REBUILDING PROSPEROUS PLACES IN MICHIGAN

views and values of placemaking in michigan, the midwest and the nation

A CASE STUDY OF 11 MIDWEST CITIES

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Simply defined, placemaking is about creating neighborhoods and communities where people want to live, work and play. In Michigan, more specifically, placemaking is about transforming neighborhoods and downtown areas that are auto-oriented, detached, stagnant places into pedestrian-oriented, connected, vibrant places that will attract talented, knowledge workers and businesses. There have been several research efforts that have gathered information on just what it is that people want in their neighborhoods, downtowns and communities. Additionally, research has been conducted on why placemaking is so important, and what value it brings to a community. This report brings together much of the findings from these studies and digs even deeper into issues of demand and value.

The second phase of the Rebuilding Prosperous Places project sought to address two major questions related to placemaking:

1. How do citizens view placemaking, both in terms of what value it has for their communities, and what types...
of “place amenities” they like to have within their neighborhoods?

2. What economic value does place-based development derive in a neighborhood, as measured by the change in housing prices in places that boast such characteristics as walkability, access to green space and mixed-use developments?

In order to address the first research question, two surveys were conducted. The first survey was conducted on a national scale to determine whether people viewed placemaking as a positive economic development tool, what amenities they currently have in their neighborhoods or communities, and what they would like to have, and whether the type or quality of an amenity (such as a grocery store, restaurant or park) factored into their desire to have that amenity in their neighborhood. The survey results showed that a majority of people believe that there is a connection between placemaking and economic development, as well as between placemaking and quality of life. Respondents indicated that they would like a wide variety of amenities within walking distance of their homes, including neighborhood grocery stores, farmers’ markets, independent local merchants, sandwich shops, coffee shops, parks with multiple uses, libraries, movie cinemas and art fairs. The type and quality of these amenities did appear to affect people’s interest in having them close to their homes.

This national survey showed, however, that there is a general ambivalence about the pros and cons of living in denser, busier communities, particularly among the rural and suburban respondents. Several people expressed concern about perceived negative externalities associated with some amenities, like traffic and crime, and many people indicated a preference for rural and suburban locations, larger lots, suburban parks and a separation of other types of land use from housing. At the same time, survey results support the growing evidence that there are certain demographics, including young people (age 25 to 34) and non-white households and low-income households, which are more likely to live in urban environments and actually prefer highly walkable, mixed use, green developments with access to a variety of amenities. Because these demographic groups are large and growing, placemaking strategies to attract and retain these populations and to improve the quality of life in urban areas, should be informed by this better understanding of their preferences.

The second survey focused on households in Midwest cities to gather valuable information about what amenities Midwest urban residents want in their neighborhoods. The survey was conducted in six Michigan cities (Lansing, Royal Oak, Traverse City, Kalamazoo, Flint and Grand Rapids) and in five Midwest cities (Davenport, IA; Rochester, MN; Lakewood, OH; Madison and Manitowoc, WI). Survey results suggest that, even in the Midwest, walkability is a preferred neighborhood feature in urban areas. It is one of the factors that is often involved in people’s decisions to purchase or rent their homes. Many
people in these 11 Midwest cities say that they prefer to walk to destinations that are within a 15-minute walk of their home. The aesthetics and perceived safety of neighborhoods has an impact on whether and how far people are willing to walk to reach destinations. Midwest respondents reported that their neighborhoods are fairly walkable for a number of amenities; a majority of people could walk to a school, park, transit stop, grocery store, convenience store, retail store, entertainment venue or eating/drinking establishment in 20 minutes or less. Finally, most homeowners rated the quality of their nearest amenities, including grocery stores, parks, restaurants, gas station/convenience stores and coffee shops, as high or very high quality.

To address the second research question, a hedonic analysis of residential property prices was conducted to isolate the values of place-based characteristics. The results of the hedonic analysis suggest that the value of having a certain amenity near a house can have an impact on its property price; however, it does not appear that one type of amenity always has a positive value in every neighborhood, nor that other types always have a negative value. Across the Midwest cities, close proximity to some amenities, like schools, theatres, bookstores and gift shops, appeared to be positively related to home sale price.

Proximity to other amenities, such as grocery stores, restaurants, museums and department stores, appeared to be negatively related to home sale price. These results are somewhat surprising since a majority of people surveyed, at least at the national level, indicated a preference for grocery stores, restaurants and museums within walking distance. In addition, having multiple amenities within a half mile radius of a home, which would suggest walkability, did not show a consistently positive relationship to property price. In these cities, having great neighbors and a high quality look and feel of a walk in the neighborhood were positively associated with price. These findings suggest that there are other aspects of place-based characteristics besides close proximity that could also affect home price, such as the quality or affordability of that amenity. More research is needed to better understand the effects of place-based characteristics on home price.

While this study does suggest support for placemaking, and for certain place-based characteristics like walkability and green space, it is clear that there remains a need for education about the benefits and process of effective placemaking. When placemaking is done in a deliberate way, bringing all of the affected parties to the table to vision and plan, concerns about possible negative externalities can be addressed and allayed. The MiPlace Partnership Initiative is helping to educate and train the myriad stakeholder groups in Michigan involved in placemaking at the local and regional level. It is also providing resources and technical assistance to Michigan communities to plan and implement placemaking projects, which in turn provides models to other communities. Through these efforts, Michigan can achieve downtown—or urban core—places that have good function and form, generate social activity, evoke positive feelings among residents and visitors, and attract and retain the knowledge and creative resources necessary to a thriving economy.
Part 1: Introduction

In order to embark on placemaking efforts in the most effective and efficient manner, it is important for state and community leaders to understand how the process works, what value it derives for the community, and how the different people and organizations involved view the process and their roles in it. These information needs are addressed, in part, throughout this report.

Placemaking is a term that is used to describe the process of creating spaces where people want to live and businesses want to locate, because they have a high quality of life, including a functional built environment, green areas and easy access to amenities. Communities in Michigan have become especially interested in this process as a way to achieve economic development, following a period of serious job loss, economic decline and outmigration of many people, including talented and skilled workers (Adelaja et al., 2009). Having attractive places that offer more choices in housing and transportation; opportunities for improved social interaction; more variety in entertainment, cultural offerings, green space and recreation; more diversity in ages, races, sexual orientation, ethnicity and cultural heritage; and more business and entrepreneurial opportunities, is a draw for talented workers. In the New Economy, where talented workers go, economic prosperity follows.

In order to embark on placemaking efforts in the most effective and efficient manner, it is important for state and community leaders to understand how the process works, what value it derives for the community, and how the different people and organizations involved view the process and their roles in it. These information needs are addressed, in part, throughout this report.

The process of placemaking varies from community to community, but it always requires engaging and empowering people to participate in helping to shape their community. It can involve traditional “top-down” methods of governance, as well as enabling and facilitating “bottom-up” resident empowerment. It often involves a partnership of the public, nonprofit and private sectors. Placemaking projects vary in size, from smaller, “cosmetic” activities that can be incremental and low cost, to larger, strategic development or redevelopment undertakings. The latter can involve significant investments of time and capital, and they are only successful, in most cases, where there is a sturdy foundational infrastructure (e.g., schools, water and sewer, police and fire, etc.) in the community. Where resources are tight, placemaking needs to be done in a targeted fashion, directed at community centers, nodes and corridors in ways that reflect community values, unique assets, emerging opportunities and future goals. Successful placemaking projects create places that are alluring from both a physical (aesthetically
pleasing and comfortable) and social (functional and fun) standpoint.

Anecdotally, the benefits of an improved quality of life through placemaking are clear. By retaining and attracting talent and jobs, it can strengthen a community's global economic competitiveness. In can improve a community's fiscal health by growing the tax base and raising tax revenues. It can increase the return on investment for developers and project financers. It can engage and empower citizens, creating a better sense of community. It can provide a better quality of life for a diverse population, including low-income families, minorities and others who may be marginalized in the community planning and development process. The environmental health and public health of a community may also be positively impacted. There is growing evidence of measurable benefits that placemaking can bring to a community.

