

BA513 INNOVATION IN PRACTICE

HISTORIC RUGBY, TENNESSEE
 Museum of Appalachia

ACHIEVES

Restoration House
 OF GREAT TENNESSEE

ettac

ESGARECROW

16 Class Projects...5,600 Hours



John Lutz



Austin Lance



Matt Sliger



Flavio Rodrigues



Brian Mohny
 Project Manager



Mike Haas

City of Oak Ridge
 Achieving Excellence

JACKSON SQUARE DISTRICT

April 20, 2011

OAK RIDGE REVITALIZATION

Brian Mohny
 John Lutz
 Michael Haas
 Flavio Rodrigues
 Matt Sliger

City of Oak Ridge
 Mark Watson
 Kathryn Baldwin

Faculty Partners
 Austin Lance
 Pat Richardson

Total Hours
 451

AGENDA

- OVERVIEW
- INTERVIEWS
- ECONOMIC THREATS
- BENCHMARKS
- LEVERS TO PULL
- MOVING FORWARD



STATEMENT OF WORK

- The City of Oak Ridge desires to understand what strategic levers it can pull to transform the historic Jackson Square District into a thriving vital retail, commercial and residential center, creating a heart and soul identity for the City.



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BASELINE



OAK RIDGE

- Commuter Town
 - Permanent Residents – 29,000
 - Daily Commuter influx – 60,000
- 25% Population Age 65+
- Excellent Outdoor Amenities
- Employment – OPNL, Y-12
- Greenway and Trail Connectivity



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OAK RIDGE IS UNIQUE

- Manhattan Project
 - 75,000 Locked-in
 - War Town
- Legacy Housing
- National Labs, Innov
- "Secret" keeping infrastructure



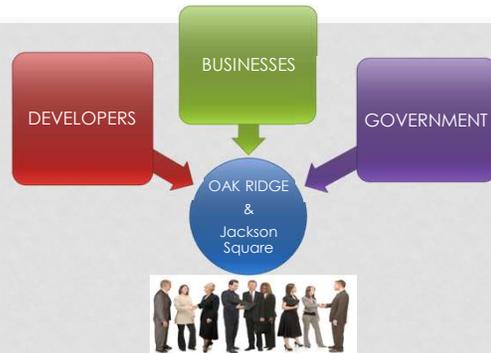
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INTERVIEWS

WHAT DID LOCAL INTERVIEWS TELL US?

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WE TALKED TO....



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INTERVIEWS: GOVERNMENT

- If you want people to have a quality of life you've got to have a gathering place.
 - "We need a nightlife, a gathering, a place for people to pass by each other."
 - "These people should be coming to Jackson Square for lunch, to sit outside and after work."
- The loudest voices generally don't support change.
- "It's time to engage our citizens who are already here, let's take some pride in our homes, our neighborhoods, the businesses around us; let's get everyone to start talking."

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INTERVIEWS: BUSINESS OWNERS

- "Young people want to be with other people like them, they want places to eat out because they don't cook as much, they want all the gadgets like wireless internet, they want an easy, safe community to have fun in."
- "Biggest obstacle is OR contractors that don't have a value proposition that says this would have value if you invested in it, who else can help create a value statement?"



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INTERVIEWS: DEVELOPERS

- *"City hall needs to be open minded and consider developer plans and tweak them, not shut them down."*
- *"Easy with the safety walks and crossings, lets spend the money and make an economic value added project."*
- *"The city could do more than anyone else to get this project started. They have to show us they are serious and make some moves – then developers will really bite and get interested. It wouldn't take that much, they can use city services to get a lot of this done."*

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DRIVERS OF DEVELOPMENT



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JACKSON SQUARE: DEVELOPER OPINIONS

- No visibility, outdated, poor maintenance
- Only sentimental and traditional value, no draw
- Some developers have plans, have made offers
- "There is a vocal minority in OR that will not be ok with tearing down the property"
- Its time for change, time to get progressive.

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DR. MURRAY'S HYPOTHESIS



Matthew N. Murray
Center for Business & Economic Research
The University of Tennessee

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DR. MURRAY'S HYPOTHESIS

- Education can be linked directly to economic and social well-being:

Economic prosperity and development

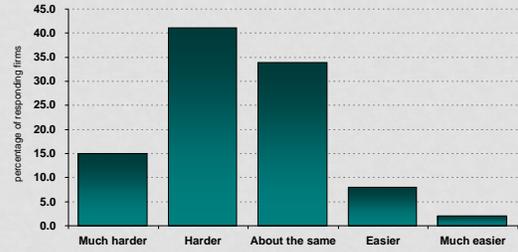
Communities & Society

Government Budgets

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EXPECTATIONS OF THE FUTURE TENNESSEE WORKFORCE

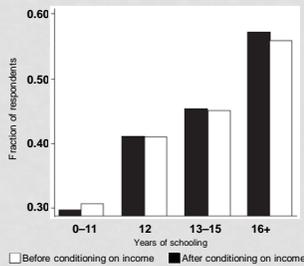
Employers expect difficulty in finding qualified/educated Tennessee workers over the next 10 years



Source: UT CBER, IPS/Tennessee State Chamber Business Attitudes Survey, January 2011.

