

SMART GROWTH AND BUSINESS DEVELOPMENT

SUMMARY

“Experts agree that cities that develop a high quality of life through placemaking efforts will reap significant economic rewards now and in the future. They will powerfully attract a high quality labour force and the business and industry that such a labour force supports. Conversely, cities that ignore such tenants will likely struggle to attract the “brightest and the best” and will fall behind from an economic perspective.” (Smart Growth and Placemaking in London, 2004)

With the changing economy, cities are increasingly playing a pivotal role in attracting and retaining high quality businesses and employees. To stay competitive, cities need to provide a variety of lifestyle amenities, and a high quality public realm.

Through placemaking, cities can achieve a high quality public realm. High quality public realm, which include streets, buildings, transit and civic spaces, can be catalysts for business development, and attracting a skilled workforce. “A vibrant system of plazas, parks, markets, boulevards, and streets – which makes up the ground floor experience of a city – generates local economic, cultural, social and leisure activities.” (PPS, ND).

With the population increasingly becoming more mobile, employees have more freedom to choose where they live. Many employees are seeking communities that provide a range of lifestyle amenities. Smart Growth will provide a variety of lifestyle amenities, including:

- mix of residential, retail, services and employment opportunities within a convenient distance;
- range of housing types nearby;
- transportation options, including more accessible and efficient transit; and
- strong focus on the public realm and vibrancy of neighbourhoods and civic spaces.

Smart Growth St. Albert will enable St. Albert to remain competitive in the global market, and meet many of the objectives of the City’s Municipal Development Plan and Economic Development Master Plan, by attracting high quality businesses and employees. Smart Growth St. Albert will achieve this by:

- Providing lifestyle amenities by encouraging businesses to establish within pedestrian-oriented neighbourhood centres, along key street corridors and around transit nodes.
- Promoting Business Parks with knowledge based businesses to better match the workforce of St. Albert, and provide more amenities for employees in the area, including transportation options.

To Read: “Placemaking Pays Off” demonstrates how investing in placemaking has resulted in great economic returns in Huston and Detroit.

Find it at:

http://www.pps.org/info/newsletter/Placemaking_in_a_Down_Economy/placemaking_pays_off

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Places to see:

Bell South moved 2,400 of its employees from its 25 suburban offices, and consolidated them into three offices adjacent to major transit routes to minimize employee travel times. The offices sit adjacent to a planned mixed use development. BellSouth encourages its employees to use transit by guaranteeing transit riders free, reserved parking, and subsidizing transit passes. The company reports that 43% of its employees buy BellSouth’s subsidized transit passes.

The articles and videos referenced in the Bulletins do not necessarily reflect the position of the City of St. Albert and are meant to encourage debate and discussion.

- Adopting one Business Park form-based district that allows a wide range of light industrial, research and development, and other office uses.
- Allow for commercial and office opportunities along select corridors interspersed with medium density residential uses, which will allow for small business owners to grow their businesses with the wide range of commercial spaces in the community.
- Continuing to provide opportunities for Large format Commercial development. However, the design and layout of such developments will provide more pedestrian-oriented areas, a park-once approach and improved site design

SMART GROWTH & BUSINESS DEVELOPMENT

INTRODUCTION

“Increasingly, in the 21st Century, a livable community will be an economically powerful community: a place where high quality of life attracts the best educated and trained workers and entrepreneurs. A place where good schools and strong families fuel creativity and productivity. A place where the best minds and the best companies share ideas and shape our common future...That is why our efforts to make communities more livable today must emphasize the right kind of growth – sustainable growth. Promoting a better quality of life for our families need never come at the expense of economic growth. Indeed in the 21st Century it can and must be an engine for economic growth.” (Al Gore, from Smart Growth and Placemaking in London, 2004)

Increasingly, cities play a pivotal role in attracting and retaining high quality businesses and employees. With the changing economy, businesses are changing their location determinants from low costs to the provision of highly skilled workers. To stay competitive, cities need to provide a variety of lifestyle amenities, and a high quality and flexible public realm.

This bulletin will explore changing economy, the role of placemaking and lifestyle amenities in attracting businesses and workers, and how Smart Growth will impact business development in St. Albert.

NEW VERSUS OLD ECONOMY

“In a survey of Sierra Nevada area business owners, 82 percent identified high quality of life as one of the most significant advantages of doing business in the region. Considerations such as “fewer regulations than urban areas” and “lower costs of doing business” were ranked by only eight percent and 11 percent as a significant advantage.” (NALGEP and Smart Growth Leadership Institute, 2004).