There are many stakeholders that should be involved in the placemaking process, including developers, local government officials, financial institutions, nonprofit organizations, academic institutions and general citizens, etc. Each of these groups has an important role to play in designing and building (or rebuilding) their places in ways that are functional, yet attractive. Developers build structures based on market demand and profit margins. Since the demand is rising for urban and suburban places that are people-oriented instead of auto-oriented, developers are striving to address that change. Local governments are evaluating their planning, zoning, transportation and other policies that could help or hinder placemaking activities. Financial institutions, whose funding is critical to the success of placemaking, are in the early learning stages about return on investment for these interconnected and synergistic projects. Nonprofit organizations are concerned that placemaking is done in ways that protect disadvantaged populations, such as low-income families and people with disabilities. Academic and other “anchor” institutions (such as hospitals) are becoming more involved in identifying ways to help their surrounding communities be more welcoming to talented people. Citizens have a role to play in making sure that placemaking projects reflect their values and desires for the future. All of these stakeholders working together, with the right information and tools, can implement successful placemaking projects that improve quality of life today and create a more sustainable future.

PILOT STUDY

Research and education efforts are underway to address information needs for effective placemaking. The Michigan State Housing Development Authority (MSHDA) has engaged the Michigan State University (MSU) Land Policy Institute (LPI), the MSU School of Planning, Design and Construction (SPDC), the MSU Center for Community and Economic Development and the Michigan Municipal League to provide information and training about placemaking through the MPlace Partnership website at www.MPlace.org. The MSHDA and the Michigan Association of Realtors (MAR) also engaged LPI to assess the value of place-based development and to evaluate the perceptions of placemaking stakeholder groups. Filling these knowledge gaps will help to ensure that Michigan communities engage in placemaking activities that successfully attract and retain talented people and boost the economy.

Through the pilot phase of the “Rebuilding Prosperous Places” study, the MSU Land Policy Institute, in conjunction with numerous partners, endeavored to better comprehend placemaking and its potential for the enhancement of
Michigan communities. In March 2012, LPI released Building Prosperous Places in Michigan: Understanding the Values of, Perceptions of and Barriers to Placemaking, a report that identifies and evaluates barriers to and perceptions about placemaking among main stakeholders, the economic value of place-based development and its impact on property values in select Michigan cities, and the relationship between place-based development and workforce housing (or affordable housing within close proximity to the workplace).

The report summarizes survey responses of financial institutions, local units of government and developers in Michigan on their views of placemaking. Survey results show that:

- Many local officials felt that placemaking efforts were often challenged by complicated permitting, environmental clean-up and developers’ concerns;
- Several of the developers surveyed felt that it was very important for better information about placemaking’s economic and quality-of-life benefits to be made available to local governments, financial institutions, developers, realtors and citizens; and
- Many bankers agreed that placemaking needs to be an important part of strategies in Michigan to create high-impact economic activity attraction.

An analysis of the relationship between characteristics of place-based development (such as walkability, access to green space and mixed-use development) and property values in three Michigan cities (Lansing, Royal Oak and Traverse City), which is one measure of economic impact, returned results that were not black and white. For instance, living within walking distance of a park, but not right next to it, had a positive impact on property values. It is possible that people like to live near parks for the recreation that they provide, but are concerned about the perceived negative aspects (e.g., traffic, crime, lighting, noise, etc.) associated with living right next to them.

Similar “gray” results were found for properties that were within walking distance of schools, grocery stores, book stores and restaurants. There were many questions raised by these results that suggest the need for further research into the relationship between place characteristics and property prices.

While placemaking is seen as being a desirable development and redevelopment platform for leveraging economic development and attracting knowledge and talented workers, there can be challenges associated with providing affordable housing to segments of the workforce. The report also shared strategies and case studies of how other cities have dealt with these challenges. For more detailed information about the results of the pilot study, please see the first report.

Overall, the pilot report presents seven recommendations for further research, improved data collection and applying findings to other communities, including:

1. Ensuring that local and regional vision and assets, as well as the desires of target populations, be considered in the placemaking process; different communities value different amenities in their neighborhoods.
2. Evaluating the effect that type or quality of amenities or businesses have on property prices (e.g., it is possible
that the close proximity of a “big box” grocery store would affect property prices differently than a convenience store, but those types were not included in the initial analysis).

3. Considering other house, neighborhood and place characteristics in future research, such as energy efficiency, commute methods, public spaces, arts and culture and non-motorized transportation enhancements.

4. Examining the impact of place-based development on property prices in places outside of Michigan and the broader economic impacts within a metropolitan region.

5. Conducting analysis that translates positive neighborhood effects into community economic impacts and property tax revenue impacts to illustrate the community-based benefits of placemaking.

6. Providing an education or training program detailing the nuances and benefits of placemaking for bankers, developers and local officials.

7. De-risking the local environment for placemaking projects by identifying capital resources (such as loan assistance programs, public financing or tax credits) and providing expedited permitting or fast-track approval for developments that meet certain placemaking criteria.

While the pilot study uncovered several interesting pieces of information about place characteristic values and perceptions, further work was needed to better understand the impact that place-based development has on property values (as outlined in the recommendations) and to understand the perceptions of other stakeholder groups, particularly citizens. The methodology established in the pilot phase was used and expanded in the follow-up research, which is presented in this report.

SECOND PHASE STUDY OBJECTIVES

In the second phase of the “Rebuilding Prosperous Places” study, the MSU Land Policy Institute again worked with several partners, including the Michigan State Housing Development Authority and the Michigan Association of Realtors, as well as others, to address the following research questions:
1. How do citizens view placemaking, both in terms of what value it has for their communities, and what types of “place amenities” they like to have within their neighborhoods?

2. What economic value does place-based development derive in a neighborhood, as measured by the change in housing prices in places that have such place characteristics as walkability, access to green space and mixed-use developments?

In order to address the first research question, two surveys were conducted. One survey was sent to property owners, whose homes had sold between 2000 and 2012, in six Michigan cities and five Midwest cities. Along with collecting additional information to enhance the property price analysis, this survey provided valuable information about what people in Midwest cities want in their neighborhoods. The second survey was conducted on a national scale, the purpose of which was to determine whether people viewed placemaking as a positive economic development tool, whether they were considering moving to a new location (or making other lifestyle changes, like walking more, to mitigate higher gas prices), and whether the type or quality of an amenity (such as a grocery store, restaurant or park) factored into their desire to have that amenity in their neighborhood. The second survey was conducted on a national scale, the purpose of which was to determine whether people viewed placemaking as a positive economic development tool, whether they were considering moving to a new location (or making other lifestyle changes, like walking more, to mitigate higher gas prices), and whether the type or quality of an amenity (such as a grocery store, restaurant or park) factored into their desire to have that amenity in their neighborhood. Finally, since both surveys included demographic questions, the results were intended to illustrate differences in placemaking perceptions between population groups.

The economic value of place-based development is once again assessed through a hedonic analysis (a method that, in lay terms, breaks down the price of a home into the prices of its attributes) of residential property prices in neighborhoods with and without place-based amenities. The pilot study analysis was conducted in Lansing, Royal Oak and Traverse City, MI. This analysis was extended to three additional Michigan cities (Kalamazoo, Flint and Grand Rapids) and five Midwest cities (Davenport, IA; Rochester, MN; Lakewood, OH; Madison, WI; and Manitowoc, WI). The reason that Midwest cities were included in this phase of the project was to get a better picture of how placemaking works in cities (similar in regional characteristics to the Michigan case studies) outside of the state, and to determine whether there are any valuable lessons in their experience for Michigan communities. The five Midwest cities were selected based on similarity in population size and other factors (such as presence of a large university) to the Michigan cities. However, some of these Midwest cities have higher household incomes and are experiencing population growth (as opposed to the decline in Michigan cities), with the hope that they provide examples for Michigan communities to emulate. It is also helpful to assess multiple cities in multiple states in order to better understand how community values and unique assets play into placemaking activities, as was cited in fourth recommendation from the first report.

This expansion on the hedonic analysis also addresses some of the other research recommendations outlined in the first report. For instance, through the use of surveying techniques, more information was collected on the quality of amenities within walking distance of the properties in the analysis. Also through the use of surveys, better data about energy efficiency, non-motorized transportation and other property purchase/rental decision factors were included in the analysis.
Part 2: National Placemaking Survey

The purpose of the National Placemaking Survey was to gain a better understanding of how homeowners, renters and other individuals nationwide view placemaking, changes in their housing/transportation/employment needs, and their perceived barriers to having their needs fulfilled. Based on the previous literature, the research team’s hypothesis was that many people, including particular population segments (such as 25- to 34-year-olds and seniors) prefer to live in neighborhoods that are walkable and have a wide variety of uses (residential, retail, recreation, etc.). The team also hypothesized that certain changes, like the current economic downturn and higher gas prices, affect people’s decisions about where they would prefer to live. Finally, respondents were expected to have different views about which amenities they wanted in their neighborhood based on the type and quality of those amenities, as depicted in the visual portion of the survey.

