacts placemaking efforts may or may not be having on a given community.⁸

Proponents of place-based economic development—that is, of using placemaking specifically as an economic development strategy—argue that by creating vibrant downtowns, neighborhoods, or public spaces, and improving a community’s quality of life, talented workers will be drawn to move there, and they will attract new businesses as well as start their own.

Michigan currently has a number of organizations, policymakers, and local government units—including the MIplace Partnership Initiative comprised of the Michigan Municipal League (MML), the Michigan State Housing Development Authority (MSHDA), the Land Policy Institute (LPI) at Michigan State University, the Small Business Association of Michigan, and others—working to expand the use of placemaking as a key economic development approach for Michigan communities of all sizes.⁹

To get a better understanding of how local officials from jurisdictions across Michigan view the concept of placemaking—its general utility, its potential effectiveness for their jurisdictions’ economic development efforts, and its perceived connections to entrepreneurship in local communities—the Spring 2013 MPPS asked a series of questions on the topic.



Placemaking is becoming more common in Michigan

In 2013, approximately one-third (34%) of Michigan’s local jurisdictions report that they are engaged in or are planning for placemaking as an economic development strategy (see *Figure 1a*). By comparison, four years ago on the 2009 MPPS, only 21% of officials reported that their jurisdictions were engaged in placemaking efforts.

Figure 1b shows that placemaking efforts are more common among large jurisdictions than among small ones in Michigan. Around two-thirds of the state’s large jurisdictions (those with more than 10,000 residents) report that they are pursuing placemaking efforts, compared with about one-fifth (21%) of the state’s smallest jurisdictions (those with fewer than 1,500 residents). This may not be surprising, since larger jurisdictions have more resources, including specialized staff, for engaging in economic development efforts of any kind.

Still, the findings in 2013 represent a substantial increase over levels reported in 2009, when fewer than half of these large jurisdictions were pursuing placemaking. Even among smaller jurisdictions, the use of placemaking for economic development has grown significantly. For example, one-third (33%) of jurisdictions with between 1,500 and 5,000 residents report pursuing placemaking efforts in 2013, up from 19% in 2009.

By jurisdiction type, cities (77%) are the most frequent adopters of placemaking strategies (see *Figure 1c*). But significant percentages of other jurisdiction types have now adopted placemaking too, including half (51%) of all counties, four-in-ten (42%) villages, and nearly a quarter (22%) of townships. Each jurisdiction type has seen a substantial increase in these efforts since 2009.

By region, jurisdictions in Southeast Michigan (55%) are the most likely to be pursuing placemaking in 2013, followed by those in the Upper Peninsula (37%), the Northern Lower Peninsula (33%), the Southwest and West Central Lower Peninsula (each at 29%), and finally the East Central Lower Peninsula (25%).

Figure 1a
Percentage of jurisdictions currently engaged in or planning placemaking efforts in 2013

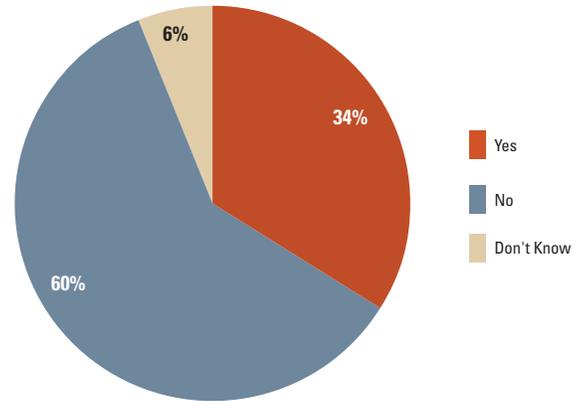


Figure 1b
Percentage of jurisdictions currently engaged in or planning placemaking efforts, 2009 and 2013, by population size