In the past, costs were the primary driver in determining where businesses located. Cities that provided access to cheap labour and resources were more likely to attract and retain businesses. However, the economy is changing. Manufacturing and agriculture are being replaced with knowledge-based industries with a workforce comprised of highly skilled mobile professionals. To stay competitive, businesses are following workers. The table below notes some of the changes with the old and new economy.

<i>Old Economy</i>	<i>New Economy</i>
Cities sought to attract companies, any large companies	Skilled workers attract companies
People followed jobs	Cities seek to attract talented and educated people
Fossil fuel dependent manufacturing	Communications dependent but energy smart
Cheap place to do business way key	Physical and cultural amenities are key in attracting knowledge workers

A high quality physical environment was a luxury and stood in way of attracting businesses

Talented, well-educated people chose locations first, then look for a job.

The Flint Region Prosperity, Placemaking & the New Economy

PLACEMAKING AND BUSINESS LOCATIONS

“Experts agree that Cities that develop a high quality of life through placemaking efforts will reap significant economic rewards now and in the future. They will powerfully attract a high quality labour force and the business and industry that such a labour force supports. Conversely, cities that ignore such tenants will likely struggle to attract the “brightest and the best” and will fall behind from an economic perspective.” (Smart Growth and Placemaking in London, 2004)

Placemaking is “Creating livable communities which have an identifiable character, sense of place, and provide for a high quality of life.” (Smart Growth and Placemaking in London, 2004). High quality public spaces, which include streets, buildings, transit and civic spaces, can be catalysts for business development, and attracting a skilled workforce. “A vibrant system of plazas, parks, markets, boulevards, and streets – which makes up the ground floor experience of a city – generates local economic, cultural, social and leisure activities.” (PPS, ND).

Recognizing the economic spin offs of public spaces, many cities are developing or renovating existing public spaces. Some examples of successful public spaces include:

- Rockefeller Center in New York City, was transformed into a booming commercial and public space in 1975. “The entire area soon became a destination. The ground floor spaces near Channel Gardens--previously occupied by banks and travel agencies--were filled by high-profile tenants including NBC's Today Show, the auction house Christies, the Metropolitan Museum Store, and Dean and DeLuca grocers.” (Project for Public Spaces, 2009)
- Melbourne, Australia invested in new public plazas, sidewalk improvements, public art and street furniture. In 10 years, pedestrian volumes on the main street increased by 50%, the number of outdoor cafes nearly quadrupled, and the number of cafe seats nearly tripled (Lusher, Seaman, and Tsay, 2008).
- “West Palm Beach, Florida, converted its one-way main street to two-way operation, narrowed the street at points and raised intersections. In five years, vacancy rates fell from 70% to 20%, while commercial rents increased from \$6 to \$30 per square foot.” (Lusher, Seaman, and Tsay, 2008).
- Valencia Street, San Francisco narrowed its traffic lanes to slow cars and accommodate other users, which resulted in nearly 40 percent of merchants reporting increased sales, and 60 percent reporting more area residents shopping locally due to reduced travel time and convenience. “Overall, two-thirds of respondents described the increased levels of pedestrian and bicycling activity and other street changes improved business and sales.” (National Complete Street Coalition, 2005-2009)
- Bryant Park, in New York, transformed from a park plagued with drugs to the site of major fashion shows, jazz festivals, outdoor movies, and an outdoor café. “Within two years of the reopening, leasing activity on neighbouring Sixth Avenue had increased 60 percent over the previous year, with brokers referring to the park as the “deal-clincher.” (Sherer, 2006)



Alley provides a pleasant neighbourhood hangout in Trastevere, Rome

Streets

Well-designed streets that can be used for a variety of uses and users, “complete streets” can be a catalyst for economic development. How streets are designed impacts the generation of pedestrian foot traffic and business location opportunities. Streets can generate more pedestrian foot traffic by providing:

- Gathering places- wide sidewalks to accommodate patios and benches.

- Safe, comfortable and interesting pedestrian routes- awnings and overhangs for weather protection, and windows for natural surveillance.
- Facilities for cyclists- bike lanes and secure bike parking.

“Complete streets” can provide more locational opportunities for businesses, by:

- Providing wide and well-designed sidewalks provide space for patios and retail displays (Project for Public Spaces, 2009).
- Completely or partially closing streets to vehicles for uses such as public markets (Project for Public Spaces, 2009). Pedestrian zones in city centers have been found to increase foot traffic by 20-40% and retail sales by 10-25%.
- Establishing a street framework “street bones” with flexibility for businesses to change orientation to the street, parking and building size. This enables developments, such as Large Format Commercial Developments, to adapt to changing development and market conditions.
- Integrate alleys along main streets. Alleys can provide interesting and unique spaces for small businesses. “Cities like Portland and San Francisco have shown that alleys can be embraced in commercial areas, with successful dining and retail establishments taking advantage of these distinctive outdoor areas (Berg, ND).”