Similar surveys have been conducted previously that ask questions about neighborhood preferences. This survey was unique in that it made a connection between “place” and the economy, and it included pictures to help respondents visualize the neighborhood options and indicate their preferences. This was also a nationwide survey, whereas other visual preference surveys have been conducted on a more localized basis.
SURVEY PROCESS DESCRIPTION
The survey instrument was developed by the research team in collaboration with a small workgroup consisting of stakeholders (from the Michigan Association of Realtors, the Michigan Environmental Council, the Michigan State Housing Development Authority and a placemaking consultant). The survey was beta tested for understandability and length/time commitment through Survey Monkey, using a small group of stakeholders (including representatives from the Michigan Sense of Place Council, the Community Economic Development Association of Michigan, Public Policy Associates, and others). The survey was approved by the MSU Institutional Review Board. The research team also received expert advice in the survey question format from the MSU Institute for Public Policy and Social Research.

The National Placemaking Survey was a web-enabled survey of adults nationwide using a panel built by Qualtrics, an online survey development company. Qualtrics guaranteed responses to meet the research team quotas, including a sample size of 3,431 responses, which was representative of the U.S. population in terms of race and income. Surveys were completed from October 5, 2012, through November 12, 2012. The margin of sampling error is plus or minus 1.67 percentage points at the 95% level of confidence.

The next section includes a basic assessment of the survey responses and a breakdown of responses by different demographic groups.

RESULTS
The responses from the national placemaking survey provide many interesting findings about people’s views of placemaking and the place amenities that they want in their neighborhood, community and region. Some of these findings are new, some support prior research about place-based characteristics, and some are contradictory.

With respect to the perceived economic impacts of placemaking, a majority of respondents agreed that there is a positive relationship, stating that including placemaking in their community would improve economic activity, jobs, quality of life, home prices and sense of community. Only

<table>
<thead>
<tr>
<th>Statement 1: Incorporating Placemaking in Our Local Community will. . .</th>
<th>Strongly Agree</th>
<th>Somewhat Agree</th>
<th>Neither Agree or Disagree</th>
<th>Somewhat Disagree</th>
<th>Strongly Disagree</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase economic activity.</td>
<td>32%</td>
<td>40%</td>
<td>18%</td>
<td>5%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Improve opportunities for jobs.</td>
<td>33%</td>
<td>37%</td>
<td>19%</td>
<td>6%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Improve the quality of life.</td>
<td>41%</td>
<td>36%</td>
<td>16%</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Positively affect home prices.</td>
<td>33%</td>
<td>37%</td>
<td>21%</td>
<td>4%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Enhance the sense of community belonging.</td>
<td>37%</td>
<td>37%</td>
<td>18%</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Attract new people to our community.</td>
<td>35%</td>
<td>37%</td>
<td>19%</td>
<td>4%</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Land Policy Institute, Michigan State University, 2014.
a small percentage of respondents disagreed with these statements. Based on the definition of placemaking that was provided, one might expect that people would welcome place-based development (such as mixed-use, walkability, arts and culture, etc.) in their neighborhoods and communities in order to improve their economy and quality of life. However, answers to questions about incorporating place characteristics (particularly walkable amenities and mixed use) into their neighborhoods received more ambivalent responses.

One important thing to note when evaluating responses is the proportion of people indicating that they live in rural (18% in T2), suburban (36% in T3) and urban areas (45% in T4, T5 and T6 combined). Granted, the answers to questions about the location of the home within the T2 to T6 transect zones are subjective, and the transect zones do not follow U.S. Census urban/rural delineations (i.e., “urban” is defined as those communities with more than 50,000 people, “urban clusters” with 2,500–50,000 to people, and “rural” with less than 2,500 people). However, the fact that nearly 70% of the current U.S. population lives in places that are considered urban, and only 10% and 20% live in urban cluster and rural areas respectively, suggests that the survey sample may be skewed toward rural and suburban areas, thus potentially skewing the responses.

While the method of posing the question about housing location preference differed between the National Association of Realtors 2011 and 2013 Community Preference Surveys and this survey, the respondents in this study seemed to lean more toward living in places with mostly housing (the rural and suburban transects), as opposed to places with a mix of housing, offices and retail.

Figure 1: Age by Desired Transect

Source: Figure created by the Land Policy Institute, Michigan State University, 2014.
About 67% of respondents selected T2 and T3, while only 33% selected zones T4 to T6. In the 2013 NAR survey, nearly 60% of respondents prefer to live in a neighborhood with a mix of uses in easy walking distance, while 40% prefer housing only neighborhoods, where they have to drive to other amenities.

It was clear that certain population segments are more likely to live in urban settings, including young people, minority households and low-income households. It should be noted that their presence in urban settings does not necessarily indicate their preference to be there. The results of the current and preferred transect cross tabulation would seem to suggest that some people currently living in zones T4, T5 and T6 would like to live in a suburban or rural setting, given the choice. It was also apparent that people who live in rural areas enjoy their lifestyle and feel that increasing walkability, mixed uses and density would have adverse effects on their lifestyle.

The responses of young people to the visual preference questions do appear to suggest that they would like to have a variety of amenities, including bars and arts and cultural opportunities, within walking distance. Again, based on responses to these same questions, seniors (age 65 and older) do not seem more likely to choose a neighborhood with more amenities within walking distance; in this survey group anyway, seniors are more likely to live in rural and suburban areas, which could account for their visual preference responses.

Due to rising gas prices, 15% of respondents said that they have moved closer to work and 22% said that they have considered doing so. However, 63% indicated that they have not yet considered moving as a result of paying more for gas. Similarly 57% of respondents have not yet considered downsizing their home to reduce expenses. While the economic downturn and rising gas prices have certainly made life difficult for many people, they do not appear to be large impetuses for people moving into smaller homes closer to work.

Finally, the visual preference questions did show that the type and quality of some neighborhood amenities had an impact on people’s preferences, though some amenities were more susceptible to this phenomenon. The type and appearance of grocery stores, for instance, was noted in people’s responses; whereas bars appeared to be universally disliked. While restaurants were generally preferred in close proximity to one’s residence, people liked different restaurant types for their convenience, affordability and social aspects. The type, size and usability of parks appeared to have a large influence on neighborhood preferences as well.

In general, results support the growing evidence that there are groups of people who prefer highly
walkable, mixed-use and green developments with access to a variety of amenities. In several cases, neighborhoods and communities with place-based development characteristics were viewed as having improved in the past five years, while those lacking these characteristics were viewed as deteriorating (though the degree to which neighborhood features have changed and what other factors may be involved in that belief are not known). Results also show that many people, particularly those who currently live in rural and suburban areas, are not yet ready to give up their cars and live in denser, busier, more vibrant neighborhoods. Despite an understanding that placemaking improves economic well-being, concerns about how it might encourage crime, noise and higher expenses still exist and should be addressed.

Figure 2: Age by Bar/Restaurant/Entertainment

Source: Figure created by the Land Policy Institute, Michigan State University, 2014.
Part 3: Midwest Placemaking Survey

In the second phase of the study, the hedonic property analysis was expanded to include three additional Michigan cities, as well as five cities in the Midwest. In order to enhance the data that was provided by assessor offices in each of the 11 cities, surveys were sent to homes that sold between 2000 and 2012 to collect information on additional house, property, neighborhood and place-based characteristics, including structural attributes (where this information was not reported in assessor data), quality of home features, energy efficiency, quality of amenities within walking distance, rental prices and home purchase/rent influence factors.

Based on the results of the pilot study, several recommendations were made regarding future research, including suggestions to:

1. Examine the impact of place-based characteristics on property prices in places outside of Michigan.
2. Evaluate the effect that the type or quality of amenities or businesses have on property prices.
3. Consider other house, neighborhood and place-based characteristics in future property price analyses.

Therefore, in the second phase of the study, the hedonic property price analysis was expanded to include three additional Michigan cities, as well as five cities in the Midwest. In order to enhance the data that was provided by assessor offices in each of the 11 cities, surveys were sent to homes that sold between 2000 and 2012 to collect information on additional house, property, neighborhood and place-based characteristics, including structural attributes (where this information was not reported in assessor data), quality of home features, energy efficiency, quality of amenities within walking distance, rental prices and home purchase/rent influence factors.