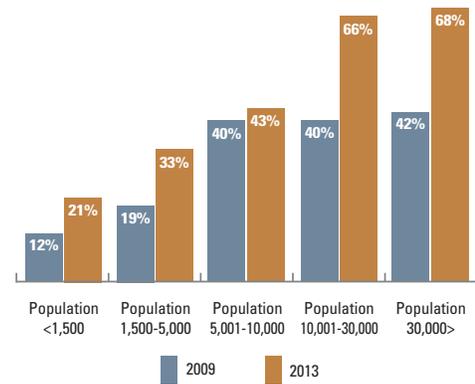
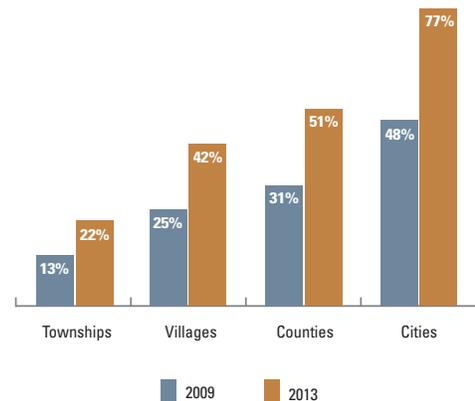


Figure 1c
Percentage of jurisdictions currently engaged in or planning placemaking efforts, 2009 and 2013, by jurisdiction type



Local leaders are increasingly optimistic about placemaking as a strategy for economic development

When asked in 2013, just over half (51%) of local leaders overall say placemaking is, or could be, effective for economic development purposes in their jurisdictions (see *Figure 2a*). This is an increase in positive views from 2009, when 39% of local leaders expressed confidence that placemaking could be an effective economic development strategy for their jurisdictions.

Furthermore, there is even stronger belief among local officials that placemaking is, or could be, effective for Michigan’s local governments in general, beyond their own jurisdiction. When considering the current or potential effectiveness of placemaking for jurisdictions across the state, 61% say that it could be somewhat or very effective, and only 5% believe it would be ineffective in other jurisdictions as a statewide strategy in 2013.

Perhaps not surprisingly, among local leaders whose jurisdictions are pursuing placemaking, 84% believe the strategy is effective for their jurisdictions’ economic development, and only 3% believe it is ineffective (see *Figure 2b*). However, there is also a good deal of support for placemaking among those not currently pursuing it. In places that are not currently engaged in placemaking, 35% of local leaders believe it would be effective for their jurisdictions, and only 12% say it would be ineffective. Another 21% are unsure as to whether it could be effective in their jurisdictions.

Among jurisdictions currently pursuing placemaking, optimism about the strategy’s effectiveness is widespread, regardless of community size. Even in the smallest of these jurisdictions, over three-quarters (77%) of local leaders believe placemaking is or can be effective to help grow their local economies (see *Figure 2c*). In addition, optimism about placemaking is fairly common even among jurisdictions that aren’t currently pursuing the practice, including nearly a third (30%) of leaders from the smallest of these jurisdictions, up through half (52%) of those from the largest.

Clearly, there is widespread “buy-in” for placemaking among local leaders all across the state.

Figure 2a
Local officials’ views of placemaking’s effectiveness in their jurisdictions in 2013

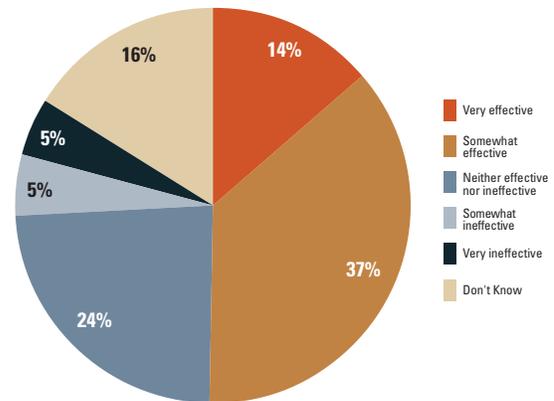


Figure 2b
Local officials’ views of placemaking’s effectiveness in their jurisdictions in 2013, among those pursuing placemaking and those not

