The Downtown Comeback

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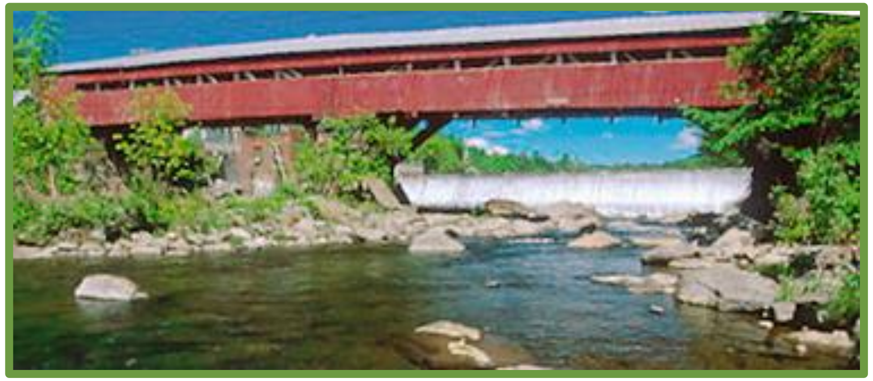
NADO
National Association of Development Organizations

Building on wealth creation. Wealth creation…



is an approach to economic development that connects a region's **assets** to market **demand** in ways that build **rooted wealth** for local people, places and firms.

brings together a range of public, private and non-profit sector partners who have **self-interest** in the outcomes and an openness to discovering **shared or common interests**.

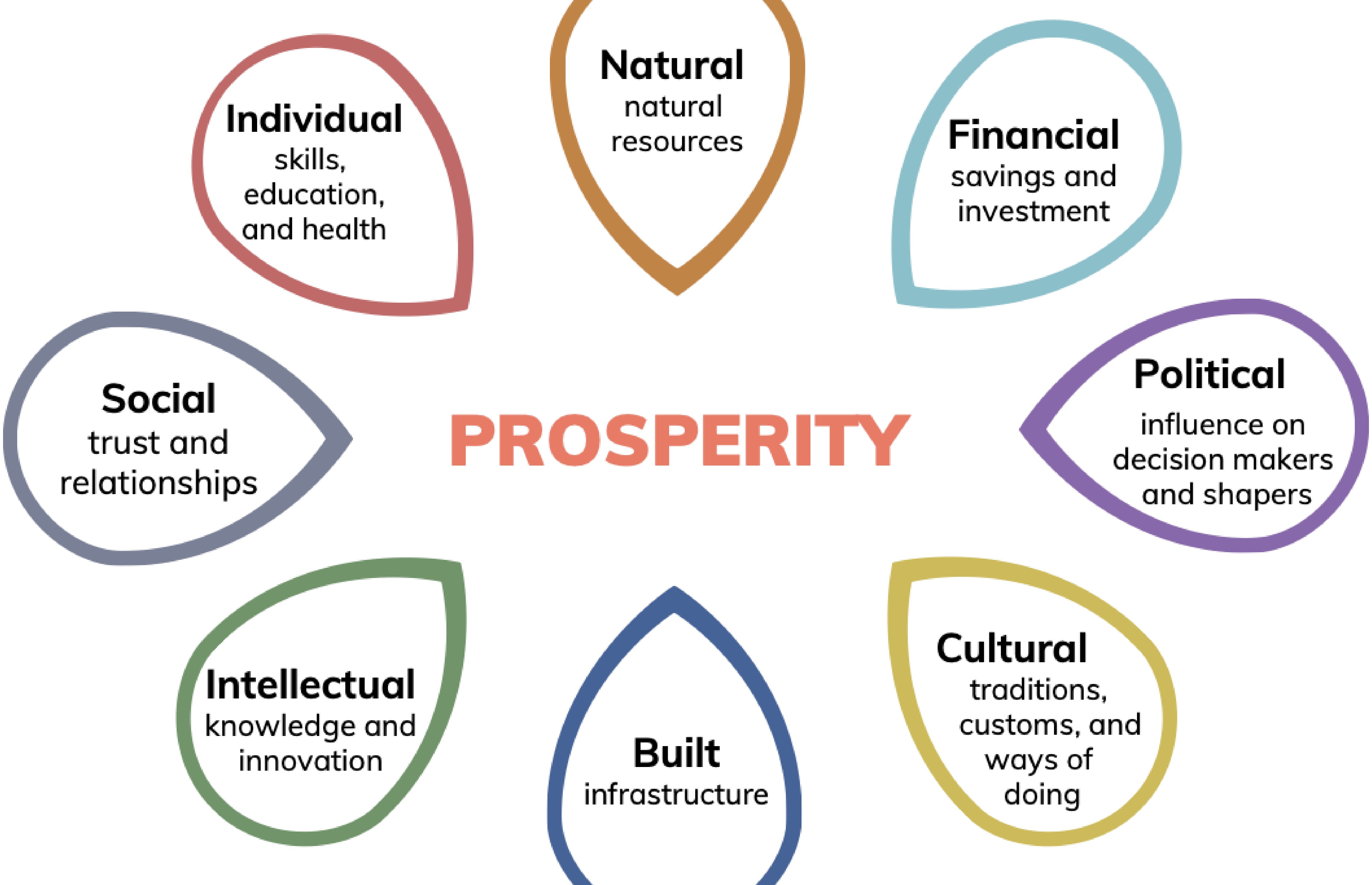
focuses on building a **sector** rather than individual and unrelated businesses.