Civic spaces

Civic spaces create destinations, focal points and public places for social and cultural activities, bringing the community and the public together. Successful civic spaces have many amenities and the opportunity for multiple activities in all seasons. Businesses in close proximity to high quality civic spaces benefits from increased pedestrian foot traffic. “Organized events held in public parks-arts festivals, athletic events, food festivals, musical and theatrical events-often bring substantial positive economic impacts to their communities, filling hotel rooms and restaurants and bringing customers to local stores.” (Sherer, 2006)



St. Albert hosts a range of festivals and activities.

Transit

Businesses are increasingly clustering around transit nodes. Mixed-use, higher density, walkable developments focussed around transit are often referred to as Transit Oriented Developments (TOD). “TOD promotes economic development, enhances real estate value, and increases favorable labor access, both for laborers and employers; all of which are key tools for survival in an economically equalized playing field.” (Trigg, 2009). In Portland, Oregon, the Portland Streetcar, which runs along a 4.7 mile loop has generated over \$1.4 billion in development, including 3.6 million square feet of commercial development (International Economic Development Council, 2006).

Buildings

How buildings are designed, oriented and relate to the street impacts the quality of the public realm. Buildings that have inviting entrances, windows on the ground floor, and parking behind or on street encourage window shopping. A study commissioned by Commission for Architecture and the Built Environment (CABE) and the Department of the Environment, Transport and the Regions found adopting better urban design, including the detail and design of buildings, can:

- place development above local competition at little cost;
- respond to occupier demand;
- increase worker productivity and enjoyment;
- differentiates developments and raise prestige; and
- open up new investment opportunities (Arts Council of Northern Ireland, ND).

SMART GROWTH AND EMPLOYEES

With the population increasingly becoming more mobile, employees have more freedom to choose where they live. Many employees are seeking communities that provide a range of lifestyle amenities. Smart Growth will provide a variety of lifestyle amenities, including:

- mix of residential, retail, services and employment opportunities within a convenient distance;
- range of housing types nearby;
- transportation options, including more accessible and efficient transit; and
- strong focus on the public realm and vibrancy of neighbourhoods and civic spaces.

To address shifting demographic trends, providing a range of housing types, and proximity to shops and services is critical.¹ 60% of households do not have children, and may be looking for more housing and lifestyle options. The 2004 American Community Survey found 60% of prospective homebuyers surveyed would prefer a neighbourhood that offered a shorter commute, a complete sidewalk network, and amenities like local shops, restaurants, libraries, schools and public transport compared to a more automobile-dependent community with larger lots but longer commutes and poorer walking conditions (Litman, 2009).

Access to convenient and efficient transportation attracts employees and reduces business costs. "In a 2006 report on employment centers outside Pittsburgh, 30% of employers responded that transportation was the number one barrier to hiring and retaining qualified workers. Although bus routes serve a portion of the center, more than 50% of employees responded that there was no bus stop convenient to home or work." Traffic congestion costs the Canadian economy more than \$6 billion every year in lost productivity and wasted gasoline (Couroux and auth., 2006). By providing transportation options, employees save money and time. Residents of multi-modal communities save \$1,000 to \$3,000 annually per household in transport expenditures, and therefore have more money to spend on other goods and services (Litman, 2009).

By locating businesses close to high quality civic spaces, employees benefit from increased recreational and relaxation opportunities. According to the Canadian Fitness and Lifestyle Research Institute (2005), 26% of working Canadians indicate that there are no pleasant places to walk, bicycle, or be active near their workplace. The Boeing Company selected Chicago for its new corporate headquarters largely because of the provision of recreational opportunities, outdoor festivals, theatre and other public events (Barth, 2008).

BUSINESS IN ST. ALBERT

Business in St. Albert consists primarily of vehicle-oriented commercial development along St. Albert Trail. Business park and light industrial uses are concentrated in Campbell Business Park and Riel Industrial Park with a minimum of employee amenities or alternate transportation options. Business is limited within neighbourhoods.

City demographics and business trends in St. Albert show:

- there are few local employment opportunities, with nearly three-quarters of St. Albert residents working outside of the community (City of St. Albert, 2005);
- the population is highly skilled and educated, with 57% of residents 15 years and over having post-secondary training (Census 2006);
- the past few decades have seen growth in big box developments, with the market potentially close to saturation with this type of development (Planning and Development Department, 2006);
- a greater proportion of residents are in management occupations compared to other municipalities in the region, with fewer residents in the trades, resource-based, construction and manufacturing sectors. (Census 2006).

