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**Hamilton Community Foundation
Downtown Revitalization Initiative**

*An Overview of
Current Downtown Revitalization Literature and Practices
& the Hamilton Context*

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An Overview of Current Downtown Revitalization Literature and Practices & the Hamilton Context

Many practitioners and theorists in a wide variety of disciplines are examining the changing environment of cities and the forces acting on them, as the emphasis in North America moves from an industrial-based economy to a knowledge economy. An in-depth study of any of these factors or examples would be possible – what follows is a summary of some key points. References are footnoted, in case readers want to dig deeper into specific areas.

This paper, written for the Advisory Committee to Hamilton Community Foundation’s Downtown Revitalization Initiative, begins with a brief overview of some key ideas, and then moves to a summary of several important expert perspectives on urban revitalization. Sections 3 and 4 contain brief examples of work in other cities. We then turn to the local environment. Sections 5, 6 and 7 review the City of Hamilton planning and economic development contexts, and Section 8 lists some of the revitalization initiatives underway in Hamilton. Section 9 gives an overview of the different roles foundations can play in downtown revitalization. Section 10 concludes the paper with some common threads.

Our hope is that this paper provides context for discussion and stimulates ideas for the Advisory Committee. It is not meant to be exhaustive.

Section 1: Some of the Key Ideas

A New Economy and the Pace of Change

The engines of economic prosperity in North America are changing. The old industrial base is eroding and a new economy is rising, shaped by new technology and globalization. Older cities that once boomed because of industries like steel and heavy manufacturing are declining and trying to find their place in the new economy. Some authors refer to the “rust belt” cities where industry has declined dramatically. Not only is the economy changing, but the pace of change and innovation is accelerating.

Creativity and Innovation

Because of these new technologies and the acceleration of change, knowledge and *creativity* will be at the centre of success in the new economy. Concentrations of skilled people (rather than raw materials) are the engine of growth. The relative importance of location, including easy access to raw materials or transportation, which were critical in the old economy, is decreasing. Access to well-educated pools of creative people is what counts. Human capital, centres of innovation, and research institutions are key assets in the new economy. Fostering the connections between them and the business community is critical.

Livable Cities

Cities must be livable to attract the creative and skilled people to fuel the new economy. Studies show that quality of life is more important to attracting high technology firms, for example, than are traditional factors like taxes or land costs. Cultural life, diversity, environmental quality, and digital infrastructure are some of the magnets in the new economy.

Regionalism and Clusters

While cities are crucial, the new economy is regional (and global) rather than local. Cities and their suburban regions need to plan regionally. Within cities and within regions, the notion of ‘clusters’ of enterprises is important – businesses that share infrastructure or markets or knowledge, and that cluster together to create economies of scale and synergy.

Turning Negatives into Positives

Cities are the natural location for pools of creative people – if the city can attract and hold them. Old economy negatives can become new economy assets: density, diversity, turn-of-the-century architecture, vacant warehouse space etc. Responsiveness and flexibility are needed to attract new economy opportunities and capitalize on the city’s assets.

Inclusion

Those at the bottom of the ladder in the old economy can get left behind in the new economy. Cities must create opportunities for them. Reducing poverty and reducing its concentration in specific neighbourhoods raises up the entire region.

Section 2: A Few Top Thinkers in the Field

A number of academics and practitioners in a variety of disciplines are exploring themes related to downtown revitalization. These are just a few.

A. Michael E. Porter, Harvard Business School

Michael Porter has been writing about economic development in inner cities since the early 1990s. In 1994 he founded the Initiative for a Competitive Inner City, a national non-profit organization that aims to help inner cities create jobs and wealth for local residents.

Professor Porter’s approach¹ is market-based. He argues that permanent, sustainable solutions will only come if viable businesses proliferate in the inner city. Social solutions have not generated the jobs and economic vitality required to sustain these areas. He

¹ These ideas are detailed in “The Competitive Advantage of Inner Cities” by Michael E. Porter in the *Harvard Business Review*, May-June 1995.

believes that it is possible for the private sector to create a sustainable economic base in inner cities, if the “genuine competitive advantage” of the inner city is developed.

He identifies four competitive advantages inner cities have: strategic location, local market demand, integration with regional clusters, and human resources.

- *Strategic location*: inner cities have population density, proximity to downtown business districts, transportation, concentration of companies and cultural assets etc. For some businesses (Boston’s food processing cluster that depends on quick transportation and access to downtown restaurants, for example), those are competitive advantages that can be exploited, especially given the current focus on just-in-time delivery of goods. He flags laundry service for hospitals as an example of business that may now be outsourced to the suburbs but that could exploit the advantage of strategic location in the inner city.
- *Local market demand*: most inner cities are poorly served, especially by retail, financial and personal services. Although average incomes may be low, the density of population creates a substantial market. He argues that inner city populations are a major growth market that has not been tapped, especially for “micro segmented” approaches that respond to the youth and ethnic diversity of the inner city population. Porter cites the example of Boston’s inner city, Cuban-owned supermarket chain, ‘Americas’ Food Basket” which has succeeded by meeting local market need and has translated that into regional success.
- *Integration with regional clusters*: proximity to a regional cluster of similar industries or companies that share relationships with suppliers or customers (for example clusters of financial industries, auto parts manufacturers, or high tech companies) is a key competitive advantage, in Porter’s view, in two ways. First, businesses can be created to supply components or support services to the cluster; and second, the cluster can provide access to “downstream products and services” not already exploited by the cluster in the inner city, for example financial services tailored to the needs of inner city residents. Cities can take advantage of the link to regional clusters and upgrade the cluster through training and technology, thus strengthening the city’s economic base.
- *Human resources*: attracting businesses to the inner city depends on a good fit with the available labour pool. Appropriate jobs may be low-skill initially, but successful job creation will raise the level over time. Porter argues that inner cities have a pool of motivated, talented, and entrepreneurial residents who want to work and are capable of business success if given the right opportunities.

In a 2004 interview², Porter reflected that of the four factors above, access to transportation and available labour force were the top two that inner city businesses tell him are most advantageous. He added access to broadband telecommunications as another inner city advantage.

In his seminal 1995 article, Porter also outlines the *disadvantages* that businesses face in locating in the inner city and notes that they are often “needlessly inflicted by

² Michael E. Porter, Q & A with Mike Hofman, *Inc. Magazine*, May 2004

government” and must be addressed directly. Among the disadvantages of the inner city are:

- *Land*: vacant land, though it may be plentiful, is often in small parcels and sometimes plagued with expensive environmental or legal issues.
- *Building costs*: costs to build downtown are often higher than in the suburbs, and regulatory issues are more complex. Wait times and uncertainty related to permits make financial planning difficult.
- *Other costs*: utility, insurance, taxes and other fees are often higher than in the suburbs. Excessive regulation often drives up costs and acts as a barrier to entrepreneurship.
- *Security*: crime (both real and perceived) drives up costs for security services, increased lighting, cleaning etc. Fear of crime also discourages both employees and customers from working in or patronizing inner city businesses.
- *Infrastructure*: the capacity of the transportation infrastructure has fallen behind in most inner cities – on-ramps, links to downtown, access to rail and airports are inadequate, especially given the importance of linking to regional clusters
- *Employee skills*: inner city residents have low skills, while the proportion of low-skill job opportunities is declining
- *Management skills*: inner city entrepreneurs (and most small business owners in general) lack formal management training and, therefore, are weak in strategy development, process design, securing financing and other necessary business skills
- *Capital*: most inner city businesses have little access to debt capital from major financial institutions or equity capital from family or personal networks.
- *Attitudes*: anti-business attitudes in the inner city, among some workers, community leaders and social activists, are barriers to attracting businesses.