The first step in this expanded analysis was to select the cities that would be studied. Cities of Flint, Kalamazoo and Grand Rapids were chosen to represent different regions of Michigan, and to
provide a range of communities from those that are becoming vibrant, attractive cities to those that are experiencing decline and abandonment. Similarly, cities in other Midwest states were selected with three objectives in mind:

1. Cities that are similar in size (in terms of population and land area/density), ethnic diversity and regional importance to the case studies in Michigan.

2. Cities that have experienced either population decline (like Michigan cities) or population growth (which suggests that they are attractive places).

3. Cities that have had some experience with placemaking activities.

For instance, Madison, WI, was selected, because it had a similar population size and density in 2010 to that of Grand Rapids. Both cities are part of a larger metropolitan region and have a major college in them. However, while Grand Rapids population shrank from 2000–2010 by almost 5%, the City of Madison grew in population by more than 12%. Madison also has a higher median household income ($53,958) than Grand Rapids ($39,070), suggesting perhaps better opportunities for well-paying jobs. Finally, Madison is known as a vibrant place to live, with a walkable downtown, various entertainment opportunities, numerous public spaces and jobs for young talent in the technology, life science and biotech fields. In recent years, Grand Rapids has been involved in a variety of placemaking activities that have been creating a vibrant atmosphere in their downtown, with many arts, cultural, entertainment, restaurant and green space amenities; these activities will help it to compete with places like Madison.

Figure 19 shows the locations of the Michigan and Midwest cities in this study. Michigan cities included Lansing, Traverse City, Royal Oak, from the pilot phase, and Flint, Grand Rapids and Kalamazoo. Midwest cities included Davenport, IA; Rochester, MN; Lakewood, OH; and Madison and Manitowoc, WI.

SURVEY PROCESS DESCRIPTION

Invitations to take an online survey were mailed to households in these 11 study cities who purchased a home between the years 2000 and 2012. Letters were directed to the current resident of the home, including home owners and/or renters. A random sample was drawn from each city proportional to the total number of sold houses among all cities. The mailing included a letter explaining the study and the importance of their participation. The letter also included a small magnet as a token of appreciation and, upon completion of the survey, the opportunity to win a $100 gift card from Amazon.com (entry was voluntary).

The survey was available online for about six weeks from August 29–October 15, 2012. By the close date, 2,049 people had responded, with 1,997 completing the survey. The margin of sampling error is plus or minus 2.2 percentage points at the 95% level of confidence.

The survey asked owners and renters questions about housing and property characteristics along with neighborhood and community features. Focusing on the neighborhood and community features, the survey’s primary aim was to gauge the importance of numerous factors in owner’s and renter’s decisions to buy/rent their home. A few of those factors included being close to parks, dining and shopping opportunities, schools and jobs. Other questions asked how walkable the respondent’s neighborhood is, how often he/she walks, and the quality of nearby parks, stores, cafes and restaurants. To conclude the survey, respondents answered questions about their
socio-economic status, happiness, healthiness and basic demographic qualifiers.

Having obtained property records from the assessor’s office in each city, it was possible to join survey responses to parcel records. These records contain information regarding sale price, year and month, along with structural attributes, such as the number of bedrooms and bathrooms, square footage, and other essential real estate-based data. These structural data are included in the hedonic property price analysis (described in the next section) to control for their effect on the sale price.

**RESULTS**

In addition to providing detailed data for the hedonic property price analysis, the Midwest Placemaking Survey also identified some interesting trends and relationships related to people’s current housing, neighborhoods and communities, as well as their views on the characteristics of place.

With respect to housing structures, many respondents indicated that their house has a garage (88%), one or more driveway parking spaces (92%) and 24-hour on-street parking (65%), suggesting that these neighborhoods cater to cars. Eighty-four percent (84%) of respondents indicated that they have a sidewalk in front of their home, while 95% said that they do not have a dedicated bike lane on their street; this result suggests that these neighborhoods are more walkable than bikable. However, the presence of bike lanes on low-volume streets, where many houses are located, is not as important to place-based development as bike lanes on collector, minor and major arterial streets.
Seventy-eight percent (78%) of households had done some remodeling after moving into their homes, and 76% indicated that they have made energy efficiency upgrades, including installing Energy Star appliances, insulation and new windows. Federal and State programs offering tax credits to homeowners for these upgrades, as well as rising energy prices during the study time frame, may have been an incentive for retrofitting.

In terms of neighborhood amenities, a majority of homeowners and renters rated the quality of the closest grocery store, park, restaurant and gas station/convenience store at a high or very high level. Bars were viewed as being of lower quality by both groups, and less than half of renters felt that the nearest coffee shop was high quality.

The factors that were cited most often for being involved in home purchase decisions were the home interior, number of bedrooms, architectural style, square footage and size of yard. Interestingly, on-street parking, historic significance and street lights were cited the least often. It is possible that on-street parking was less important, because 88% of homes have garages, and 92% have driveway parking. Historic significance is often linked to the unique character of the neighborhood and sense of community, and street lights are viewed as important for safety (or at least the perception of safety).

While renters noted the same top factors that were involved in their decision to rent a given home, they were less likely to choose road quality and public school quality as important issues. In this survey, renters are less likely to have garages and ranked availability of on- and off-street parking as lower factors as well, so it is possible that they have fewer cars and care less about road quality than homeowners (although this was not a major factor for them, either). Renters were also more likely than homeowners to be single and to not have any children, which could explain the lower ranking of public school quality.

Homeowners and renters, when asked to rate the influence of certain neighborhood and community features on their purchase and rental decisions, illustrated in a series of statements, put safety, commute time, affordability and walkability at the top of their lists. The least influential factors were access to public transportation, employment opportunities and energy efficiency. These responses may seem strange given what the literature says about the need for affordable transportation and housing and good jobs. It could be that these factors are just not as important to people as safety, affordability and walkability. However, the wording of the question is important to consider in interpreting the results. For instance, if respondents disagreed with the statement, “I have great access to public transportation,” they would be less likely to choose it as an influential factor. In other words, this is a measure of reality, not necessarily desirability.

In terms of walking preferences, 59% of respondents indicated that they walk often or all of the time. More than half of those surveyed (57%) prefer to walk to destinations that are less than 15 minutes away, with the remaining 43% willing to walk to places that are farther away. Among those surveyed, the older age brackets appear slightly more likely to walk often (age 40 to 64) and slightly more willing to walk farther distances than their younger counterparts (age 50 and older). Younger people (age 18 to 34, in particular) prefer to walk to destinations that are less than 20 minutes away.

There appears to be a relationship between the quality of nearby amenities and people’s perceptions of safety, as well as the amount of walking that they do. In addition, of the people
Figure 4: Home Purchase Decision Factors

Source: Figure created by the Land Policy Institute, Michigan State University, 2014.
willing to walk longer distances (in particular 16–20 minutes), twice as many people rated the look and feel as very high, and the perceived safety as extremely high. This finding is consistent with prior literature showing that the quality of the surrounding environment influences people’s walking habits (e.g., Mouzon, 2012).

Health and happiness ratings, while related to each other, also appear to be related to some walking preferences and neighborhood walkability features. Healthier people claim to walk more and also tended to list healthy neighborhood features, such as access to nearby parks and recreational opportunities and the ability to walk or bike to
nearby destinations, as influence factors in their home purchase decisions. Happier individuals also indicated a preference for walking and were more likely to list walkability and sense of community among the factors that were involved in their decision to purchase their home.

Finally, some cities are viewed by their residents as having more amenities within walking distance of their home, as well as having a higher quality walk and feeling safer. For instance, respondents from Royal Oak and Traverse City, both in MI, indicated that they have high-quality parks and restaurants close by. These cities have two of the highest Walk Scores among the 11 case studies. Respondents from Rochester, MN, and Manitowoc, WI, report feeling very safe in their neighborhoods. Interestingly, Rochester and Manitowoc have the two lowest Walk Scores of the group. Alternatively, respondents in Lansing, MI, report being too far away from retail stores and entertainment to walk there, which may contribute to the fact that they tend to walk less often. Also, feeling unsafe in Flint, MI, may be contributing to residents’ tendency to walk less often, if at all.

In general, there are many people in these 11 cities who walk often and who prefer to walk to destinations that are within a 15-minute walk of their home. Walkability is one of the factors that is involved in people’s decisions to purchase or rent their home. The aesthetics and perceived safety of neighborhoods has an impact on whether and how far people are willing to walk to reach destinations. Walking also has a positive relationship to health and happiness. Therefore, placemaking efforts that make neighborhoods and communities more walkable (functional) and aesthetically pleasing (form) are important to residents’ quality of life and the economy (as home preferences tend to drive home prices, which will be evaluated in the next section).