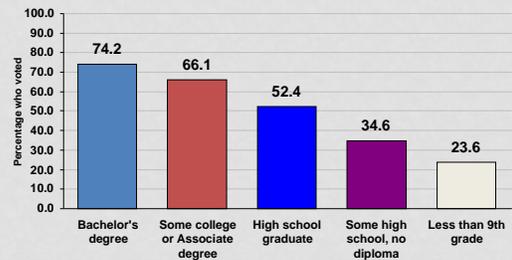
22

DO YOU BELIEVE PEOPLE CAN BE TRUSTED?



Source: Oreopoulos, P. & Salvanes, K.G., "Pricless: The Nonpecuniary Benefits of Schooling." *Journal of Economic Perspectives*, Vol. 25, No. 1.

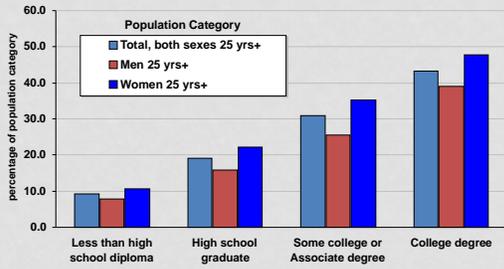
U.S. VOTING RATES IN 2004: WHO IS ENGAGED IN OUR POLITICAL PROCESS?



Source: U.S. Census Bureau.

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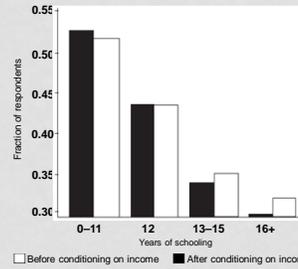
VOLUNTEERISM IN THE U.S.



Source: Bureau of Labor Statistics, September 2006.

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TIME PREFERENCES FOR TODAY OR THE FUTURE: DO YOU LIVE FOR TODAY?



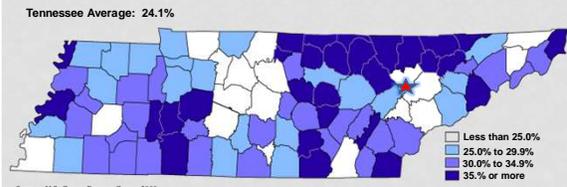
Source: Oreopoulos, P. & Salvanes, K.G., "Priceless: The Nonpecuniary Benefits of Schooling," *Journal of Economic Perspectives*, Vol. 25, No. 1, 2011.

AVERAGE LOCAL SALES TAX REVENUE PER CAPITA, TENNESSEE COUNTIES BY EDUCATIONAL ATTAINMENT OF ADULT POPULATION



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OUR HUMAN CAPITAL STOCK: educational attainment, share of adult population *without* a high school diploma, 2000

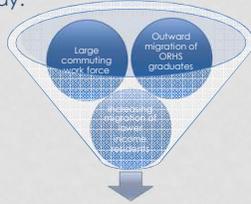


Source: U.S. Census Bureau, Census 2000.

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DR. MURRAY'S HYPOTHESIS: OAK RIDGE

- Belief would be that Oak Ridge is on the high end of Murray's study.



However Oak Ridge is trending toward lower end of Murray's Hypothesis...Housing, crime, engagement, lower per capita income.

BENCHMARKS

HOW DID THEY DO IT?