Porter maintains that to build on these assets and overcome the obstacles, business, government, and the non-profit sector must work together and accept that private sector economic development is the driving strategy of this model. Business development in the inner city must be profitable in order to flourish.

Porter’s model requires “rethinking the inner city in economic rather than social terms” and a change in entrenched positions on the part of all stakeholders.

He lays out four ways the *private sector* should take advantage of the inner city opportunity:

- Create and expand business activity in the inner city, tailoring goods and services to resident needs and hiring locally
- Establish relationships with inner city companies, like joint ventures and customer-supplier relationships to help inner city companies export
- Redirect corporate philanthropy from social services to business efforts, such as supporting training that is specific to industry clusters or management assistance to existing companies
- Adopt a more appropriate model for equity capital investment

The role of *government* should also change, Porter argues. Governments at all levels can support inner city economic development by:

- Directing resources to the areas of greatest economic need, like the inner cities
- Reducing regulatory costs, streamlining permitting processes, and investing in appropriate infrastructure
- Delivering economic programs through mainstream private sector institutions (like venture capital firms and commercial banks) rather than small community-based non-profit agencies or other social service organizations that may not have the necessary expertise or scale. Government can help to make financing in the inner city profitable, for example, by relaxing paperwork or providing incentives or tax breaks to banks that provide loans or equity capital to inner city businesses
- Aligning incentives in government programs with economic performance

Community organizations should also play a different role, based on four principles:

- Identify and build on their strengths, which generally are not business-oriented
- Work to change attitudes, to promote acceptance of the role business and the private sector play in economic development in the inner city
- Create work readiness and job referral systems to prepare, screen and refer employees to local businesses
- Facilitate commercial site improvement by bringing stakeholders together to address shared concerns³

In 1999, Porter’s Initiative for a Competitive Inner City (ICIC) and *Inc. Magazine* created the “Inner City 100” to highlight the most innovative and fastest-growing private companies in the inner cities, to prove that businesses can thrive there and to support their efforts. In a 2004 interview about the ranking⁴, Porter reported that there are about 800,000 companies in the distressed areas of the USA’s 100 largest cities, and that 80,000 of them gross more than a million dollars in annual revenue. They are providing secure jobs, and, he said, tend to “pay higher than average wages. They disproportionately offer health care, retirement benefits, and life insurance. Many of them have programs to help their employees with home ownership. Some of them actually insist that their employees go back to school part-time as a condition of employment. [...] I think it’s not understood how powerful business is in addressing the social agenda.” In 2007, the “Inner City 100” companies achieved an average growth rate of 535 percent, created more than 11,800 new jobs, and employed more than 19,000 people – of whom one-third live in the inner city.⁵

The ICIC has developed a massive database on the inner city economies of the 100 largest US central cities. Two recent research findings from ICIC research⁶ are noteworthy:

³ “The Competitive Advantage of Inner Cities” by Michael E. Porter in the *Harvard Business Review*, May-June 1995.

⁴ Michael E. Porter, Q & A with Mike Hofman, *Inc. Magazine*, May 2004

⁵ ICIC website: <http://www.icic.org/site/c.fnJNKPNhFiG/b.3454055/>

⁶ Data from the “Ideas” pages of the ICIC website: <http://www.icic.org>

- The construction, housing and real estate cluster in inner cities is one of the strongest drivers of urban revitalization. In 2005, it was the third largest employment cluster in the inner city, behind health services and commercial services. In addition to bringing infrastructure to the inner city, this cluster brings jobs, income and wealth for residents. The cluster includes two sections: heavy construction such as bridge, highways etc., and local real estate and construction.
- Retail opportunity in the inner city is significant: according to ICIC’s 2006 research, most inner city populations are still under-served, although some cities have made significant strides since 1997 when the first study was undertaken. The study estimates unmet demand at \$40 billion in the 100 inner cities in the database.⁷

B. Richard Florida, University of Toronto (formerly George Mason University, Washington DC)

Florida’s 2002 book, *The Rise of the Creative Class*, argues that the “creative class” – skilled people in a wide range of fields including finance, high-tech, science, health care, law, the arts and others – are the engine of the economy. These people are attracted to locations where they can enjoy diversity and a high quality of life. Moreover, jobs are attracted to the cities where the creative class achieves critical mass. Rather than people being attracted to locations where jobs are, jobs flow to where the people are.

In a subsequent (2005) book, *The Flight of the Creative Class: The New Global Competition for Talent*, Florida maintains that the extreme mobility of the creative, high-skilled workers means that cities must compete to attract them. He warns that the traditional openness of the United States, which has been the magnet for creative people throughout its history, is threatened and other cities in the world are overtaking American cities in the competition for talent.

Florida proposes “three Ts” of economic growth: technology, talent, and tolerance. While many other economists have stressed the first two, Florida adds that tolerance – an open society that celebrates diversity and accommodates difference – is equally critical to economic vitality. In the creative economy, talent and technology is not static; it can flow from place to place and concentrate in one region rather than another. Therefore the third “T” is crucial as a magnet for the first two. “My research,” he says, “finds a strong correlation between on the one hand, places open to immigrants, artists, gays, bohemians, and socio-economic and racial integration, and on the other, places that experience high-quality economic growth. Such places gain an economic advantage in both harnessing the creative capabilities of a broader range of their own people and in capturing a disproportionate share of the flow.”⁸

C. Partners for Livable Communities: Creative City

⁷ ICIC website: <http://www.icic.org/site/c.fnJNKPNhFiG/b.3472511/>

⁸ Richard Florida, *The Flight of the Creative Class*, page 39

Partners for Livable Communities is a non-profit organization based in the US that has worked since 1977 to build public/private coalitions and share knowledge on community and economic development. It provides learning and leadership through a resource network of 1200 individuals and groups.

In its resource paper called “The Creative City: Power for the New Economy,”⁹ Partners for Livable Communities summarizes the experience of many cities into one framework for urban prosperity.