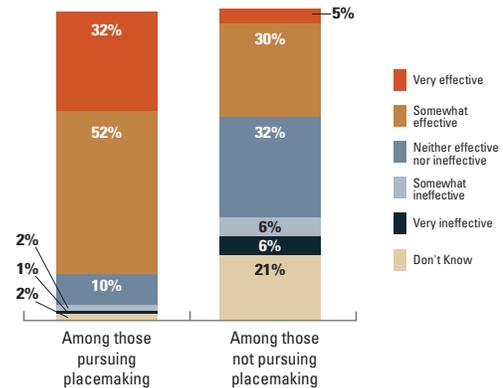
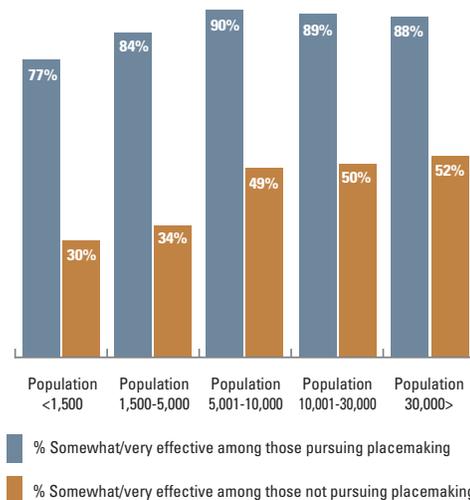


Figure 2c
Local officials’ views of placemaking’s effectiveness in their jurisdictions in 2013, by population size





Michigan jurisdictions are pursuing many different efforts associated with placemaking, including development of green spaces and promoting walkability

The MPPS identified a list of practices that are commonly associated with placemaking and asked local officials—from jurisdictions that are pursuing placemaking as a specific strategy, and from those that are not—whether they were using any of the practices, and how effective they think the practices could be in their jurisdictions. *Figure 3* shows the percentage of jurisdictions pursuing each type of effort, broken down by whether they are pursuing placemaking formally or not.

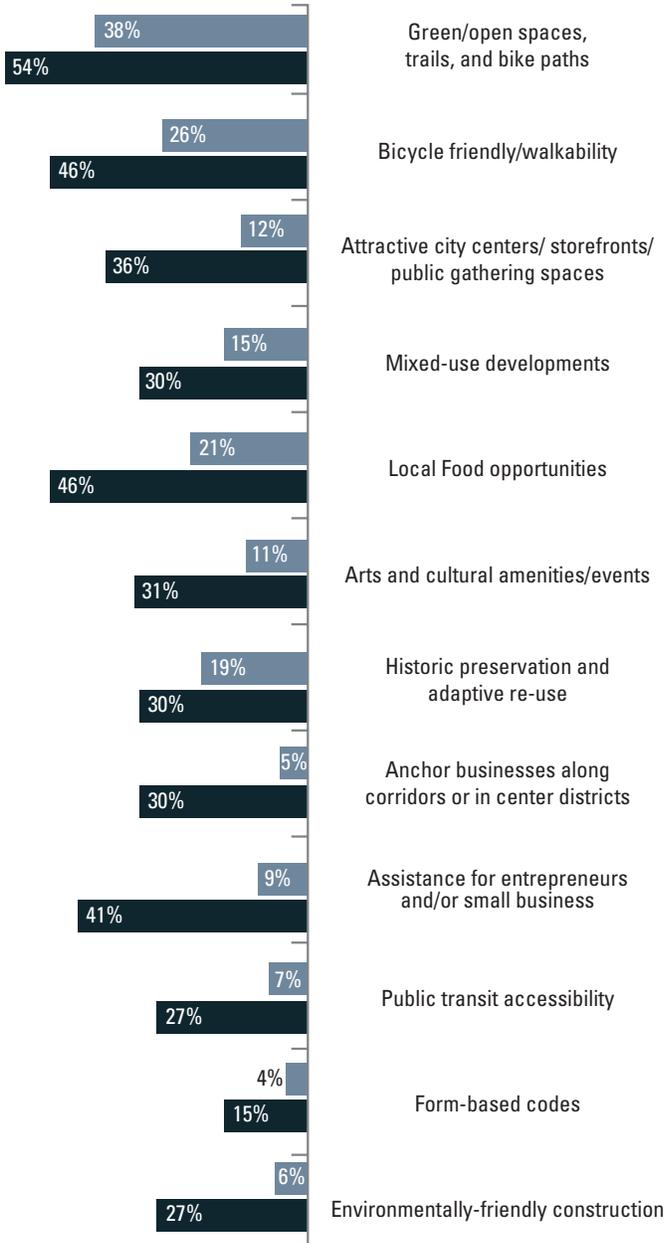
Among the one-third of jurisdictions overall that are pursuing placemaking (shown in the right-side bars of *Figure 3*), 73% report they are developing green or open spaces, trails, and bike paths, and 88% believe this practice can be an effective economic development strategy for their jurisdiction. Meanwhile, 66% say they are trying to make their communities more bicycle-friendly and/or more walkable, with 86% reporting they think this practice can be effective in their jurisdiction. In addition, more than half of all jurisdictions currently engaged in placemaking report pursuing efforts to create attractive city centers or public gathering places (63%), as well as fostering mixed-use developments that typically include a combination of retail, commercial, and residential spaces (58%), and developing local food-related opportunities such as farmers' markets, food stands, and so on (54%). In each case, even larger percentages believe these practices can be effective in growing their local economies.