Respondents reported that their neighborhoods are fairly walkable for a number of amenities; a majority of people (though not all) could walk to a school, park, transit stop, grocery store, convenience store, retail store, entertainment venue or eating/drinking establishment in 20 minutes or less. At the same time, survey results suggest that some aspects of existing neighborhoods in these eleven cities may be more auto-oriented than people-oriented. There are more garages than front porches; plenty of parking spaces, but very few dedicated bike lanes; and many people said that it would be impractical to walk to work or university/college. Consequently, there is an opportunity for placemaking efforts in these cities to create more walkable, livable neighborhoods.
Part 4: Midwest Property Price Analysis

This analysis builds upon previous hedonic property price analyses in the literature, including traditional structural and locational attributes, while adding certain place-based elements. Specifically, the variables of greatest interest are measurements of the amenities that exist within walking distance (estimated at one-half mile) of a home. Amenities include green spaces (such as parks or outdoor recreational opportunities), schools, shopping (including retail, grocery, pharmacies, department stores, clothing stores, book/music stores and liquor stores), entertainment (such as amusement parks, restaurants, bars and spectator sports) and arts and culture (including theaters, art dealers and performing arts centers).

Using the 11 Midwest cities as case study examples, this analysis seeks to assess the value of place-based features (such as walkability, mixed-use and access to green space) using the hedonic property price method, which prescribes that the value (or price) of a house is based on its structural and locational attributes. Structural attributes include such things as the number of bedrooms and bathrooms, square footage, porches, garages and siding, etc. Locational attributes often include nearby parks, schools, forests and water features. In hedonic property price regression analysis, the structural and locational features are regressed on the sale price of the home to, in effect, break down that price into its component prices (the price of each attribute). The regression coefficients that are estimated from the hedonic analysis represent the component (often referred to as implicit or marginal) prices of housing attributes. Coefficients that are significant and positive suggest a positive relationship between that home attribute and its sale price; vice versa for coefficients that are significant and negative.¹

theaters, art dealers and performing arts centers). The objective of the analysis is to build a regression model that returns coefficients for traditional variables that are consistent with previous studies, while providing some new information about the potential effect of unique variables calculated specifically for this study.

RESULTS
This section provides a brief summary of the interesting findings from the three hedonic property price models.

One proxy for place in this analysis was measured by the presence of certain amenities within a half-mile (walkable distance) of a home. The proximity of some amenities, including one or more schools, a theatre company/dinner theatre, a bookstore or more than one gift/novelty/souvenir store, had a positive relationship to the sale price of a home. However, the proximity of several other amenities, including one or more grocery stores, one or more restaurants, a museum, a recreational facility, more than one religious organization, a department store, more than one bookstore, a clothing store, a florist or a supplemental grocery store, had a negative relationship to property price. In some cases, these results were consistent with previous literature that suggests schools are often a positive factor for home buyers, while a department store may be viewed as less desirable. However, the finding that the presence of multiple restaurants was a negative factor seemed surprising given survey responses that showed people’s desire to have them close by.

The impact of the presence of different amenities became less clear when measured together through interaction variables. While one might expect having two amenities with a positive marginal property price within a half mile of a home to have a positive, perhaps larger coefficient, this result was not borne by the model. In many cases, the interaction of two positive amenities resulted in a negative coefficient, while the interaction of two negative amenities resulted in a positive coefficient. These results could be the product of statistical errors in the model, or could suggest that there are other relevant, untested aspects of these amenities other than their location within a half mile radius of a home. They could also suggest that placemaking is not a clear-cut process, whereby co-locating a certain mix of amenities within a walkable neighborhood will, in isolation, stimulate higher property prices.

Proximity of amenities appears to be related to home sale price in different ways between the 11 Midwest cities, suggesting that community values or amenity quality vary from community to community, and possibly from neighborhood to neighborhood. It was discovered that in Madison, WI, a city with a growing population, had more positive coefficients for close amenities than any of the other cities in the analysis.

Using survey responses in the hedonic analysis allows for the evaluation of residents’ perceptions, as opposed to physical locations measured by spatial data. This distinction was important as a home may be located close by a park, but the resident could not walk there due to obstacles like traffic or fences. In this property price analysis, some elements of place as measured by resident perceptions, like parks and recreation, shade trees and having great neighbors, appeared to have a positive relationship to sale price. A high-quality look and feel of a walk in the neighborhood also added to home prices in these 11 cities. However, place-based elements, such as porches, short
Table 2: Amenity Variable Coefficients for Entire Midwest Analysis

<table>
<thead>
<tr>
<th>Description</th>
<th>Interpreted Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Grocery Store within a 1/2 Mile</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Multiple Grocery Stores within a 1/2 Mile</td>
<td>-4.5%</td>
</tr>
<tr>
<td>1 or 2 Restaurants within a 1/2 Mile</td>
<td>-1.8%</td>
</tr>
<tr>
<td>3 to 5 Restaurants within a 1/2 Mile</td>
<td>-1.7%</td>
</tr>
<tr>
<td>1 or 2 Bars within a 1/2 Mile</td>
<td>Not Significant</td>
</tr>
<tr>
<td>1 School within a 1/2 Mile</td>
<td>6.4%</td>
</tr>
<tr>
<td>Multiple Schools within a 1/2 Mile</td>
<td>3.2%</td>
</tr>
<tr>
<td>1 Museum within a 1/2 Mile</td>
<td>-1.4%</td>
</tr>
<tr>
<td>1 Other Recreation within a 1/2 Mile</td>
<td>-1.4%</td>
</tr>
<tr>
<td>1 Religious Institution within a 1/2 Mile</td>
<td>Not Significant</td>
</tr>
<tr>
<td>Multiple Religious Institutions within a 1/2 Mile</td>
<td>-1.4%</td>
</tr>
<tr>
<td>1 Performing Arts Theater within a 1/2 Mile</td>
<td>5.7%</td>
</tr>
<tr>
<td>1 Hobby/Toy/Game Store within a 1/2 Mile</td>
<td>Not Significant</td>
</tr>
<tr>
<td>1 Department Store within a 1/2 Mile</td>
<td>-11.4%</td>
</tr>
<tr>
<td>1 Bookstore within a 1/2 Mile</td>
<td>4.5%</td>
</tr>
<tr>
<td>Multiple Bookstores within a 1/2 Mile</td>
<td>-2.7%</td>
</tr>
<tr>
<td>1 Clothing Store within a 1/2 Mile</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Multiple Gift Shops within a 1/2 Mile</td>
<td>8.7%</td>
</tr>
<tr>
<td>1 Florist within a 1/2 Mile</td>
<td>-3.5%</td>
</tr>
<tr>
<td>1 Supplemental Grocery Store within a 1/2 Mile</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Source: Land Policy Institute, Michigan State University, 2014.

Commutes and nearby shopping, did not register a positive association with sale price.

Another interesting finding, although not part of the hedonic analysis per se, was the connection between city Walk Scores and property prices. Midwest cities with a higher Walk Score than Lansing (47), included Royal Oak, MI (59), Traverse City, MI (98), Grand Rapids, MI (54), and Madison, WI (55), also appeared to have high property prices. This trend did not hold true for Flint, MI, which had a slightly higher Walk Score than Lansing (48), but significantly lower property prices (by 36%), nor for Lakewood, OH, which had a Walk Score of 68, but property prices that were not statistically different from Lansing. Davenport, IA, and Manitowoc, WI, had slightly lower Walk Scores (46 and 44, respectively), but higher property prices (by 8.7% and 10.3%, respectively).

While these results support the hypothesis that place elements can have positive economic benefits, as measured by increased property prices, not all amenities had the expected result, and the marginal price of certain amenities within walking distance of a home (one half mile) varies when compared across Midwest cities or when interacted with other amenities.

Further research on this dataset could include an analysis to measure the coefficients of interaction variables indicating the presence of one amenity.
(such as a school) and the absence of another (such as a liquor store). This analysis could provide additional information about the co-location of amenities with positive and negative coefficients. Another analysis could assess the “donut effect” of amenities; it has been suggested that people would like to be within walking distance of certain amenities without having them right next door. Measuring the presence of amenities between 500 feet and a half mile, for instance, could possibly capture this phenomenon. Of course, if the donut effect were significant, it would suggest some preferences (or lack thereof) for a mix of certain uses with housing.