It maintains that to succeed in the new economy, cities will need to be “some or all” of the following:

- Attractive as a place to live and work
- Magnets for visitors
- Capable of regenerating their economic base
- Equipped to seize new economy opportunities

Partners for Livable Communities describes ten strategies that contribute to achieving the above conditions:

1. **Developing 24-Hour Downtowns:** office space is not enough in the new economy. A vital downtown needs facilities, businesses, housing and infrastructure (safe streets, hotels, cultural institutions, mixed housing, shopping, entertainment are examples) that attract residents and visitors to the core, encourage interaction, and support life, work and play throughout the day and night. A strong central city will have a positive impact on the whole region, including the suburbs.
2. **Fostering Cyber-districts:** many cities are finding that their old commercial and industrial areas (late 19th Century and early 20th Century buildings and districts) are attractive to companies and workers in the new economy. Live-work space in old warehouses can develop into neighbourhoods with strong residential, retail and cultural components because of relatively low rents. Some cities are actively encouraging this concentration.
3. **Accenting Amenities:** highlighting and capitalizing on natural assets of the downtown, like waterfront.
4. **Creating Destinations:** using the downtown as a geographic focus for business and recreation visitors, and creating facilities (waterfront development, convention centers, sports facilities, performing arts centres, cultural districts, gaming casinos, historic preservation etc.) that people want to visit.
5. **Upgrading Old Economy Enterprises:** although attracting high tech companies is important, technology can also be used to revitalize old economy industries. The paper describes three different ways this can happen: incorporating technology into an industry to increase productivity and competitiveness; reconfiguring assets of a declining industry to create the core of a new industry; and capitalizing on resources left in a community by a disappearing industry. Incorporating current technology into

⁹ Partners for Livable Communities, “The Creative City: Power for the New Economy Resource Paper” Washington, DC. http://www.livable.com/creative_city/res_paper.htm

small manufacturing in Cleveland is cited as an example of success, as is Akron's shift from rubber to polymers.

6. **Capitalizing on Clusters:** high tech, high growth companies don't flourish in isolation. The same is true for other industries. Innovation is a "social process" and the networks it depends on function best when they are clustered geographically. Clusters can arise naturally or they can be initiated. The competitive advantage of clustering comes from the connection between related industries, suppliers, services, and "foundations" like workforce skills training, shared infrastructure, efficient regulatory procedures, financing, etc. Charlotte North Carolina identified six new and old economy clusters: financial services, transportation/distribution services, and high-growth manufacturing, as well as three emerging clusters – information-related services, software, and travel and entertainment services – and has based its region-wide strategy on accelerating cluster development in concert with enhancing quality of life and achieving social equity.
7. **Nurturing Networks:** targeted effort can develop the collaboration between research and educational institutions and local companies. Research can be made available to business, and academic programs (like biomedical research, advanced materials etc.) can create a hub of innovation that stimulates existing companies and attracts new ones. Pittsburgh and Carnegie Mellon University, and San Diego and University of California San Diego are two examples cited.
8. **Attracting High Tech Investment:** location factors for high-tech companies tend to be clustering with similar companies, availability of a highly skilled workforce, and quality of life. "In the new economy, quality of life has become a community's most valuable asset. Quality of life is a resource that can be augmented or degraded... Just as companies now compete on quality, so too will communities compete on quality now."¹⁰ Boise, Fargo, Oakland and Louisville have all carried out high-tech attraction programs. A "10-step" strategy has been illustrated in Seattle over several decades.
9. **Capturing New Economy Spin-offs:** business functions like call centres, order fulfillment, and back office operations (including the traditional processing functions needed by major financial services corporations and others) can now be divided off and located anywhere. They are often not highly skilled jobs and can offer opportunity for a wide range of local residents.
10. **Investing in Human Capital:** studies consistently show that labour force quality is the top factor, or one of the top factors, in business decisions about where to locate or expand. The importance of human capital has only increased in the new economy, with "soft skills" like creativity and adaptability being added to the sought-after specialized skills and education. Investing in human capital, through local opportunities for life-long learning, is critical now. Quality is crucial at all levels: cities with high quality from elementary school through to advanced research institutions are at a distinct advantage, not only in providing a skilled labour pool, but in retaining workers. Highly mobile new economy workers will not stay in communities where schooling for their children is not first class. Examples cited include Louisville, where the City, UPS and Metropolitan College built a powerful

¹⁰ Collaborative Economics (1998) quoted in "The Creative City: Power for the New Economy."

public-private education and training partnership that attracted a 6,000-job UPS expansion to Louisville. In Omaha, the business community has been involved in all aspects of the education system (early education, safe schools, high school standards, higher education etc.) since the 1990s.

In order for any of these ten specialized strategies to be effective, however, cities need also to *take care of “the basics”*: an efficient and effective local government, safety, education, fiscal health, and local responsiveness.

Moreover, efforts to encourage and sustain a creative city depend on *effective leadership* that provides vision, direction, widespread ownership, and sustained partnerships. Leadership needs to come from business and government, but the new economy is less hierarchical and successful initiatives will involve broader collaboration. Neighbourhood representatives and civic organizations are more likely to be involved than in the past. The new leadership is entrepreneurial, flexible, creative, collaborative, open, inclusive, and connective. Leadership and partnership are inseparable.

The paper concludes with Rosabeth Moss Kanter’s seven “qualities of mind” that lead to success for leaders of creative cities:

- Display curiosity and imagination
- Are adept at communication with others, near and far
- Are cosmopolitans not confined to a single world view
- Can grasp complexity
- Are sensitive to the range of human needs
- Can work with other people as resources rather than as subordinates
- Lead through the power of their ideas¹¹

D. Community Development Partnerships’ Network: Shared Regional Prosperity

In 2005, PolicyLink and the Community Development Partnerships’ Network together produced a report (revised in 2006) on the opportunities and challenges confronting older core cities in the US. They examined five in depth: Baltimore, Cleveland, Detroit, Philadelphia and Pittsburgh. Each of the five cities has developed a distinct collaborative focused on community change and economic development.

The comprehensive report, “Shared Prosperity, Stronger Regions: An Agenda for Rebuilding America’s Older Core Cities,”¹² presents a set of strategies to build more inclusive cities and a more sustainable economic future for urban centres. It includes examples from the five locations.

¹¹ Rosabeth Moss Kanter (2001), “Evolve: Succeeding in the Digital Culture of Tomorrow” cited in “The Creative City: Power for the New Economy.”

¹² PolicyLink/CDPN, “Shared Prosperity, Stronger Regions: An Agenda for Rebuilding America’s Older Core Cities,” 2005 www.policylink.org/Research/OlderCoreCities/

The obstacles that face older core cities are familiar ones: deindustrialization as manufacturing moves to suburbs, other parts of the country or overseas; decentralization and sprawl that have starved the core of human and economic capital; and neighbourhood decline resulting from these trends. Fragmented government and bureaucratic silos have also produced policies that contribute to the decline of the older urban core.

But despite these challenges, the report maintains, core cities have strengths: educational and medical institutions (“eds and meds”) that are key actors in the knowledge-based economy, location advantages including transportation and other infrastructure, distinct neighbourhoods, and cultural and historic resources.

The vision in this report is “regional equity.” It argues that leaders must adopt “a new belief system” and recognize “the interdependence of communities and residents in a region” and “understand that the central city is *central* to regional competitiveness and sustainability. Building a society where everyone participates and prospers calls for thoughtful and deliberate strategies that promote growth *with* equity – not growth at any cost.”¹³

All neighbourhoods in a region must be communities of opportunity in which all residents have access to the “essential ingredients for success: living-wage jobs, proximity to public transit, good schools, diverse housing choices, and important services and amenities such as supermarkets, cultural centers, and parks.” Research has shown that rising incomes in cities correspond with rising income, population and home prices in the suburbs; that reducing poverty in the core increases regional economic growth; and reducing disparities between cities and suburbs benefits all.