¹ For additional information please see Bulletin #4 Demographics

- there is a sufficient supply of industrial lands to accommodate growth well beyond the needs of the City's' growth to 2027 (Planning and Development Department, 2006), although additional studies are underway to determine industrial needs.

The Municipal Development Plan and the Economic Development Master Plan contain several objectives that strive to attract high quality businesses and jobs that reflect St. Albert's skilled workforce. Economic and commercial development objectives in the Municipal Development Plan include:

- promote policies regarding the locations and development of neighbourhood convenience commercial development;
- promote commercial development that generates opportunities for local employment;
- attract high the business parks and clean industry;
- improve the quality and aesthetics of development along major commercial corridors;
- maintain appropriate development policies and standards for business park and industrial sites;
- promote more innovative employment centres such as business parks, high tech campuses, and urban village centres which may allow limited, integrated residential development; and
- promote industrial development that generates opportunities for local employment and business support services to the Alberta Industrial Heartland.

Economic Development Master Plan objectives include:

- retain and nurture expansion of existing local businesses and new local business start-ups;
- attract new businesses in targeted sectors;
- maintain appropriate, cost effective services that support expansion and attraction of desired business/industry;
- ensure that the City of St. Albert policies, taxes and operations are competitive and support targeted non-residential expansion and attraction; and
- strengthen the image of St. Albert by effectively communicating St. Albert's merits as a preferred location to work, shop, visit and live.

SMART GROWTH ST. ALBERT AND BUSINESS

Smart Growth St. Albert will enable St. Albert to remain competitive in the global market, and meet many of the objectives of the Municipal Development Plan and the Economic Development Master Plan, by attracting high quality businesses and employees. Smart Growth St. Albert will achieve this by:

- Providing a variety of lifestyle amenities close to home by encouraging businesses to establish within pedestrian-oriented neighbourhood centres, along key street corridors and around transit nodes. "Quality of life amenities are a contributing factor when business relocates staff or attempts to recruit new staff to their company. This is especially true in knowledge-based industries." (The Economic Development Master Plan, 2004).
- Promoting high tech Business Parks (Form-Based Business Park Zone) to better match the workforce of St. Albert, and provide more amenities for employees in the area, including transportation options. "The more people work in a community, the more they will draw on other professional and retail services within the community, which will further add to the need for increased commercial activity to support an overall increase in community based employment." (The Economic Development Master Plan, 2004)
- The Form-Based Business Park Zone will be established at the Area Structure Plan stage, which will establish zoning for businesses and light industry early in the development process. New or expanding businesses will not be required to rezone properties, saving them money and time. "Planning and rezoning add time and costs to businesses considering expansion or relocation to St. Albert. Adopting "best practices" for timely and problem free processing of applications will be viewed as incentive to do business in St. Albert." (The Economic Development Master Plan, 2004)

- Businesses will have the flexibility to change uses permitted within the Form-Based Business Park Zone, without having to rezone.
- More opportunities will be presented to small businesses to grow throughout their lifecycle without having to leave the community. Small businesses can transition from a mixed-use building to a single-use building without requiring a rezoning, and can locate along key street corridors within Form-Based Neighbourhoods. “Small opportunities are often the beginnings of great enterprises.” (The Economic Development Master Plan, 2004).
- Zoning will continue to provide opportunities for Large Format Commercial development. However, the design and layout of such developments will provide more pedestrian-oriented areas, a park-once approach and improved site design for locally flavoured developments that sets St. Albert apart from other communities. The site design will also provide opportunities for adaption of uses over time, with infrastructure layout encouraging more business development on adjacent sites.
- Maximizing the supply of land for commercial, by providing more opportunities for businesses to establish within neighbourhoods along key streets, in mixed-use buildings, and clustered around transit. “The City of St. Albert is challenged by a minimal amount of serviced, zoned land available for non-residential development.” (The Economic Development Master Plan, 2004).
- Providing a range of housing options to support a diverse workforce. “A wider, more diverse workforce will have differing housing needs. (Suites, apartments, condos, single family starter homes, etc.)” (The Economic Development Master Plan, 2004).

CONCLUSION

St. Albert has an abundance of highly skilled employees, beautiful parks and open spaces, and strong community spirit. To address the changing economy, St. Albert will need to capitalize and build upon its current strengths. Smart Growth St. Albert will provide many of the lifestyle amenities and business location opportunities high quality businesses and employees are seeking.

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