The most important step for furthering this line of research would be to perform a similar hedonic analysis on a national, and perhaps international, scale. One problem with limiting the analysis to Midwest cities is that they tend to be more auto- than pedestrian-oriented. By analyzing the impact of place elements on property prices in cities that are already walkable, the presence of a relationship may be more readily apparent. This evaluation of model cities for place-based development would provide additional information on the potential economic benefit for Midwest cities, in particular Michigan cities, to embrace placemaking activities.

The next section provides a brief overview of current placemaking policies and programs within Michigan that seek to help Michigan communities to transform their downtowns to be more pedestrian-oriented, more appealing to young talent, more economically viable and in general, more sustainable places.

Table 3: Interaction Variable Coefficients for Entire Midwest Analysis

<table>
<thead>
<tr>
<th>Description</th>
<th>Interpreted Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Grocery Store and 1 Museum within a 1/2 Mile</td>
<td>-2.7%</td>
</tr>
<tr>
<td>1 Grocery Store and 1 Performing Arts Theater within a 1/2 Mile</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Multiple Grocery Stores and 1 Florist within a 1/2 Mile</td>
<td>3.1%</td>
</tr>
<tr>
<td>1 or 2 Restaurants and 1 Other Recreation within a 1/2 Mile</td>
<td>4.1%</td>
</tr>
<tr>
<td>3 to 5 Restaurants and 1 or 2 Bars within a 1/2 Mile</td>
<td>3.4%</td>
</tr>
<tr>
<td>1 or 2 Bars and Multiple Religious Institutions within a 1/2 Mile</td>
<td>-8.2%</td>
</tr>
<tr>
<td>1 School and 1 Bookstore within a 1/2 Mile</td>
<td>-11.3%</td>
</tr>
<tr>
<td>1 School and Multiple Bookstores within a 1/2 Mile</td>
<td>-6%</td>
</tr>
<tr>
<td>Multiple Schools and 1 Other Recreation within a 1/2 Mile</td>
<td>-9.2%</td>
</tr>
<tr>
<td>1 Other Recreation and 1 Department Store within a 1/2 Mile</td>
<td>Not Significant</td>
</tr>
<tr>
<td>1 Other Recreation and 1 Bookstore within a 1/2 Mile</td>
<td>2.5%</td>
</tr>
<tr>
<td>1 Religious Institution and 1 Bookstore within a 1/2 Mile</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Multiple Religious Institutions and 1 Bookstore within a 1/2 Mile</td>
<td>-5.1%</td>
</tr>
<tr>
<td>1 Performing Arts Theater and 1 Hobby/Toy/Game Store within a 1/2 Mile</td>
<td>Not Significant</td>
</tr>
<tr>
<td>1 Hobby/Toy/Game Store and 1 Department Store within a 1/2 Mile</td>
<td>Not Significant</td>
</tr>
<tr>
<td>1 Clothing Store and Multiple Gift Shops within a 1/2 Mile</td>
<td>-13.7%</td>
</tr>
<tr>
<td>1 Supporting Grocery Store and Multiple Religious Institutions within a 1/2 Mile</td>
<td>Not Significant</td>
</tr>
<tr>
<td>1 Supporting Grocery Store and Multiple Gift Shops within a 1/2 Mile</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

Source: Land Policy Institute, Michigan State University, 2014.
Part 5: Michigan’s Current Policies and Programs (MIplace Partnership Initiative)

OUT OF THE WORK OF THE SENSE OF PLACE COUNCIL AND THE INTERDEPARTMENTAL COLLABORATION COMMITTEE CAME AN INITIATIVE CALLED THE MIPLACE PARTNERSHIP, WHICH WAS CREATED TO PROVIDE EDUCATION AND TRAINING, TOOLS AND TECHNICAL ASSISTANCE WITH REGIONAL AND LOCAL PLANS TO MICHIGAN COMMUNITIES. THE GOAL OF THE MIPLACE PARTNERSHIP INITIATIVE IS TO CREATE MORE JOBS, ATTRACT AND RETAIN TALENTED WORKERS, AND RAISE INCOMES, AT LEAST IN PART, THROUGH TARGETED LOCAL AND REGIONAL PLACEMAKING ACTIVITIES; THEREBY RESTORING PROSPERITY IN MICHIGAN.

In the first phase of this study, it was discovered that there was a lack of understanding among several key stakeholder groups, including developers and lending institutions, about placemaking. In addition, a 2012 survey by LPI and MSU’s Institute for Public Policy and Social Research revealed that only 1.4% of Michigan’s population was “very familiar” with the term “placemaking” and another 13.1% were “somewhat familiar” with the term. The surveys that LPI conducted showed that many local government officials, developers, financial institution representatives and the general public believe in the positive economic impact of placemaking, though the process, methods and logistics are less clear. These findings suggest the need for some intervention by state leaders to provide stakeholders at the local and regional level with some education, training, tools and technical assistance to affect placemaking in Michigan communities.

The Michigan Sense of Place Council was formed by the Michigan Municipal League (MML) and the Michigan State Housing Development Authority (MSHDA), to bring together a diverse group of public, private and non-profit leaders to promote principles and practices that create attractive places to live, work and play, as well as encourage strategic activities that lead to retention and attraction of talent. This Council has worked diligently to coordinate State resources around “place-based” community investment, to support regional planning, and to gather evidence of the positive impacts of placemaking. The partnership of these stakeholder groups has been very important to the infusion of placemaking into policies and programs around the state and, in particular, in the state government.

In an address in 2011, Michigan Governor Rick Snyder stated, “I don’t separate placemaking from economic development. They are intertwined.” This commitment to place-based development has permeated state-level outlooks and actions over the
the past few years. It sparked the creation of a Placemaking Partnership Subcommittee of the Interdepartmental Collaboration Committee (ICC), a group of State agency directors and managers that harnesses the varied expertise of the different agencies to address complex challenges through balanced, consistent and innovative approaches. The ICC members include Michigan Departments of Agriculture and Rural Development; Environmental Quality; Licensing and Regulatory Affairs; Natural Resources; Technology, Management & Budget; Treasury; Transportation; the Michigan Land Bank Authority; and the MSHDA. The objectives of the ICC include fostering and promoting collaboration among and between entities engaged in economic development and placemaking.

Out of the work of the Sense of Place Council and the ICC came an initiative called the MIplace Partnership, which was created to provide education and training, tools and technical assistance with regional and local plans to Michigan communities. The goal of the MIplace Partnership Initiative is to create more jobs, attract and retain talented workers, and raise incomes, at least in part, through targeted local and regional placemaking activities; thereby restoring prosperity in Michigan. The MIplace Initiative, led by MSHDA with Michigan State University and the MML serving as major partners, consists of the following programs.

PLACEMAKING TOOLKIT

The ICC Placemaking Partnership Subcommittee has identified a number of existing State grant and loan programs that could be modified to assist local placemaking without statutory or rules changes. In addition, the group established a set of criteria to guide State agencies in making grant, loan and technical assistance decisions based on local commitment to Strategic Placemaking principles. These existing programs, including both financial resources and technical assistance programs, are provided in a searchable database at the MIplace initiative website: www.MIplace.org.

The website also includes information about what Michigan downtowns and neighborhoods have to offer, placemaking research studies, placemaking publications available online, Michigan case studies, news and events.

EDUCATION AND TRAINING

During 2013, the MIplace partners created and rolled out the first comprehensive curriculum on placemaking ever developed anywhere in the nation. This six module series (more than 2,200 slides) is available at three levels (teacher/practitioner – 300 level; interested stakeholder – 200 level; and introductory – 100 level). Teaching time for all six modules varies from 36 hours (about six hours per module at the 300 level) down to six hours (about one hour for each module at the 100 level). About 3,800 people were exposed to the curriculum between July 1, 2012 and June 30, 2013; and another 1,200 were targeted for the rest of 2013. More than 300 staff within six major State agencies were trained on placemaking through this curriculum. The curriculum includes:

- Module 1: People, Places and Placemaking;
- Module 2: Economics of Place;
- Module 3: Neighborhoods, Streets and Connections;
- Module 4: Form Planning and Regulation;
- Module 5: Collaborative Public Involvement; and
Trainings will continue to be offered by the MIPlace partnerships over the next two years to interested stakeholder groups. Classes will be taught by the 120 individuals who have been trained in the instruction of placemaking curriculum. A guidebook synthesizing the curriculum is being prepared by the MSU Land Policy Institute in Spring 2014.

