Galveston, TX

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May 11, 2015
Galveston is a Great City

- Port of Galveston
- Health Care Facilities
- Finance & Insurance
- Arts and Culture
- UTMB, Texas A&M, Galveston College
- Historic Neighborhoods
- Tourism
There two kinds of change:

• Planned change

• Unplanned change
“The best way to predict the future is to create it yourself”

Abraham Lincoln
It is about our children
It’s about balance

“Conservation is a state of harmony between man and nature.”

Aldo Leopold
It’s About Win-Win Solutions

- Healthy Environment
- Vigorous Economy
- Vibrant Community
Sustainable = Enduring

• At its most basic, “sustainable” means enduring.

• Sustainable communities are places of enduring value.
What is changing?

• National and global economy
• Demographics
• Technology
• Consumer attitudes & market trends
• Health care
• Energy sources & transportation options
• The weather
Employment Changes

- The US saw a 34% decline in manufacturing jobs between 1990 and 2010.
- During the same period the US saw a 57% increase in professional and business service jobs, and
- An 81% increase in jobs in education and health services
How will the Crash Reshape America?

- “How we live, work, shop and get around will change.”

- “Communities that embrace the future will prosper. Those that do not will decline.”
“Communities and regions are in a global competition to attract and retain a talented workforce. Increasingly these talented workers are choosing where they want to live first and figuring out their job situations later.”

CEO’s for Cities, Segmentation Study, 2006
Economic Development

20th Century Model
- Public sector leadership
- Shotgun recruitment strategy
- Low cost positioning
- Cheap labor
- Focus on what you don’t have
- Quality of life unimportant
- Driven by transactions
- Key Infrastructure = Roads

21st Century Model
- Public/Private Partnerships
- Laser recruitment strategy
- High value positioning
- Highly trained talent
- Focus on what you do have
- Quality of life critical
- Driven by an overall vision
- Key Infrastructure = Education
Economic Development is About Choices

Should we try to recruit new industry?

Should we try to expand existing businesses?
Business Recruitment

- There are 3141 counties in the US.
- There are 25,375 towns in the US.
- They are all competing for a small number of new plants, factories or distribution centers.
The One Big Thing Rarely Works?

Convention centers
Festival Marketplaces
Casinos
Aquariums
What works today?

"Successful cities and towns think small in a big way."

Roberta Brandes Gratz
Demographic Shifts

- Baby Boomers and Retirees – 80 million
- Immigrants – 40 million
- Millennials (18 to 32 year olds) – 85 million
- Single-person households - 26%
- 75 % of American households do not have school age children
Technology & Globalization

- “The Death of Distance”
- People can do business anywhere
- Most new jobs are in small and medium sized businesses
- Health care & education
- Industrial recruitment is a small part of new economy
Capital is Footloose

Foster Freiss

Jackson Hole, Wyoming
Consumer attitudes are changing

COVER STORY

Malls are like, totally uncool, say hip teens

The bigger question for retailers is, will parents follow their offspring?

By Bruce Horovitz
USA TODAY

The future of retailing in America may all come down to where Jessica Pfeifer shops. There’s one place it’s not: the mall.

Anyplace but the mall.

For this 18-year-old high school senior and her 15-year-old sister, Andrea, the mall has become entirely uncool.

Most malls are filled with cubicles that all sell similar stuff. And many teens get the heebie-jeebies being followed around by walkie-talkie wielding security guards and suspicious store clerks who keep flashing them evil eyes.

The Pfeifer sisters live in Manhattan and used to take the train to regional malls. Now they and their friends who live in the city do their shopping online.
Our Love Affair With Malls Is on the Rocks
The future belongs to town centers

Despite the recession, retail analyst Robert Gibbs predicts that commercial town center developments will proliferate as the growth in conventional malls stalls.