To promote equitable development, CDPN and PolicyLink propose four basic principles:

- Reduce economic and social disparities throughout the region by leveling the playing field for development
- Promote investments that are equitable, catalytic, and coordinated
- Integrate strategies that focus on the needs of people with those focused on the places people live and work
- Include meaningful community participation and leadership in change efforts

The report outlines six arenas for action and several strategies within each one:

1. Promote **economic development** strategies that **widen opportunity for low-income residents** and working families:
 - Connect low-income workers to jobs in regional growth industries
 - Make public investments accountable by requiring community benefits
 - Direct state economic development and infrastructure investments to central cities and older suburbs

¹³ PolicyLink/CDPN, “Shared Prosperity, Stronger Regions: An Agenda for Rebuilding America’s Older Core Cities”

2. Leverage place-rooted **anchor institutions** (such as “eds and meds”) in **equitable revitalization**
 - Institutions must explicitly prioritize neighbourhood improvement and resource it
 - Partnerships need to be inclusive
 - Anchor/neighbourhood partnerships require strong, organized communities with capacity for this work
3. Improve resident mobility and revitalize neighbourhoods through **equitable transportation policies**
 - Fair, transparent, inclusive public transportation investment
 - Transit oriented development of housing and retail projects
 - Reverse commuting initiatives that provide transportation between suburban employment and core neighbourhoods where low-income residents live
4. **Reclaim vacant and abandoned properties**, ensuring that:
 - Current residents benefit from improvements and are not displaced by them
 - Relocation, if needed, is fair and beneficial
 - Residents and community groups are involved in the planning process
 - Redevelopment builds on existing assets and creates new ones
 - Recycling vacant properties is driven by comprehensive plans for neighbourhood and citywide revitalization
5. **Make all neighbourhoods** in the region **communities of opportunity** – stable, healthy, and livable – guided by three principles: make catalytic investments; harness market forces for community goals; balance attracting newcomers with stabilizing existing residents
 - Recognize the economic role of neighbourhoods to the city and the region
 - Link neighbourhood investments with downtown redevelopment
 - Use a regional analysis when planning neighbourhood revitalization
6. Increase **affordable housing choices in already opportunity-rich neighbourhoods**
 - Dismantle exclusionary land use policies
 - Develop “opportunity housing” public revenue streams
 - Support creative practices by nonprofit developers

Based on the experience of the five study cities, the report summarizes six fundamental lessons:

- Build a belief system that views strong neighbourhoods and full resident participation as central to economic competitiveness
- Create a climate where change feels possible
- Develop strong partnerships that reach across issues, sectors, race, ethnicity
- Work smarter with the resources at hand and create new ones
- Seize every political opportunity
- Foster diverse leadership, new capacities, and a supportive infrastructure¹⁴

¹⁴ PolicyLink/CDPN, “Shared Prosperity, Stronger Regions: An Agenda for Rebuilding America’s Older Core Cities”

E. CEOs for Cities: Leveraging Anchor Institutions

CEOs for Cities is a by-invitation group of top executives (mayors, corporate CEOs, university presidents, foundation officials and business and civic leaders) in America's largest cities that is "acting as an idea lab" for cities.¹⁵ The organization was founded in 2001 by Paul Grogan, author of *Comeback Cities* and President of the Boston Foundation.

CEOs for Cities highlights four dimensions as important for city success:

- developing, attracting and retaining talent
- fostering innovation and entrepreneurship
- fostering connections that link people with ideas to talent, capital and markets
- capitalizing on local differences that make a city distinct from others.¹⁶

Among many papers and audio resources in the CEOs for Cities collection is a discussion on the role "anchor institutions" can play in urban success.

Anchor institutions – a city's assets such as universities, colleges, museums, libraries, hospitals, parks, performing arts centres, sports arenas, and other facilities – are unlikely to move away and therefore have a special reason to participate in promoting the city's success. As many cities have lost industries and capital, anchor institutions remain, and their vitality remains inter-dependent with the city's. Leveraging these institutions for urban success means building on their core activities in a way that contributes to the city in new ways.

The paper, "City Anchors: Leveraging Anchor Institutions for Urban Success,"¹⁷ outlines a number of learnings, including:

- anchor institutions affect the local economy, including through employment, purchasing, real estate, and the development of related industry clusters
- their physical plant decisions affect the desirability of surrounding neighbourhoods
- they often shape a city's brand
- they provide intellectual and artistic stimulation that adds to their city's distinctiveness and quality of life
- they have an opportunity to energize their city and create the places where ideas meet, risks are taken, and innovation occurs
- anchor institutions are uniquely local and can provide that perspective in civic discussions; they can also provide neutral ground
- they can offer help to cities, and civic leadership

¹⁵ From CEOs for Cities website: www.ceosforcities.org

¹⁶ From CEOs for Cities website: www.ceosforcities.org

¹⁷ CEOs for Cities, "City Anchors: Leveraging Anchor Institutions for Urban Success," September 2007

<http://www.ceosforcities.org/rethink/research/rethink/research/files/City%20Anchors.pdf>

- they must engage with their communities in a comprehensive way that “transcends rhetoric” and involves top leadership in their partnerships with cities
- cross-sector partnerships and collaborations allow anchor institutions to increase their productivity and their impact on their region

The paper offers brief examples, two of which are noted in Section 4 below (University of Pennsylvania, Cleveland District of Design).

Anchor institutions engaged in their city’s revitalization efforts “recognize that their hopes lie in intense collaboration with each other and with the city. [...] City Hall cannot merely develop strategies and expect anchor institutions to follow. Cities must engage their anchor institutions in planning their collective future.”¹⁸

F. The Brookings Institution: A Twelve-Step Process

The Brookings Institution think-tank in Washington DC has a “Metropolitan Policy Program.” In its 2005 report, “Turning Around Downtown – Twelve Steps to Revitalization,”¹⁹ author Christopher B. Leinberger highlights “walkable urbanism” as the thing that sets successful downtowns apart from others, and the “unique private/public partnership” as the mechanism required to get there. He argues that there is pent-up demand in the US for walkable city living, that many cities have revitalized themselves over the last 15 years, and that their experience can be summarized into a 12-step process. The steps must be customized to the specific downtown and build on that city’s unique strengths and assets.

The first six steps focus on building infrastructure (“hard and soft”) and defining roles for the public and nonprofit sectors; the second six steps focus on how a private real estate sector can be reintroduced to the downtown. Each of the steps is described in some detail.