**PLACEPLANS**

Through “PlacePlans,” the Michigan Municipal League and MSU School of Planning, Design and Construction (SPDC) are assisting communities in planning a specific, high-impact, place-based project to spark momentum for long-term success. Activities include cataloguing assets; setting strategic priorities; integrating place-based development within master plans and other formalized strategies; selecting technical expertise for preparing specific studies, materials, designs and plans (such as a downtown residential market study; a design charrette for a key public space; or a multi-modal transportation plan), executing public engagement strategies and implementing on-the-ground projects.

In the first phase that took place from July 2012 through August 2013, MML and MSU completed four PlacePlans to demonstrate how planning can be used to identify and prepare for local placemaking implementation efforts. In the current phase that started September 2013 and will wrap up at the end of August 2014, products will include eight PlacePlans, four by MML and its consultant team, and four by faculty and students at MSU’s SPDC. For each community project, the final product to the community will include a:

- Catalogue of place-based assets and a comprehensive list of key stakeholders;
- Prioritization of potential place projects;
- Specific action plan, and/or conceptual design related to a selected project; and
- Final report document that recaps methodology, relevant findings, potential barriers to success and suggestions for leveraging resources and partnerships.

**PLACEMARKET**

PlaceMarket is a marketplace of successful, completed placemaking projects that enhance the stability of a community and the quality of life within it through physical improvements, as well as social and entrepreneurial activities, which create a sense of place. These are scalable solutions that include step-by-step guides, supporting materials and documentation. PlaceMarket also serves as a network of place makers on the ground, doing the work.

The Michigan Municipal League and other members of the Sense of Place Council have created more than 37 PlaceMarket case studies of placemaking in action at the local level in Michigan, which are all available at the MIplace website.

In the current phase of the MIplace initiative, the number and range of PlaceMarket case studies will be expanded.

**MEASUREMENT AND OUTCOMES**

In order to assess the progress of the MIplace initiative, various metrics are under development to document work completed and its impact, including surveys of people participating in a training, and those using various tools and technical assistance resources. The LPI will analyze participant data from training programs using the curriculum and feed data into the metrics analysis for the Initiative. The LPI and MSU Extension Greening Michigan Institute have created a follow-up survey instrument and process.
to send to persons that attended the Placemaking training a few months earlier and will feed results into this process as well.

The MIplace Partnership Initiative seeks to create jobs, raise incomes and restore prosperity in Michigan through targeted local and regional placemaking activities. The most effective approach to achieving this goal encompasses broad education/training of State and local government staff and officials and key stakeholders about the “what” and “how” of placemaking; toolkits and direct technical assistance for local officials and stakeholders; regional and local strategic action plans for targeted placemaking improvements; local engagement; and specific local project action plans. A significant amount of State, regional, local and private resources in Michigan will be marshaled to make significant physical change in a relatively short period of time, through the support and guidance of the Sense of Place Council, ICC Placemaking Partnership Subcommittee and the MIplace Initiative.
Part 6: Recommendations

Based on the results of this placemaking study, the following recommendations for further research, outreach and implementation are proposed.

1. MOVE BEYOND MIDWEST BOUNDARIES TO UNDERSTAND AND MODEL PLACEMAKING:
   Naturally, a study performed for Michigan began with research phases in the state and the broader Midwest region. However, given the understanding that this state, as the birthplace of the automobile, is predisposed to auto-orientated community design, it would seem to be beneficial to extend the analysis outside of Michigan and the Midwest to assess the economic value of place-based characteristics in more pedestrian-oriented locations. While there is general concern that successful models from other places won’t be applicable to Michigan urban areas, there are ways to adapt place-based development techniques to cooler weather climates. If people, particularly young knowledge workers, are attracted to places like Chicago, IL; Minneapolis, MN; Portland, OR; and Seattle, WA, weather will not deter them from coming to Michigan cities with the right urban atmosphere.

2. DISCOVER HOW FORM AND SOCIABILITY INTERACT WITH FUNCTION TO CREATE POSITIVE PLACE-BASED DEVELOPMENT: One limitation of the property price study was its main focus on the functional characteristics of place, largely based on secondary data and people’s perceptions of existing infrastructure. While an attempt was made to better understand the “quality” aspect of place-based characteristics through the Midwest Placemaking Survey, the data reflects subjective perceptions, rather than a consistent, objective assessment. The results instigate more questions. Is the grocery store around the corner a “Mom and Pop” or big box store? How many people use this park on the weekend? Would parents feel safe letting their children cross the street at this intersection? Further analysis with on-the-ground data collection about form and sociability characteristics of place, and their interaction with function, could create a more robust model and permit the further investigation of the value of place-based development.

3. TAKE A HOLISTIC VIEW OF THE SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACTS OF PLACEMAKING: This study begins to evaluate some of the local economic impacts of place-based development, but property price effects are simply one measure of the benefits of placemaking. Other studies have assessed the impacts of place-based characteristics, or the products of placemaking. For instance, Leinberger’s WalkUp studies include measures of social equity in walkable...
urban places. The MIT’s Department of Urban Studies and Planning suggests the following categories of metrics for placemaking success: Use & Activity, Economic, Public Health/Healthy Living and Social Capital (MIT, 2013). In addition, the actual process of placemaking, not just its creations, can have benefits for improving governmental, business and civic processes. Furthermore, placemaking, like any other policy or program, can have unintended, negative consequences. As was mentioned in the first LPI report on Building Prosperous Places in Michigan, placemaking efforts can lead to developments that are not affordable for workforce or low-income households. To obtain a truly comprehensive view of the value of placemaking, these other potential and real impacts should be measured.

4. DEVELOP A COMPREHENSIVE “PLACE” METRIC OR SET OF METRICS: Walk Score is probably the best existing aggregate measure of place-based development, but it has some limitations. Walk Score uses proprietary algorithms and data on locations of a variety of destinations (weighted for importance) to measure the walkability of a physical address. For instance, the presence of a grocery store within walking distance of a property contributes to a higher Walk Score. Given the finding of this study that presence of grocery stores can sometimes be negatively related to property price, these destinations may not consistently enhance walkability or other place values. Walk Score is limited in its ability to account for other things, such as street width, sidewalk width, block length, street design, safety from crime and traffic, topography, natural walking barriers, bodies of water or inclement weather conditions (Carr et al., 2010). Furthermore, walkability only comprises a part of what place-based development is really about; it is an excellent proxy, but not a full measure. On the other end of the spectrum, the Irvine Minnesota Inventory (IMI) to Measure Built Environments is a 162-item audit tool that can be used to collect objective data on a variety of aspects of place, such as aesthetics, connectivity, form, pedestrian amenities, safety, public safety, traffic, etc. While Walk Score is readily attainable through the internet, and based on existing GIS data, the IMI requires intensive primary data collection. Developing an in-between scoring system, with the accessibility of Walk Score and the thoroughness of the IMI, would be beneficial to establishing place benchmarks and metrics. These metrics can then be used to evaluate the efficacy of placemaking efforts.
5. CONDUCT TARGET MARKET ANALYSIS FOR THE RESIDENTIAL AND COMMERCIAL ASPECTS OF PLACE: It is important to include existing community residents and businesses in placemaking activities; their values, ideas and goals for the places where they live and work are important to preserving and enhancing quality of life. However, with so many demographic and economic changes at play in Michigan, the nation and the world, it is also critical to understand the values, ideas and goals of other people and businesses that currently don’t reside in these communities, especially those that we want to attract for creating more diverse, welcoming, economically competitive places. Target market analyses can help communities to be more informed about what growing population segments want to see in their neighborhoods and communities, aiding in the effective implementation of place-based economic development.

6. DEFINE BEST PRACTICES FOR INCLUDING PEOPLE (ESPECIALLY UNDERREPRESENTED POPULATIONS) IN THE PLACEMAKING PROCESS: Once again, placemaking is about creating spaces with a high quality of life that is attractive to people and businesses. In order to do so, placemaking efforts need to engage and empower people to participate in helping to shape their community. Some groups, such as low-income households, LGBTQ (lesbian, gay, bisexual, transgender or questioning) individuals, minorities, persons with disabilities, immigrants and students, tend to be underrepresented in community planning processes. Communities that engage in placemaking need a set of best practices for ensuring that underrepresented populations are included. Activities like easily accessible charrettes, online/social media surveys and “Lighter, Quicker, Cheaper” projects can help to engage people from a variety of backgrounds in the placemaking process.
Part 7: Conclusion

At the national level, people believe that there is a connection between placemaking and economic development, as well as between placemaking and quality of life. Their perceptions about whether their neighborhood and community are better places to live now than five years ago appear to be associated with place-based characteristics, such as visual appeal, mixed-use, shopping, social activities, bike lanes or paths/trails, arts and culture experiences and public transportation. People stated that they want a variety of amenities within a 10-minute walk of their home, including neighborhood grocery stores, farmers’ markets, independent local merchants, sandwich shops, coffee shops, parks with multiple uses, libraries, movie cinemas and art fairs. These findings are consistent with past studies that sought to understand what people want in their neighborhoods, like the National Association of Realtors’ Consumer Preference Survey.