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BENCHMARKS: SUCCESSFUL STRATEGY

- Paducah, Kentucky
- Columbus, Mississippi
- Ferndale, Michigan
- Maryville, Tennessee



BENCHMARK CITIES: ISSUES



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BENCHMARKS: DRIVERS

- TIF's
- Government Grants
- Initial Private Investment
- Local Business Incentives
- Community buy-in
- Developer Commitments



PADUCAH, KENTUCKY

- Reasons for successful implementation
 - Re-branding of the downtown area
 - Complete remodel of Lower Town
 - Artist Relocation Plan
 - Downtown Streetscape Program
 - Main Street Development Project
 - Main Street Four Points Approach®



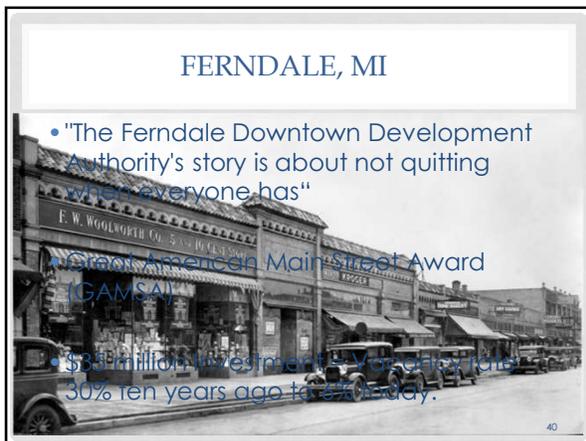
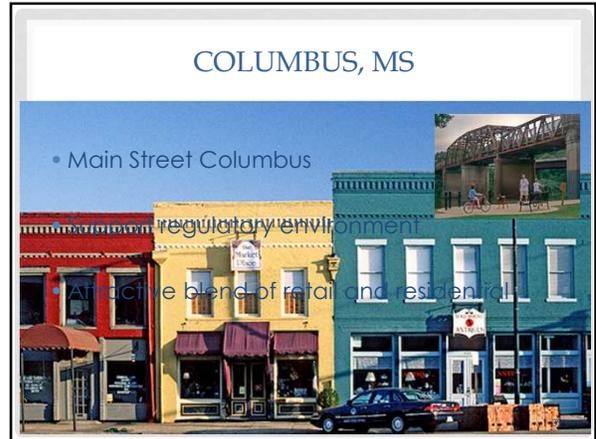
MAIN STREET®



Main Street® is an economic development tool that enables communities to revitalize downtown and neighborhood business districts by leveraging local assets

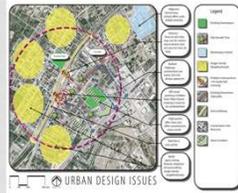
FOUR POINTS APPROACH





WHAT DO THEY ALL HAVE?

- DOWNTOWN DEVELOPMENT AUTHORITY
- A GUIDED STEP APPROACH
- DEVELOPER PARTNERS
- COMMUNITY BUY-IN
- LOCAL BUSINESS INCENTIVE



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OAK RIDGE NEEDS A CITY SANCTIONED DEVELOPMENT COUNCIL APPROACH

- DOWNTOWN DEVELOPMENT COUNCIL
 - Authority
 - Teamwork
 - Charter
- Establish and connect value proposition for each player
 - Developers
 - Businesses
 - Residences

Take the
DDA Survey

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RECOMMENDED STRATEGIC LEVERS TO PULL

- **Development Council Approach**
- Value Proposition Establishment
- Expand Jackson Square District Horizons
- Expand Mindset From City Process to Business Return
- Attract the Youth
- Market the Square
- Create Traffic Flow
- Build Solid City-Developer Partnership
- Gain Community Engagement

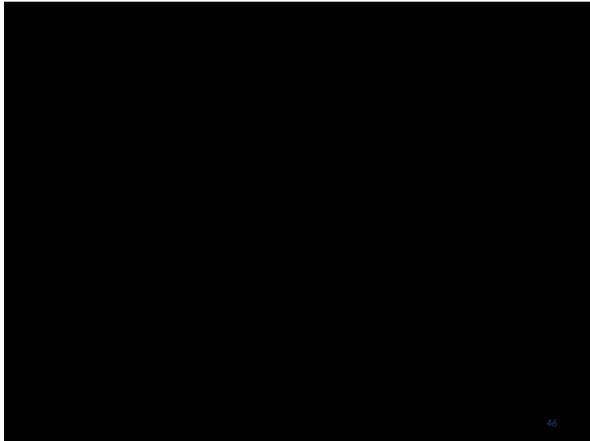
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NEW AUTHORITY

- Leadership
 - Sanctioned group that can lead change in retail and residential development.
 - DDA and Fort Collins

VIDEO: 
Downtown Development Authority

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TAX INCREMENT FINANCING

- Sidewalks and pedestrian under and overpasses
- Water mains and extensions
- Parking facilities
- Landscaping – plants, lighting, fountains, benches

AND

- **All related expenses to redevelop and finance the redevelopment project.**

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VALUE PROPOSITIONS

City, Businesses, Residences, Developers

VALUE PROPOSITION: CITY

- Land use value
- City growth
- Demographics shift
- Employment growth
- Increased tax revenue