- STEP 1: Capture the Vision
- STEP 2: Develop a Strategic Plan
- STEP 3: Forge a Healthy Private/Public Partnership
- STEP 4: Make the Right Thing Easy
- STEP 5: Establish Business Improvement Districts and Other Non-Profits
- STEP 6: Create a Catalytic Development Company
- STEP 7: Create an Urban Entertainment District
- STEP 8: Develop a Rental Housing Market
- STEP 9: Pioneer an Affordability Strategy
- STEP 10: Focus on For-Sale Housing
- STEP 11: Develop a Local-Serving Retail Strategy
- STEP 12: Re-create a Strong Office Market

¹⁸ CEOs for Cities, “City Anchors: Leveraging Anchor Institutions for Urban Success”, page 23

¹⁹ Christopher B. Leinberger, “Turning Around Downtown – Twelve Steps to Revitalization,”

The Brookings Institution, March 2005

http://www.brookings.edu/reports/2005/03downtownredevelopment_leinberger.aspx

G. Cities Alliance: A Global View

The Cities Alliance is an international organization concerned with urban planning, environmental issues, and the reduction of slums around the world. It collects best practice examples from around the world. Interestingly, even its broad global view echoes many of the themes outlined above. Cities Alliance lays out nine “Essentials of a City Development Strategy:”²⁰

- Assess the state of the city and its region
- Develop a long-term vision
- Act now with focus on results
- Value the contributions of the poor
- Encourage local business growth
- Engage networks of cities for learning
- Focus on implementation
- Concentrate on priorities
- Foster local leadership

Section 3: Interesting Examples Elsewhere – Broad Focus

Downtown revitalization is taking different forms in many different cities. A few examples:

- Denver has implemented a 24-hour-downtown strategy over two decades, using a variety of tools including housing, light rail, historic preservation, business improvement district, scientific and cultural facilities district, etc.
- Louisville created eMainUSA, recycling a six-block district of warehouses into a home for internet-based businesses. The buildings are being retrofitted with necessary telecommunications infrastructure. It is also upgrading local amenities to support residential and commercial development
- Portland, Maine added the arts (with substantial private funding) to its waterfront location which already combined shops, cruise ships, cargo piers, a fishing fleet and a distribution facility. The arts district includes the Portland Museum of Art, Children’s Museum of Maine, Portland Stage Company, Maine College of Art, several performing arts theatres, many artists, galleries and other arts uses
- Akron Ohio adapted a former BF Goodrich rubber plant into an office and light industrial park
- Charlotte North Carolina designed a cluster strategy (Advantage Carolina) that highlights both new and old economy sectors: financial services, transportation/distribution services, high growth manufacturing, information-related services, software, and travel and entertainment services

²⁰ From the Cities Alliance website: www.citiesalliance.org/activities-output/topics/cds/cds.html#key_lessons

- Pittsburgh is capitalizing on the output of its major research institutions through a public-private partnership called Pittsburgh Digital Greenhouse. Industries like Cisco Systems and Casio Computer Company, normally competitors, are working together with Carnegie Mellon University and others to accelerate the development and application “system-on-a-chip technology” (the critical component of smart products)
- Louisville, UPS and Metropolitan College built a powerful public-private education and training partnership that attracted a 6,000-job UPS expansion to Louisville. State and local governments provided an incentive package, but more important in the company’s view was the workforce recruitment and training initiative that makes it possible for Kentucky residents to obtain college degrees while working part-time for UPS (and receiving full-time health benefits).

Section 4: Interesting Examples Elsewhere – Narrower Focus

For the purposes of the Hamilton Community Foundation investment, it may be useful to look at more narrowly-targeted initiatives. Some examples:

- In Regina, a public-private partnership led by Aboriginal arts organizations is turning the 6-storey historic Leader Building downtown into an artist business centre. It will include market housing on the top three floors, with the second and third floors dedicated to arts organizations, an artist business centre, classrooms and an art gallery. The main floor will be a commercial restaurant. Parking will be in the basement. They expect the building to be a catalyst for the neighbourhood.
- The Bon Secours Hospital, a major employer in West Baltimore, is working to address community needs in its struggling urban neighbourhood, such as housing, asset development, social services, job training, and blight reduction. For a decade, Bon Secours has been working collaboratively with residents and community organizations to design and implement a comprehensive revitalization initiative called "Operation Reach Out." This initiative has resulted in the construction of four multifamily rental housing developments, two senior housing developments, and the opening of Our Money Place, a financial services center that provides check-cashing, bank accounts, mortgages, financial literacy, and other financial services to residents.
- The University of Pennsylvania responded to its deteriorating neighbourhood by making community improvement an explicit priority in 1997. The university launched a comprehensive initiative with five strategies:
 - Make the neighbourhood clean, safe and attractive: the school created a special services district 2.2 square miles around the university, where they enhanced maintenance, lighting, public safety etc. in partnership with other neighbourhood institutions
 - Stimulate the housing market: to increase home ownership, the university provided incentives to staff to buy in the area, including forgivable loans, mortgage guarantees etc.

- Attract neighbourhood-serving retail: Penn undertook market research and invested in two retail anchors in the neighbourhood
- Increase economic inclusion: with input from an existing urban coalition, Penn created university-wide policies for minority and community purchasing, contracting and employment, and provided technical assistance for local suppliers
- Improve the public schools: Penn partnered with the local school district to create a new university-assisted public school and provided assistance to three other area schools
- Cleveland’s District of Design initiative is being led by more than ten partners, including Cleveland State University, the City of Cleveland, the Cleveland Institute of Art, Downtown Cleveland Alliance, and corporate partners. The district is a concentrated downtown area dedicated to product design and development that contains wholesale showrooms, design studios, and supporting infrastructure. It builds on the Cleveland area’s particular history and current strength in design. The initiative recognizes the interdependence between the various partners in developing, attracting and retaining talent.
- The Canadian organization, Creative City Network of Canada highlights two examples of cities that have focused on cultural assets in downtown revitalization: “Quebec City recently chose to work with its creative community to revitalize an important inner city neighbourhood. Within a decade, the Quartier St. Roch has become a highly desirable place to live, work, and entertain.”²¹
- “Had it not been for a theatre company, Trinity, Newfoundland, might well have become a ghost town. Happily, today Trinity is bustling with tourists who want to experience Rising Tide Theatre’s historical performances. In 2003, the 25-year-old company produced 13 different plays, plus a historical pageant with actors in period costumes leading hundreds of patrons about the village, offering them a colourful perspective on the area’s sometimes tragic past.”²²

Section 5: The City of Hamilton Planning Context

The City of Hamilton created its Downtown Renewal Division in 2001. Ron Marini, an Advisory Committee member, is the Director. The Division promotes the City of Hamilton’s six downtowns (Downtown Hamilton, Ancaster, Binbrook, Dundas, Stoney Creek and Waterdown) and works with twelve BIAs (Business Improvement Areas).

²¹ Creative City Network of Canada website: <http://www.creativecity.ca/news/special-edition/index.html>

²² Creative City Network of Canada website: <http://www.creativecity.ca/news/special-edition/index.html>

For the purposes of this initiative, we focus on the Division’s role in Downtown Hamilton.

The Division’s role is to promote rehabilitation and development in the downtown, be the point of contact for all financial incentive program applications for downtown and for public and private sector downtown initiatives, support the BIAs, and implement relevant development plans.

The Division also administers several financial incentive programs:

- Commercial Property Improvement Grant Program
- Enterprise Zone Municipal Realty Tax Incentive Grant Program
- Hamilton Downtown Residential Loan Program
- Main Street Housing Loan and Grant Program
- Downtown Hamilton Heritage Property Grant Program

The key planning documents are:

- the “Downtown Hamilton Secondary Plan”²³ adopted by Council in 2001 and amended in March 2004. It covers the area bounded by Queen, Cannon, Wellington, and Hunter Streets
- the Downtown Transportation Master Plan,²⁴ and
- the 10-year downtown capital budget plan.