At the same time, even among the 60% of officials who report that their jurisdictions are *not* currently pursuing placemaking for economic development purposes (shown in the left-side bars of *Figure 3*), many are nonetheless pursuing efforts that are often associated with the concept of placemaking. For example, nearly four in ten (38%) say their jurisdictions are developing green or open spaces, trails, and bike paths, and over half (54%) think this practice would be an effective economic development strategy in their communities. A quarter (26%) say they are pursuing efforts to make their communities more walkable and bike friendly (and 46% think this practice can be effective), while one in five (21%) are pursuing local food-related opportunities (while again, 46% express confidence in this practice).

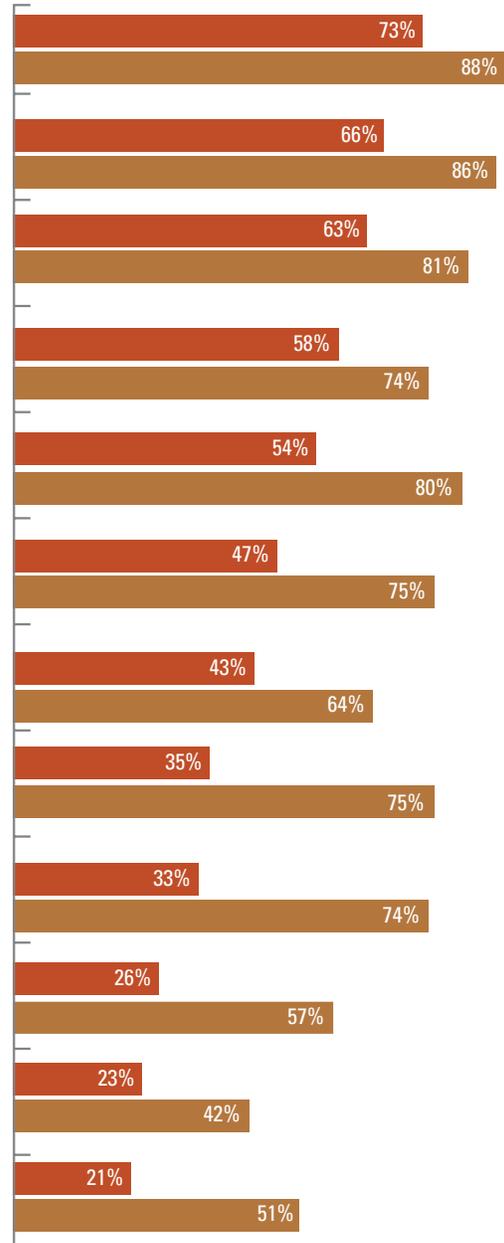
For those organizations in Michigan looking to foster placemaking, these findings may point to a ready audience of local leaders who could be encouraged to adopt more formal placemaking strategies, since there is widespread support for the strategy in general, and since their jurisdictions are already pursuing practices that are commonly associated with placemaking.