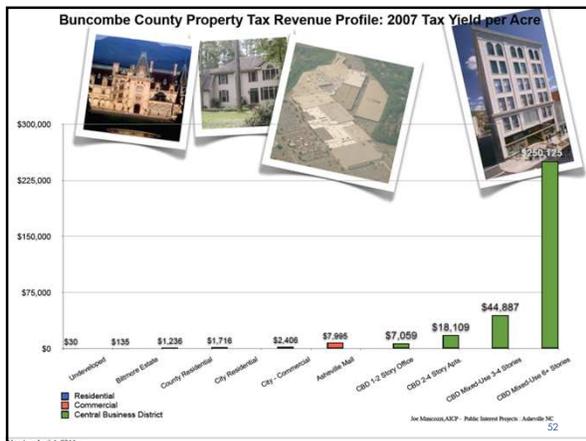


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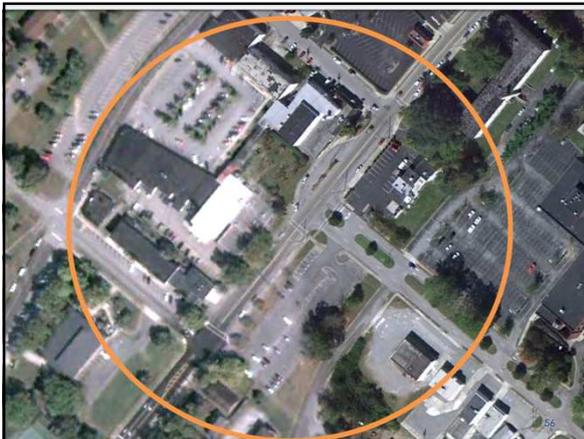
	Asheville Wal-Mart	Downtown
Land Consumed (Acres):	34.0	00.2
Total Property Taxes/Acre:	\$ 6,500	\$634,000
City Retail Taxes/Acre:	\$ 47,500	\$ 83,600
Residents per Acre:	0.0	90.0
Jobs per Acre:	5.9	73.7

Monday, April 4, 2011

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LAND USE VALUE



VALUE PROPOSITION: BUSINESS

- Creation of thriving retail district
- Opportunity for new stores and expansion
- High volume of traffic
- Increased property value
- ROI



VALUE PROPOSITION: RESIDENTS

- New Retail Options
- Residential Development
 - New JS Residences \$150-250k range
 - Push for renovation of legacy housing
- Entertainment and Social District
- Strong Sense of Community



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VALUE PROPOSITION: DEVELOPERS

- Developers - Commercial/Residential
 - Increased property valuation
 - ROI
 - Expansion/Growth of JSD
 - New opportunities in Oak Ridge
 - Buyer/Renter Traffic Flow

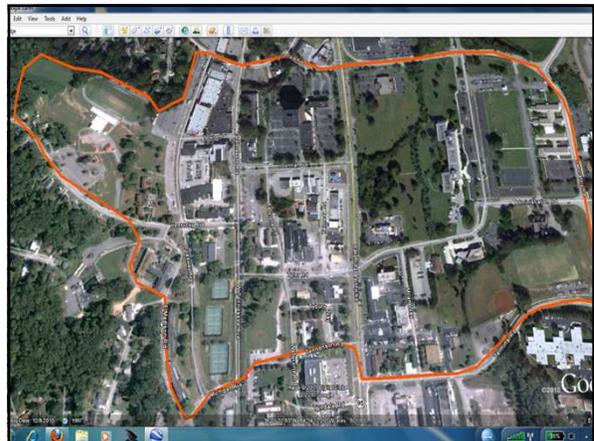


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EXPAND MINDSET FROM CITY PROCESS TO BUSINESS RETURN

- Move from process mentality to business mentality
- It is about return!



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ATTRACTING THE YOUTH

- **Entertainment**
 - Outdoor Recreation
 - Nightlife
 - Shopping
 - Social Scene
 - Restaurants
- **Housing**
 - Need for 100-250k
 - Urban living opportunity
- **JOBS**



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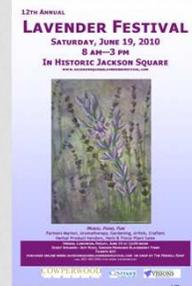
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MARKETING THE SQUARE DISTRICT

- "Historic Jackson Square District"
- Signage
- Stamped Asphalt
 - Brick, Stone
 - Signal entry into "district"
- Social Media
- Events