Urban design and streetscape guidelines are also in place.

The Downtown Plan’s Vision:

The current Downtown Plan is based on extensive consultations conducted in the community over many years (see Section 6 below). The plan mentions “A Market Place for Ideas,” “Strong Medicine,” “the Ferguson Avenue Revitalization Project”, the “Gore Heritage Design Study” and “Smart Moves.” Drawing those threads together, the current plan’s stated vision is:

“The Downtown Hamilton of the future will be a vibrant focus of attraction where all our diverse people can live, work and play. The future Downtown must be built on a human scale, with streetscapes offering comfort, access and safety for pedestrians. The future Downtown will combine the best of our heritage with new commercial and domestic architecture and use. The future Downtown will redirect our gaze from the urban core to the surrounding neighbourhoods, the

²³ Hamilton Planning and Development Department, “Putting People First: The New Land Use Plan for Downtown Hamilton,” Amended March 2004
<http://www.myhamilton.ca/myhamilton/CityandGovernment/CityDepartments/PlanningEcDev/LongRangePlanning/OfficialPlan/PPF-Land+Use+Plan.htm>

²⁴ City of Hamilton, “Downtown Transportation Master Plan, Class Environmental Assessment, Project File Report, Executive Summary”
<http://www.myhamilton.ca/NR/rdonlyres/60207503-1321-4D05-AF9E-A761E8B5A376/0/transportmasterplanexecsum.pdf>

waterfront, and the escarpment, seamlessly linking commerce, housing and recreation.”

The vision is drawn directly from the Longo consultation described below.

The Plan’s Principles:

- Use public realm improvements as the catalyst for revitalization
- Strengthen the connection to neighbourhoods, the Waterfront, the Escarpment and other surrounding features or attractions
- Make downtown living attractive
- Build on existing strengths
- Recognize the value of modest improvements and changes
- Pursue a limited number of carefully designed and executed major projects

The Plan’s Framework

The specifics of the plan are grouped into five themes:

- Respecting design and heritage
- Carving out a distinct economic role
- Creating quality residential neighbourhoods
- Enhancing streets and public spaces
- Establishing a new system for planning approvals

The Downtown Secondary Plan can be downloaded from the City’s website. The website also contains information on the Downtown Division’s activities.

Section 6: Consultations Leading to the Current Downtown Plan

The current downtown plan came about after numerous consultations with key stakeholders and the public. Several members of our Advisory Committee participated in one or more of these consultations. Some of the key directions from those consultations are summarized here.

Hamilton Society of Architects Hamilton Downtown Charrette, June 1996

This two-day ideas “charrette” (the planning term for a multi-disciplinary, intensive urban design and planning exercise) brought together 120 architects, urban designers, landscape architects, developers, local business people, planners, realtors, bankers, politicians and local residents. In five interdisciplinary teams, they walked the study area (bounded by Bay Street, Augusta, Cannon, and Wellington), heard presentations from local experts and a representative from the Pittsburgh Downtown Plan Project, identified current problems and concerns, and made recommendations in the form of reports and drawings.

The report²⁵ is a rich mine of ideas and analysis. The report's authors concluded with ten recommendations drawing together themes from the five teams. This is a précis of those recommendations:

1. Address high property assessment and tax policies that hinder downtown vitality
2. Attract small scale manufacturing to downtown, such as regional wineries, biomedical firms, telecommunications industries
3. Create a Downtown Facilitator position to promote development, recruit tenants, inventory available space, facilitate permit applications etc.
4. Market downtown as dynamic, environmentally clean, convenient to live and work, focusing on growth and redevelopment potential
5. Encourage existing occupancies and also encourage residential growth including affordable housing, condominiums, student accommodation, live/work spaces, loft conversions
6. Create the downtown as a separate neighbourhood
7. Reduce the zoning barriers and red tape in the downtown, and regulate with built-form standards
8. Create “green links” to connect streets, parks, cultural facilities within the core
9. Improve parking practices and reduce the number of surface lots
10. Return James and King to two-way traffic.

*The Longo Report, “Downtown: A Market Place for Ideas,” 1998*²⁶

Gianni Longo, of the American Communities Partnership, facilitated a public meeting and workshop in February 1998 that built on the ideas of the “Strong Medicine...A Prescription for the Heart of Hamilton-Wentworth” report that confirmed Hamilton's downtown as the region's centre, and the Charrette reports mentioned earlier.

The consultation consisted of a town hall meeting on Friday evening, February 27, 1998 in which 300 residents participated, and a workshop (64 participants) the following day for stakeholders to build consensus around vision and goals for the downtown, and the role of a proposed Downtown Partnership to help implement the vision. Eight small groups looked at: Economic Development, Housing, Transportation and Parking, Public Safety and Image, Links with the Hamilton Harbour, the Built Environment, Culture and Recreation, and the Downtown Partnership.

The Longo consultation produced two key directions: a vision for downtown Hamilton that brought together the goal statements in each of the concern areas of the workshop, and a mechanism for community leadership, in the form of the Downtown Partnership.

The vision developed in the Longo consultation is the vision that now introduces the official Hamilton downtown Secondary Plan, noted above. The Downtown Partnership

²⁵ Hamilton Society of Architects, “Hamilton Downtown Charrette: Final Report,” June 1996.

²⁶ “Downtown: A Market Place for Ideas”, prepared by American Communities Partnership for the City of Hamilton and the Hamilton-Wentworth Regional Council, September, 1998

was formed shortly after the Longo report and operated for approximately two years with funding from the City.

In addition to the goals and strategies in each area of concern, the report also draws out five lessons:

- The importance of linking economic development with physical development that is green, sustainable, human scale
- The importance of linking downtown to the harbour, and capitalizing on the historic value of the area from the Escarpment to the waterfront
- The need for a mix of housing downtown to serve a broad range of residents and business
- Traffic patterns that favour pedestrians, support increased use of public transit, and calm automobile traffic to help downtown become a culture, shopping, and leisure destination for the region.

Putting People First: Downtown Secondary Plan Design Strategy, July 1999

This 1999 document, authored by Urban Strategies Inc. for the Community Planning and Development Division, brought together previous consultations (those mentioned above, plus others), and with more public input, set out a comprehensive background document for the “Putting People First” Downtown Plan that was later adopted by Council and remains in effect today. This document lays out the six principles of downtown revitalization later adopted in the official Secondary Plan (see above), and a design strategy for:

- The public realm (parks, streets, gateways)
- Housing
- Retail and entertainment
- Heritage resources
- Parking.

It then outlines specific strategies, “targeted actions,” that illustrate how the design strategy might be implemented, as well as built form guidelines for a variety of downtown locations:

- Central neighbourhood
- Hess village
- Jackson Square superblock
- Civic and cultural precinct
- Beasley neighbourhood
- King William area
- Corktown North neighbourhood

It is this design strategy that is translated into the official Downtown Secondary Plan.