In recent years, one of the most prominent trends in the shopping center industry has been the emergence of “hybrid malls,” large retail centers that incorporate an open air main street with shops, offices, and in some cases housing. Some of these experiments—like Valencia Town Center in California—have been successful, but according to Gibbs, industry trade publications have expressed doubt that the model has staying power.

Gibbs disagrees with this assessment and suggests that conventional malls will have to adopt ideas from the New Urbanism to stay competitive.

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- No new malls, since 2006
- 10% of existing malls have closed
- 30% of existing malls being repositioned
- 1 Billion square feet of vacant retail space
Market Trends

• “It is becoming clear that homebuilders old one-size fits all marketing and product approach will not work for buyer groups whose interests & borrowing requirements differ widely, not only from buyers of the recent past, but also from each other.”

• Source: Builder Magazine, July 2009
Successful Cities Are Distinctive Cities

Keep Austin Weird

Silicon Valley
City Vitals – Dimensions of Success

- **Talent** – Smart People
- **Innovation** - Ability to generate new ideas
- **Connectivity** – Places where people can easily connect
- **Distinctiveness** – Unique characteristics
Distinctiveness has value!

- “If you can’t differentiate yourself, you will have no competitive advantage.”
- “Sameness is a minus, not a plus in today’s world.”
Distinctive = Having a Special Quality

**Synonyms**
- Cool
- Extraordinary
- Offbeat
- Original
- Special

**Antonyms**
- Common
- Ordinary
- Regular
- Standard
- Usual

Source: Thesauaus.com
How do you prevent your Galveston from becoming Anytown USA?
Community Character Matters!

- “We take stock of a city like we take stock of a man. The clothes or appearance are the externals by which we judge.”
- Mark Twain
COMMUNITY IMAGE IS CRITICAL TO ECONOMIC VITALITY AND QUALITY OF LIFE
“A community’s appeal drives economic prosperity.”

National Association of Realtors, 2011
In the New Economy – Place Matters

**Traditional Economy**
- Product Driven
- Cost Sensitive
- Market Driven
- Making the sneakers

**New Economy**
- Knowledge Driven
- Value Sensitive
- Place Driven
- Designing the sneakers
‘The Place is becoming more important than the product”

National Association of Homebuilders 2011
Eagle Pointe
An Outstanding New Home Community
Breathtaking Views
River & Greenbelt Frontage

John Hagmeier Homes
Roy Chambers 696-9311

The Petersen Group
Janet Petersen 562-1170

Fortune Properties

ENTRANCE 3/4 MILES
Oregon: Things Look Different Here
VIEW PRESERVED BY
BEAUFORT COUNTY
OPEN LAND TRUST

JOINT PROJECT WITH THE
CITY OF BEAUFORT
SCENIC VIEW
500 FT. RIGHT
Green Space & Property Values

• “The relationship between rising property values and green spaces is well documented.”

• “Some studies find as much as a 15 to 30% increase in the value of properties adjacent to parks and open space.”
Where is the most valuable land in New York?
Houses next to golf course
Value of Open Space

- Developers build golf courses because golf courses sell real estate at premium prices.
- Very expensive to design, build & maintain golf courses.
- Parks and open spaces also sell real estate at premium prices at lower costs to create and maintain.
What is the value of historic buildings, neighborhoods and landscapes?
THOMAS CLAYTON WOLFE
A GREAT AMERICAN WRITER
BORN ON THIS SITE
92 WOODFIN STREET
OCTOBER 3, 1900
“Among cities and towns with no particular recreational appeal, those that preserve their past continue to enjoy tourism. Those that haven’t, receive almost no tourism at all. Tourists simply won’t go to a city or town that has lost its soul.”

- Arthur Frommer
ANNUAL DIRECTORY EDITION
Corporate and Industrial Sites in the World's Third-Largest Economy

SOUTHERN BUSINESS & DEVELOPMENT
FALL 2002

The Perception Buster: First Annual Southern State Business Climate Index

When Site Searching the South, Make Sure You Inspect a Community's Downtown First!

www.sb-d.com
What are we building today that will be worth preserving in the future?
New Construction Should Enhance Community Character
“When a chain store developer come to town they generally have three designs (A, B, or C) ranging from Anywhere USA to Unique (sensitive to local character).”