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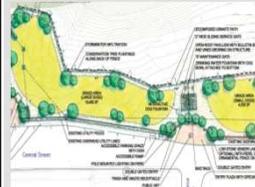
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PEDESTRIAN TRAFFIC FLOW

DOG PARK



FRISBEE GOLF



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BUILD SOLID CITY-DEVELOPER RELATIONSHIP

- Ingredients for Success
 - Creative vision
 - Definitive Goal and Community Buy-In
 - Bold City Council Commitment
 - Motivation for Property Owners
 - Area Attractiveness and Re-Designed Traffic Flow

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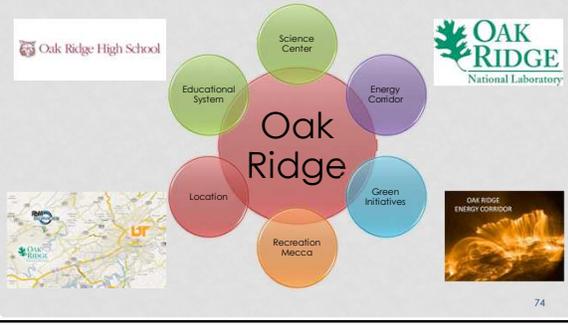
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GAIN COMMUNITY ENGAGEMENT

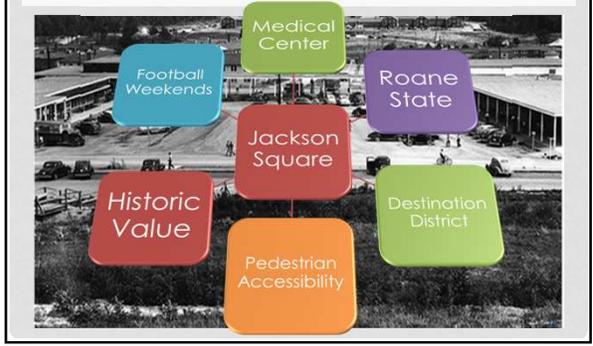
- Forums/Focus Group Approach
- Present case for change - Market
- Singles lead to wins
- Create the economic impact case
- Demonstrate how to turn city lots into economic advantage while increasing aesthetic appeal of environment
- Connect dots of common ground
- Attract large festivals

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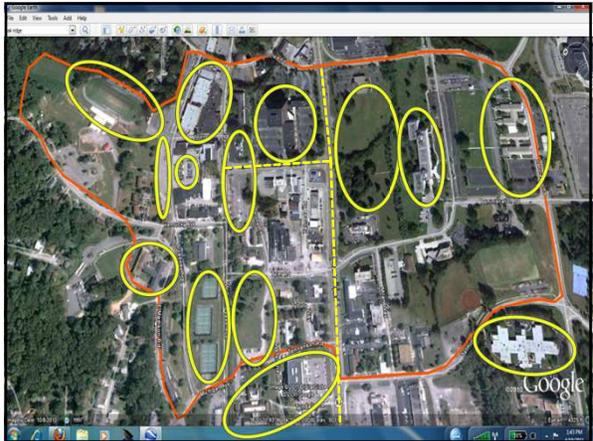
TRANSFORM OAK RIDGE'S UNIQUENESS INTO OAK RIDGE'S LEVERS



TAKE ADVANTAGE OF JACKSON SQUARE LEVERS



CONNECT THE DOTS



STUDENT KEY TAKEAWAYS

- The importance of communication between consultants and clients
- Team incentives and clear goals are necessary to create movement in stagnant processes
- Knowledge of the development process and how communities can leverage their assets
- Oak Ridge is a wonderful example of a city with massive growth potential – the bones are there, now its time for the next generation to step in and create their own value.

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CLIENT KEY TAKEAWAYS

- Validation of the potential for private redevelopment in the Jackson Square district
- Fresh perspective on the economics of reinvestment in Jackson Square
- “Youthful” review on improvements to reach “nextgen” audiences
- Development of a plan to link the “job centers”.
- Examination of zoning rules applied and adaptive reuse conducted on neighboring buildings
- Suggestions for moving forward and financial tools to use.

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FOCUS ON THE CHANGE MANAGEMENT PROCESS



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QUESTIONS?

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APPENDIX

FORT COLLINS: DDA

- Downtown Development Authority uses tax increment financing to stimulate redevelopment in the central business district.
- The Authority focuses on projects that have benefit for the entire community. It uses its financial resources to directly leverage private investment.
- Typically the DDA will partner with a developer, business owner, or property owner in a manner that "induces" a private investment in real estate improvements. The DDA's participation in such public-private partnerships ranges from a few thousand dollars to investments in excess of \$5 million.