Figure 3
Local officials' views of the effectiveness of practices commonly associated with placemaking, among those pursuing placemaking and those not

Among those jurisdictions not pursuing placemaking



Among those jurisdictions that are pursuing placemaking



■ Currently pursuing the practice
■ Perceived effectiveness of the practice

■ Currently pursuing the practice
■ Perceived effectiveness of the practice

Note: "Mixed-use developments" refers to buildings that include a combination of retail, commercial, and residential space; Local Food opportunities refers to farmers' markets, food stands, etc.; "Form-based codes" refers to alternative regulations to conventional zoning that emphasize building form over land use-based zoning to create uniform or predictable public spaces



Entrepreneurship is viewed as important in placemaking, but access to capital is a major obstacle

One of the primary goals of placemaking in general is the creation of vibrant and appealing communities and public spaces that will help attract and retain talented workers, including entrepreneurs who generate new local jobs for themselves and for others. The MPPS asked Michigan local officials what they believe the relationship is between place-based economic development and entrepreneurship in their communities. The survey broadly defined entrepreneurship as organizing, managing, or assuming the risk for a business or enterprise, and provided concrete examples that included an investor creating a new product or enhancing a current product, a farmer bringing crops to market, or a small business start-up occupying an empty storefront.

Officials were first asked whether they believe place-based economic development influences where entrepreneurs choose to launch and grow their businesses. Among officials whose jurisdictions are currently pursuing placemaking, two-thirds (65%) believe the strategy can indeed influence location decisions of entrepreneurs, with 21% saying it has a great deal of influence, and 44% saying it plays somewhat of a role in those decisions (see Figure 4). Less than a quarter (23%) believe that placemaking plays little or no role in attracting entrepreneurs.

There is even greater support for the notion that increased entrepreneurial activity in a community subsequently helps jurisdictions make places where other people will want to live, work, and play. Among placemaking officials, 86% believe that a boost in entrepreneurial activity also provides a boost to placemaking outcomes in their communities. In other words, in jurisdictions that are pursuing placemaking, local government leaders see strong and reciprocal connections between entrepreneurship and place-based economic development outcomes.

Furthermore, local leaders report that that fostering entrepreneurship does factor into their placemaking efforts. Among jurisdictions pursuing placemaking, 20% of local leaders say boosting entrepreneurship factors a great deal into their placemaking strategies, while 45% say it plays somewhat of a role (see Figure 5).

Figure 4
Local officials' assessments of the role entrepreneurship plays in place-based economic development in 2013, among those pursuing placemaking

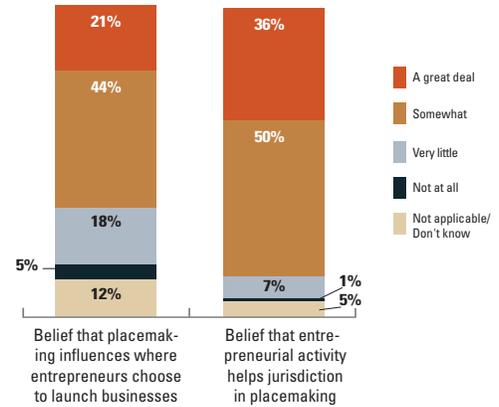
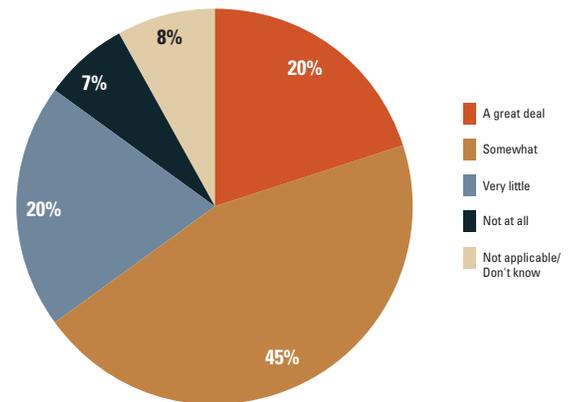


Figure 5
Percentage of jurisdictions where fostering entrepreneurship is a specific part of their placemaking efforts in 2013, among those pursuing placemaking