A Few Specific Ideas Raised in these Consultations

These consultations collected a huge number of specific ideas for generating activity in the downtown core. Many of them have been implemented or are incorporated in the current plan. Here are a few that might spark discussion within our Advisory Committee:

- Develop an upper level urban park in the Jackson Square plaza for sating, rock climbing, rollerblading etc.
- Create a ‘green loop’ through the core that connects open spaces like Beasley Park and Gore Park to King Street, Theatre Aquarius, International Village
- North/South street improvements to strengthen connections to the Escarpment and Bayfront
- Street furniture and lighting improvements, bicycle lanes, wider sidewalks on retail streets
- Add public art
- Consider a regional LRT (light rapid transit) system
- Recognize that Hamilton is a “second-tier” city (not “second class”) and promote it as the lynchpin of the Golden Horseshoe rather than as a competitor with Toronto
- Create a showcase for regional industry (wineries, or biomedical etc.) on a street like King William, combined with infill housing and green space
- Hamilton’s compact urban form is an asset: promote residential use and pedestrian environment
- Develop an entertainment strategy for the downtown and market existing cultural assets
- Rehabilitate the Tivoli Theatre
- Create a loan/investment fund to support cultural industries
- Clean and green downtown, introduce heritage plant species
- Create destination attractions (aquarium, interpretive centre, Imax theatre, steel museum)
- Identify niche retail markets for downtown
- Establish areas of free parking
- Create a museum complex
- Create an arts centre downtown, create artists’ housing in downtown lofts
- Develop the Lister Block to attract students downtown
- Create a streetcar line for Main Street
- Develop small buses and shuttle buses for the downtown

Section 7: The City of Hamilton Economic Development Context

As part of the larger GRIDS integrated growth strategy of the City, and building on previous work, community assets, and public input, the City proposed an economic development strategy in 2005²⁷ based on the “clusters” research and practice of Michael

²⁷ City of Hamilton, “Economic Development Strategy: Hamilton’s Clusters of Innovation,” 2005 <http://www.investinhamilton.ca/publications/EcDevStrategyFinal2005.pdf>

Porter and others. The strategy identifies eight industry clusters on which the city should focus:

- Traditional industry clusters:
 - Advanced manufacturing
 - Agriculture/food and beverage processing
 - Port related industry/business
- Emerging clusters
 - Aerotropolis (development surrounding the airport)
 - Biotechnology and biomedical
 - Film and cultural industries
- Non-traditional clusters
 - Tourism
 - Downtown

“Quality of life” is also identified as an important supporting component, with four aspects: education, health, housing and environment.

In addition, two Business Improvement Associations (BIAs) in the downtown core (Downtown and International Village) had extensive market research documents prepared by the consulting group Urban Marketing Collaborative in 2005. Each Commercial Market Analysis contains consumer spending patterns and attitudes, a SWOT analysis (strengths, weaknesses, opportunities, threats), and an action plan for the area. Also included are examples of tools used in other cities. (The third downtown BIA, King St. West, did not have a retail assessment done.)

Section 8: Hamilton Initiatives Underway and Planned

There is a great deal of activity underway in Hamilton that will contribute to revitalization of the downtown core and adjacent areas. The Advisory Committee members can no doubt add to this brief overview. An asset map of the downtown is also being compiled for this initiative.

The City’s Downtown Renewal Division has been working with the private sector since amalgamation to create sustainable value. Its incentive programs, in particular, have helped stimulate new construction and renovation of existing properties in the downtown. The Division’s 2006 Annual Report²⁸, for example, highlights these incentive program results:

- The Enterprise Zone Municipal Realty Tax Incentive Grant Program, a catalyst for renovation/rehabilitation of buildings that are at least 50% vacant, or vacant

²⁸ City of Hamilton Planning and Economic Department Downtown Renewal Division, “Our Downtowns and BIAs – 2006 Annual Report and 2007 Downtown renewal Division Work Plan (PED07079), February 2, 2007

- properties including parking lots, assisted 23 projects between 2002 and 2006 that have a construction value of \$179.5 million.
- The Downtown Residential Loan Program provides financial incentives to help developers convert downtown commercial space into apartments, construct new apartments, and renovate existing residential units. 700 residential units with a construction cost of \$120 million were proposed to the program in 2005. The loans extended through the program are being paid back on schedule.
 - Commercial Property Improvement Grant Program helps commercial owners and tenants to improve their facades and entranceways with a matching grant. In 2006 (across all 12 BIAs), the program paid grants of \$192,394. The corresponding construction value was more than \$461,000²⁹

Within the Downtown Hamilton Community Improvement Project area (bounded by Queen St, Victoria Ave, Cannon Street and Hunter, plus the properties fronting onto James St between Liuna Station and Charlton Ave), 84 building permits were issued in 2006 representing \$28.5 million in construction. This was a 79% increase over 2005. 45% of this was residential and 55% non-residential.³⁰

On a Downtown Revitalization map, the Planning and Economic Development Department highlights 18 renovation projects throughout the downtown core that have converted, or are planned to convert, existing buildings into new residential/ office/ commercial space, including warehouse space into loft condominiums, new construction for residential units and ground floor commercial space, renovation for new office space, and new hotel units. Those successful projects include: 11 Rebecca Street transformation of the Eaton's warehouse into 40 loft condominiums; the Gowlings Law Office in the former Bank of Montreal building at Main and James, the Staybridge Suites Hotel converted from a former postal distribution centre, 101 residential condominiums in the former Bell Canada building on Bay St. South known as the Core Lofts, and other projects.

Other downtown renewal activity includes:

- Streetscaping projects undertaken by the Public Works Department and Downtown Renewal Division
- Robert Land Community Association's Eva Rothwell Centre and its partnership with Mohawk College
- James St. North arts cluster
- McMaster downtown campus
- Theatre Aquarius forward planning

²⁹ City of Hamilton Planning and Economic Department Downtown Renewal Division, "Our Downtowns and BIAs – 2006 Annual Report and 2007 Downtown renewal Division Work Plan

³⁰ City of Hamilton Planning and Economic Department Downtown Renewal Division, "Our Downtowns and BIAs – 2006 Annual Report and 2007 Downtown renewal Division Work Plan

- Hamilton HomeStart partnership (City of Hamilton, Scotiabank, Threshold School of Building, HCF) helping downtown social housing residents purchase their first home
- Hamilton Port Authority and leading businesses, “From Here to the Bay” funding commitment to United Way
- Hamilton Farmers’ Market redesign and reconstruction

Section 9: What Other Foundations are Doing in Downtown Revitalization

Community foundations (like Hamilton Community Foundation) and private foundations have long contributed to the vitality of downtowns with their grants to key institutions like art galleries and hospitals, and to social services like homeless shelters, immigrant services, and job training programs. Some foundation activities are also critically important to neighbourhood development within the inner city, like Hamilton Community Foundation’s recent role in Beasley, McQuesten and Landsdale. and the Winnipeg Foundation’s investments in the Centennial Neighbourhood. These initiatives and grants contribute substantially to downtown life.

In addition, however, there are at least three more focused ways foundations can make a strategic contribution specifically to downtown revitalization: developing research and knowledge about the issues, providing leadership to the process of building community partnerships for downtown revitalization, and funding specific projects or initiatives that catalyze downtown revitalization. Here are just a few examples in Canada and the US that illustrate these three possible roles.