The second phase of the Rebuilding Prosperous Places project sought to address two major questions related to placemaking:

1. How do citizens view placemaking, both in terms of what value it has for their communities and what types of “place amenities” they like to have within their neighborhoods?

2. What economic value does place-based development derive in a neighborhood, as measured by the change in housing prices in places that boast such characteristics as walkability, access to green space and mixed-use developments?

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findings are consistent with past studies that sought to understand what people want in their neighborhoods, like the National Association of Realtors’ Consumer Preference Survey.

However, there is a general ambivalence about the pros and cons of living in denser, busier communities, particularly among the rural and suburban respondents. Many people indicated a preference for rural and suburban locations, larger lots, suburban parks and a separation of other types of land use from housing. Though the survey may be skewed toward rural and suburban respondents, some respondents from urban transects also noted these preferences. Due to the negative externalities associated with some amenities, like traffic and crime, people prefer not to have certain amenities (like bars and malls) within walking distance, but somewhere else in their community. Despite an understanding that placemaking improves economic well-being, concerns about how it might encourage crime, noise and higher expenses still exist and should be addressed.

Certain demographics, including young people (age 25 to 34), non-white households and low-income households, are more likely to live in urban areas, whether by choice or necessity. Results support the growing evidence that there are groups of people who prefer highly walkable, mixed-use, green developments with access to a variety of amenities. Young people are more likely than older age groups to want bars, entertainment, restaurants and arts and cultural venues within walking distance of their home. Because these demographic groups are large and growing, their desires are likely to be influential in downtown revitalization, assuming that they have access to planning and placemaking processes.

In the Midwest, walkability was noted as a preferred neighborhood feature. It is one of the factors that is often involved in people’s decisions to purchase or rent their homes. Many people in these 11 Midwest cities indicated that they walk often (most likely for recreation, as well as to reach destinations) and prefer to walk to destinations that are within a 15-minute walk of their home. Among those surveyed, the older age brackets appear slightly more likely to walk often (age 40 to 64) and slightly more willing to walk farther distances than their younger counterparts. Younger people (age 18 to 34) exhibited a stronger preference to walk to destinations that are less than 20 minutes away. The aesthetics and perceived safety of neighborhoods has an impact on whether and how far people are willing to walk to reach destinations, as did safety. Walking showed a positive relationship to health and happiness, as well. Midwest respondents reported that their neighborhoods are fairly walkable for a number of amenities; a majority of people could walk to a school, park, transit stop, grocery store, convenience store, retail store, entertainment venue or eating/drinking establishment in 20 minutes or less. Most homeowners rated the quality of their nearest amenities, including grocery stores, parks, restaurants, gas station/convenience stores and coffee shops, as high or very high quality.

Not all place-based attributes were viewed as important. Among the factors that were least likely to affect the decision to purchase or rent a home were historic significance, energy efficiency and the availability of employment opportunities. In addition, while being close to one’s job or having a short commute time, was viewed as important, most people said that walking to work would be impractical, because it was too far away. There are many garages and plenty of off- and on-street parking in these Midwest neighborhoods, which suggests auto-orientation.
Historic preservation, energy efficiency and job opportunities have been noted as important components of placemaking.

Just as there appear to be some mixed preferences for place-based attributes based on survey responses, the connection between place features and economic value (specifically, property prices) in the 11 Midwest cities varied as well. The results of the hedonic analysis suggested that the value of having a certain amenity near a house could have an impact on its property price; however, it does not appear that one type of amenity always had a positive value in every neighborhood, while other types always had a negative value.

Across the Midwest cities, close proximity to some amenities, like schools, theatres, bookstores and gift shops, appeared to be positively related to home sale price. However, proximity to other amenities, like grocery stores, restaurants, museums and department stores, appeared to be negatively related to home sale price.

These results were somewhat surprising since a majority of people surveyed, at least at the national level, indicated a preference for grocery stores, restaurants and museums within walking distance. Furthermore, having two amenities with a positive marginal price within a half mile of a home did not necessarily have a greater, positive marginal price than those amenities independently. In fact, in most cases, the effect of two positive amenities within a half mile had a negative marginal price. Conversely, having two amenities with negative marginal prices within a half mile sometimes had a positive relationship to home sale price. Again, these results are confusing, because having multiple amenities within a half mile suggests true walkability, which was a noted preference among Midwest survey respondents and has also been shown to be positively related to residential housing a commercial prices (Cortright, 2009; Leinberger, 2013).

The marginal price of proximity to a certain amenity does not appear to be the same across the 11 Midwest cities. This result could mean that people in one city value being able to walk to that amenity, while people in another city don't. It could also be the result of “noise” or omissions in the models; that is, the amenity's other characteristics or other features of the neighborhood are making it difficult to measure the impact of amenity proximity.

It is likely that there are other aspects of the amenity besides close proximity that could also affect home price, such as the quality or affordability of that amenity. It is also likely that the relationship between amenity proximity and home sale price was not linear; that is, having the amenity abutting the property could have a negative marginal price, while being a little farther down the block could have a positive marginal impact. Further research is needed to discover what other neighborhood elements related to placemaking, such as quality of amenities, form (streetscape, aesthetics, etc.) and affordability, are related to property prices. A better understanding of the nature of the proximity relationship is also needed. A more detailed analysis, with primary data collection of both quantitative and qualitative information, should be conducted on a national scale.

The hedonic model that utilized perception-based data (from the Midwest survey), as opposed to physical locations measured by spatial data, returned mixed results as well. Some elements of place-based development, like parks and recreation, shade trees and having great neighbors, appear to have a positive relationship to sale price. A high-quality look and feel of a walk in the
neighborhood also added to home prices in these 11 cities. However, other place-based elements, such as porches, short commutes and nearby shopping, did not register a positive association with sale price, despite being noted as influential factors in the decision to purchase one’s home.

It is clear that people recognize the value of placemaking activities, particularly to economic development and quality of life in their communities, but there is still a gap in understanding about placemaking concepts and capacity to carry out these activities. There is also a general mindset, particularly among rural and suburban residents, that more compact development can have negative impacts on neighborhoods, creating an environment where there is more traffic, crime, lack of affordability and general congestion. However, when placemaking is done in a deliberate way, bringing all of the affected parties to the table to vision and plan, these negative externalities can be minimized.

While these findings support previous literature on place trends, the value of place-based elements and citizen perceptions of placemaking, certain results suggest that many people maintain a “sprawl” mindset toward community design and development (including separation of uses, low-density development and isolated residential areas); that downtown areas, particularly in the Midwest, still exemplify an auto-oriented, as opposed to people-oriented, built environment; that close proximity to single amenities does not have a clear relationship to sale price across geographic areas; and that there is not yet a “magic” recipe for a mix of amenities within a walkable neighborhood, at least with respect to higher property prices. These circumstances warrant further investigation into the quantifiable benefits of placemaking; continued education of community leaders, stakeholders and citizens as to the benefits and logistics of placemaking; and provision of resources, tools and technical assistance to communities interested in placemaking. The MPlace Partnership Initiative is helping to educate and train the myriad stakeholder groups involved in placemaking at the local and regional level and providing resources and technical assistance to implement these strategies.

Rural and suburban communities, many with a high quality of life, are available to people who would prefer to have the space, privacy and isolation afforded by low density neighborhoods. However, existing downtowns and major urban centers, particularly in Michigan, are in need of targeted strategies to improve the quality of life for residents and to attract young talent. In order to be globally competitive in aggregating the knowledge and creative resources necessary to a thriving economy, Michigan and other Midwest states must have functional downtown, or urban core, places that have good form and evoke positive feelings among residents and visitors. Placemaking efforts can help these communities to achieve more choices in housing and transportation; opportunities for improved social interaction; more variety in entertainment, cultural and recreational offerings; more green space; greater human diversity; and more business and entrepreneurial activities—places where people want to live, work play and, most importantly, stay.
Part 9: References


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