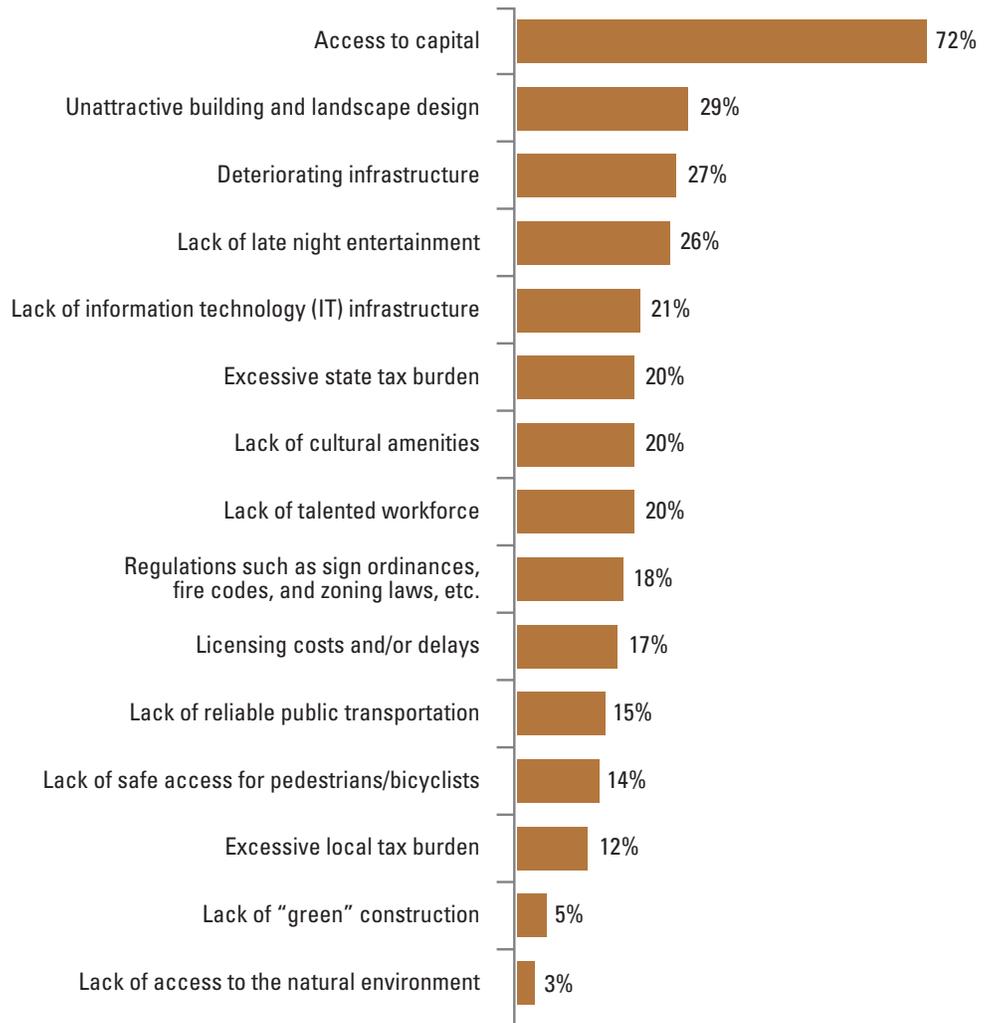


However, many local leaders whose jurisdictions are engaged in placemaking also report they've encountered a number of obstacles to fostering more entrepreneurship in their communities. By far the most common problem these local officials identify is access to capital, with 72% overall saying this is an obstacle in their community (see *Figure 6*). This problem is reported by about two-thirds or more of these jurisdictions in every community category when broken down by population size, jurisdiction type, or region of the state, demonstrating the widespread nature of the problem. Still, when looking at these community characteristics, respectively, access to capital is cited as a barrier to entrepreneurship most commonly among jurisdictions with more than 30,000 residents (82%), among villages (82%) and among jurisdictions in the Upper Peninsula (86%).

Other fairly common obstacles to entrepreneurship identified by local officials include such place-based issues as unappealing buildings and landscape design in their communities (29%), deteriorating infrastructure (27%), lack of late night entertainment (26%), and others (as shown in *Figure 6*).