1. Developing Research and Knowledge about Urban Issues

Some community foundations in Canada (Toronto, Ottawa, Vancouver, Red Deer, Montreal are examples) are producing **Vital Signs®** reports. These indicator reports compile research and track quality of life measures in areas like employment, transportation, environmental quality etc. Although Vital Signs® is still in its beginning stages, the participating community foundations are finding that the reports are building community knowledge of local issues, generating discussion, and catalyzing action on pressing urban issues.³¹

In addition, some community foundations and private foundations can invest in targeted research or consultant services to catalogue the issues specific to their downtowns and help build a plan for addressing them. The Research Triangle communities in North Carolina, and the rural Berkshire communities in Massachusetts both hired Monitor (a

³¹ All Vital Signs® reports can be accessed at www.vitalsignscanada.ca

consulting firm affiliated with Michael Porter) to research their needs, opportunities, clusters, and assets and propose an economic development strategy for them.

Many of the reports cited in this paper are the result of research funded by private and community foundations.

2. Providing Leadership to Process

Community or private foundations can also help bring community stakeholders together in a partnership process to devise a shared approach to downtown revitalization. (In a different context, Hamilton Community Foundation is doing this with the Hamilton Roundtable for Poverty Reduction.)

- The Cleveland Foundation, for example, is supporting an economic development collaboration process at the regional level: The foundation is in its fourth year of major support for “the Fund for Our Economic Future, an unprecedented collaboration among more than 100 philanthropic entities united around economic development. Using results from Voices & Choices public meetings, the Fund is partnering with business, political, labor, academic, and civic leaders to implement Advance Northeast Ohio, a regional plan to accelerate economic development progress.”³²
- “In 1999, when Baltimore’s mayor began discussing strategies to spark revitalization in the area, the Annie E. Casey Foundation seized the opportunity to advocate for an inclusive approach that would create mutual gains for Hopkins [Johns Hopkins University], the city, and the residents of East Baltimore.[..] The East Baltimore Development Initiative (EBDI) is a unique anchor-community initiative that combines neighborhood revitalization, economic inclusion, and the development of a regional industrial cluster. Led by a partnership between Johns Hopkins University, the city of Baltimore, the Greater Baltimore Committee (a regional economic development organization), Baltimore Housing (the city’s housing agency), and the Annie E. Casey Foundation, the \$800 million initiative seeks to transform the area just north of Hopkins’ medical complex—where 56 percent of the properties are currently vacant—into a mixed-use, economically integrated neighborhood. Anchoring the new neighborhood will be a large life sciences and technology park that will house biotech companies and provide jobs for neighborhood residents.”³³

3. Specific Projects to Catalyze Revitalization

Making a substantial contribution to a specific downtown project is a third way community and private foundations can catalyze downtown revitalization.

³² The Cleveland Foundation website:
www.clevelandfoundation.org/VitalIssues/EconomicDevelopment

³³ Policy Link Report, page 76

- The Winnipeg Foundation, for example, has just announced (in January 2008) a commitment of \$3 million, over the next five years, to develop and implement a “Downtown Green Spaces Strategy” that will provide capital funding to projects in the downtown core. The strategy links existing and future projects along a “pathway” through the core. Some of the eleven identified projects are places to which Winnipeg Foundation is already committed (Centennial Neighbourhood, Manitoba Children’s Museum, Canadian Museum for Human Rights), others are priorities within the City’s planning, and others are still at the conceptual stage. The foundation is inviting organizations to talk to them about these or other ideas for capital projects. The overall strategy focuses on developing projects and partnerships that enhance the core, promote community engagement and inclusion, support economic vitality, and other criteria.
- The Cleveland Foundation “supported ShoreBank Enterprise Group Cleveland with a \$525,000 grant for its Investing in Cleveland’s East Side Neighborhoods initiative. SEC helps Cleveland neighborhoods thrive through an investment fund and a business incubator [...] In addition, an employee recruitment and support services program links neighborhood residents with new job opportunities generated by ShoreBank-supported businesses.”³⁴
- The Pittsburgh Downtown Partnership (PDP) “is bringing a bit of Paris to Downtown Pittsburgh via a new economic development program funded by a \$1 million grant from the Colcom Foundation. ‘Paris to Pittsburgh’ is a matching fund incentive program for Downtown retailers, restaurants and businesses to enhance their façades and sidewalks to more closely resemble the charming cafés and stores common in France.”³⁵
- Still in Pittsburgh, the PDP is promoting housing downtown: “With approximately 260 underutilized properties [...] and a need for lower cost housing options Downtown, the PDP is providing financing for property owners to convert upper floor space into residential units. Grants in the amount of \$1.75 million each from Heinz Endowments and the City of Pittsburgh/Urban Redevelopment Authority, and \$250,000 from the McCune Foundation, will allow the PDP to offer market rate loans to building owners with eight floors or less. The PDP hopes to complete five or six loans in 2008, which will result in 50 units of housing.”³⁶

Although many of the US examples are on a larger scale than Canadian community foundations and private foundations can manage financially, the ideas are inspiring.

³⁴ The Cleveland Foundation website:
www.clevelandfoundation.org/VitalIssues/EconomicDevelopment

³⁵ The PDP website: http://www.downtownpittsburgh.com/aboutPDP_detail.aspx?NewsID=298

³⁶ The PDP website: http://www.downtownpittsburgh.com/whatsNew_detail.aspx?NewsID=299

Section 10: Some Common Threads

All the perspectives and examples outlined above have different approaches to downtown revitalization, and emphasis on different aspects, but they do share some common themes:

- The urban environment must *stimulate and support human creativity*: attracting and retaining a critical mass of creative people is one key to prosperity in the core. The city is a unique environment that can provide places to exchange ideas, see the world's diversity, engage in culture and education, etc. – the kinds of opportunities that feed creativity
- Downtown must *feel and be livable*: human scale development, green space and open space, good air quality and environmental sustainability, pedestrian-friendly streets, and a wide range of amenities are critical to creating a vibrant downtown that people want to live in, visit, and work in
- Downtown should *promote clustering* of resources to support business: sustainable economic development is hastened in locations where like businesses (for example an industry or group of cultural assets) and ancillary services form a cluster – new enterprises are attracted to clusters and clusters provide economies of scale, synergies, and mutual benefit
- *Remove barriers and disincentives* for working, living and visiting downtown: the cores of cities have suffered from misguided projects and some planning and fiscal policies that have driven business and residents to the suburbs. Barriers to economic development need to be removed for business, and features that promote living and visiting downtown (attractions, transportation, safety, beautification etc.) can be bolstered
- *Widen opportunities and promote inclusion*: provide opportunities for people at all socio-economic levels to participate in and profit from urban revitalization.
- *Encourage and celebrate diversity*: diversity and density are two of the unique strengths of cities. They provide talented people that can contribute to economic vitality, and create the unique “buzz” that makes a downtown attractive to residents and visitors.

These themes, combined with the principles Hamilton Community Foundation articulated for this investment³⁷, and the over-riding notion of “triple bottom line” benefit – economic, social, and environmental – might form a useful framework for the Advisory Committee’s ongoing deliberations.

³⁷ See the document “Hamilton Community Foundation: Downtown Revitalization Project January 2008,” Attachment #1 to the February 6th Advisory Committee agenda.