“Which one gets built depends heavily upon how much push back the company gets from local residents and officials about design & its importance.”

Source: Bob Gibbs, Retail Consultant, Birmingham, MI
Walgreens – Plan A
Walgreens – Plan B
Walgreens – Plan C
Walgreens – Plan C
The Old Paradigm
New Paradigm
Target – Stamford, CT
Retailers Break the Rules

- Mixed use projects
- Smaller Footprints
- Multi-story buildings
- Parking underground or on the roof
We Can Have This:

Spread Out
Single Use
Drivable Only
Or This!

Compact
Mixed-Use
Walkable
Waffle Houses – Fayetteville, AR

Strip Waffle House
- Located next to Interstate Highway
- Lots of Parking
- Single Use

Downtown Waffle House
- Walkable Street
- No dedicated Parking
- Mixed use use
“Mixed Use Waffle House outperforms Strip Waffle House by 15%”

Source: City of Fayetteville and ISR Working Group
September 22, 2011

The downtown, mixed use project also produces:
More taxes per acre
More jobs per acre
More residents per acre
More people walking to the restaurant
Place Making Dividend

People stay longer, come back more often and spend more money in places that attract their affection.
Secrets of Successful Communities

1. Develop a shared vision for the future
2. Inventory local and regional assets
3. Build plans around the enhancement of assets
4. Use education, incentives, partnerships, and voluntary initiatives, not just regulation
5. Pick and choose among development proposals
6. Cooperate with neighbors for mutual benefit
7. Protect community character as well as ecology and economics
8. Have strong leaders and committed citizens
Most Polluted City
Model for Community Revitalization
Tennessee River Gorge
Tennessee River Park

- “The initial segment of the Tennessee River Park near the C.B. Robinson Bridge has become the most loved and used park in Hamilton County. More than 1 million people of all ages, races and economic status use the park annually.”

- The 13 mile river walk has generated more than $750 million in private development adjacent to the trail.”

- Source: City of Chattanooga
Hamilton County Bridge, over Tennessee River, Chattanooga, Tenn.
The Village at Port Royal
A Traditional Walking Neighborhood
Forty-one Single Family Homes
Optional Garage / Guest House

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Developed by Village Renaissance, Inc.
Inventory Assets

• Natural Resources
• Cultural Resources
• Human Resources
• Economic Resources
• Educational Resources
Sometimes the Assets are Obvious
Sometimes They Are Not Obvious
Columbus Riverfront - Before
Columbus Riverfront - After
Flood Wall – Before
Flood Wall Murals
Rapid City, SD - Before
Rapid City, SD - After
Poughkeepsie High Bridge - After
Explore Beyond Regulation

- Education
- Incentives
- Partnerships
- Voluntary Initiatives
Why Do We Educate?
Why Should We Use Incentives?

"It's the latest trend in real estate... a little incentive to sweeten the deal."
Yazoo City - Before
Yazoo City - After
SUCCESSFUL COMMUNITIES PICK AND CHOOSE AMONG DEVELOPMENT PROPOSALS
Hometown Heroes

“Never doubt that a small group of committed individuals can change the world. Indeed, it is the only thing that ever has”

-Margaret Mead
It’s Not Always Easy

Welcome to Buena Vista
6002 Happy Citizens
And 3 Old Grouchies

J.H. Dickinson Jr. 1971
Leadership is important 
But often unappreciated

“Apart from sanitation, medicine, education, wine, public order, roads, irrigation, public health and a freshwater system, what have the Romans ever done for us?”
Monty Python’s, Life of Brian
A Final Thought

Vision counts, but implementation is priceless!

Thank You!