Meanwhile, despite the fact that local leaders do believe successful placemaking efforts will help attract entrepreneurs to their communities, the most common approaches that Michigan jurisdictions are taking in their placemaking efforts—expanding green and open spaces, trails, bike paths, and so on (as shown in *Figure 3*)—may not have a large direct impact on boosting entrepreneurship in their jurisdictions, given that so few leaders from jurisdictions engaged in placemaking cite lack of safe access for pedestrians and bicyclists (14%) or lack of access to the natural environment (3%) as local barriers to entrepreneurship. Thus, organizations that are looking to help expand entrepreneurship in Michigan communities might do well to focus on expanding access to capital, according to local leaders' views.

Figure 6
Percentage of jurisdictions reporting obstacles to entrepreneurship in their community in 2013, among those pursuing placemaking





Conclusion

Many organizations across Michigan—spearheaded by the MIplace Initiative, with partners including Michigan Municipal League (MML), the Michigan State Housing Development Authority (MSHDA), the Land Policy Institute (LPI) at Michigan State University, the Small Business Association of Michigan, and others—have been working to spread the still relatively new economic development strategy known as placemaking, and the MPPS finds that the practice has indeed grown more common in Michigan jurisdictions of all sizes and types between 2009 and 2013. The MPPS also finds that local government leaders across the state have increasing confidence in the effectiveness of placemaking for helping to grow local economies.

At the same time, groups such as the Michigan Initiative for Innovation and Entrepreneurship,¹⁰ comprised of numerous Michigan universities, venture capital and angel funding organizations, as well as industry and economic development organizations, supported by the MEDC and numerous philanthropic foundations, have also been working to re-establish a culture of entrepreneurship in the state, and the MPPS finds that local leaders do see strong linkages between placemaking and entrepreneurship. Unfortunately, many of these leaders have encountered obstacles, especially access to capital, in efforts to attract more entrepreneurs to their communities. But they do tend to believe that success in attracting entrepreneurs will also help in placemaking outcomes, and to a lesser extent, that success in creating vibrant communities through placemaking will help attract entrepreneurs.

Perhaps most encouraging for those working to promote the practice of placemaking is that, even among jurisdictions that are not currently pursuing the strategy in a formal way, many local leaders report pursuing individual practices that are commonly associated with placemaking. Even greater numbers express belief in the effectiveness of those practices, and in the general concept of place-based economic development. The local government sector in Michigan appears poised to help further expand placemaking practices in the future.

Notes

1. Project for Public Spaces. (2013, November). *What is Placemaking?* New York, NY: Project for Public Spaces. Retrieved from http://www.pps.org/reference/what_is_placemaking/
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9. MIplace.org. (2013, November). Placemaking. Retrieved from <http://miplace.org/placemaking>

10. Michigan Initiative for Innovation and Entrepreneurship. (2014, January). Retrieved from <http://miie.org/about.html>

Survey Background and Methodology

The MPPS is a biannual survey of each of Michigan's 1,856 units of general purpose local government, conducted once each spring and fall. While the spring surveys consist of multiple batteries of the same "core" fiscal, budgetary and operational policy questions and are designed to build-up a multi-year time-series of data, the fall surveys focus on various other topics.

In the Spring 2013 iteration, surveys were sent by the Center for Local, State and Urban Policy (CLOSUP) via the internet and hardcopy to top elected and appointed officials (including county administrators and board chairs, city mayors and managers, village presidents and managers, and township supervisors, clerks, and managers) from all 83 counties, 277 cities, 256 villages, and 1,240 townships in the state of Michigan.

The Spring 2013 wave was conducted from April 8 - June 9, 2013. A total of 1,350 jurisdictions in the Spring 2013 wave returned valid surveys, resulting in a 73% response rate by unit. The margin of error for the survey as a whole is +/- 1.4%. The key relationships discussed in the above report are statistically significant at the $p < .05$ level or below, unless otherwise specified. Missing responses are not included in the tabulations, unless otherwise specified. Some report figures may not add to 100% due to rounding within response categories. Data are weighted to account for non-response. Contact CLOSUP staff for more information.

Detailed tables of the data analyzed in this report—by jurisdiction type (county, city, township, or village); by population size of the respondent's community; and by the region of the respondent's jurisdiction—are available online at the MPPS homepage: <http://closup.umich.edu/mpps.php>

The survey responses presented here are those of local Michigan officials, while further analysis represents the views of the authors. Neither necessarily reflects the views of the University of Michigan, or of other partners in the MPPS.



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