Principles of Wealth Creation

#1 – **Create wealth**, broadly defined, and aspire to do no harm.

#2 – Root wealth in local people, places and firms through **local ownership, control and influence.**

#3 – Build **lasting livelihoods** by intentionally including people and firms on the economic margins.


Natural
natural resources
Individual
skills, education, and health
Financial
savings and investment
Social
trust and relationships
PROSPERITY
Political
influence on decision makers and shapers
Intellectual
knowledge and innovation
Built
infrastructure
Cultural
traditions, customs, and ways of doing

#2: Wealth without Ownership isn't Rooted

Capitals that are "owned" locally build wealth.

- Ownership means you capture and control the flow of benefits from the capitals over time. It creates enduring, stable benefits.
- Benefits – e.g., income, know-how, better technology – flowing from local ownership of capitals can be re-invested and re-circulated locally, enriching many.
- Preserving local ownership or control over your capitals can increase the chances of preserving local jobs.
- **Local ownership is an anchor** that helps wealth and change to stick.

Making Wealth Stick: Local Ownership and Control

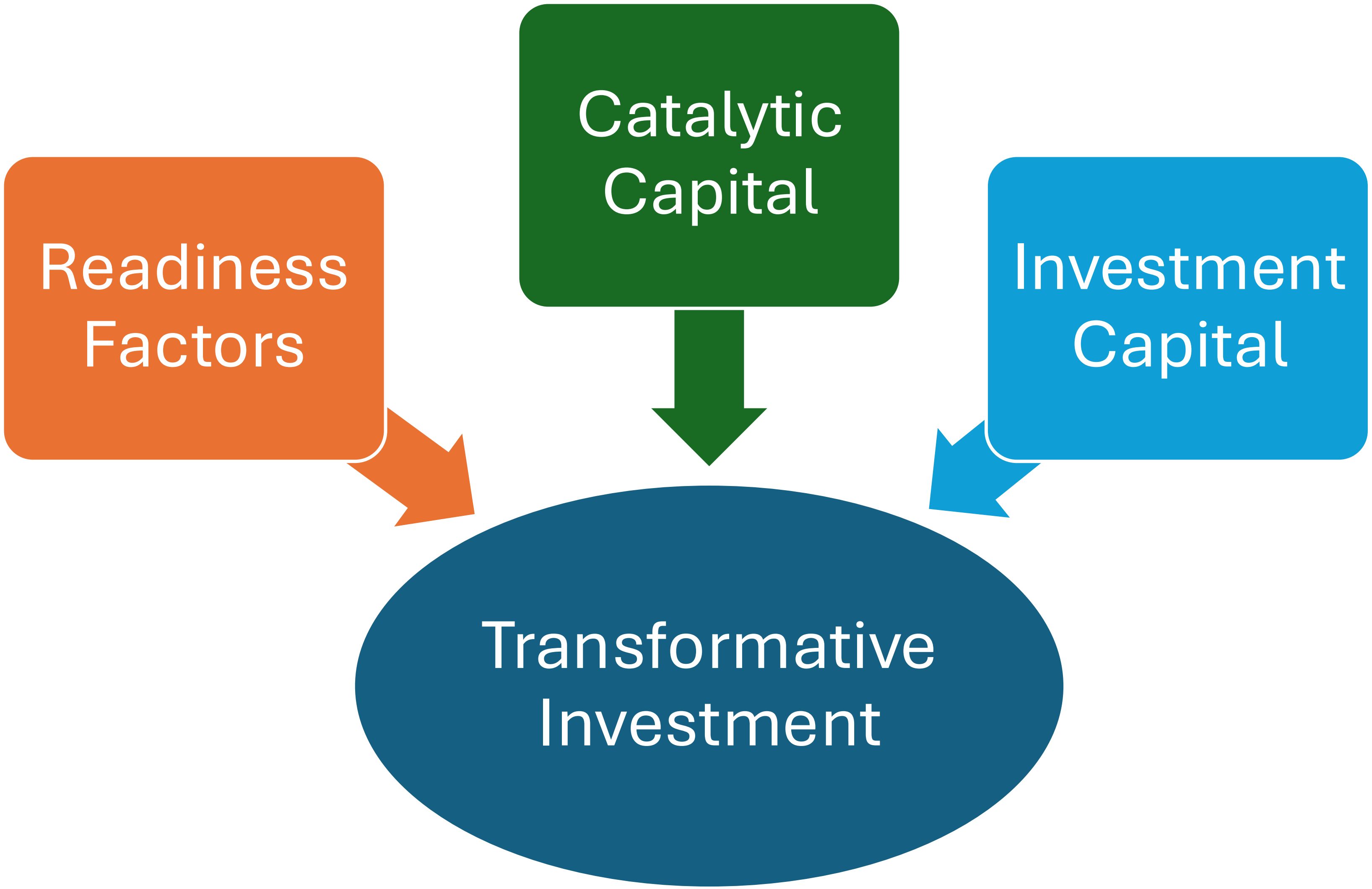
Buy Local Campaigns

Cooperatives

Resident Owned Communities

Regional branding

Readiness Factors + Catalytic Capital + Investment Capital = Transformative Investment



Spotter – the "Visionary"

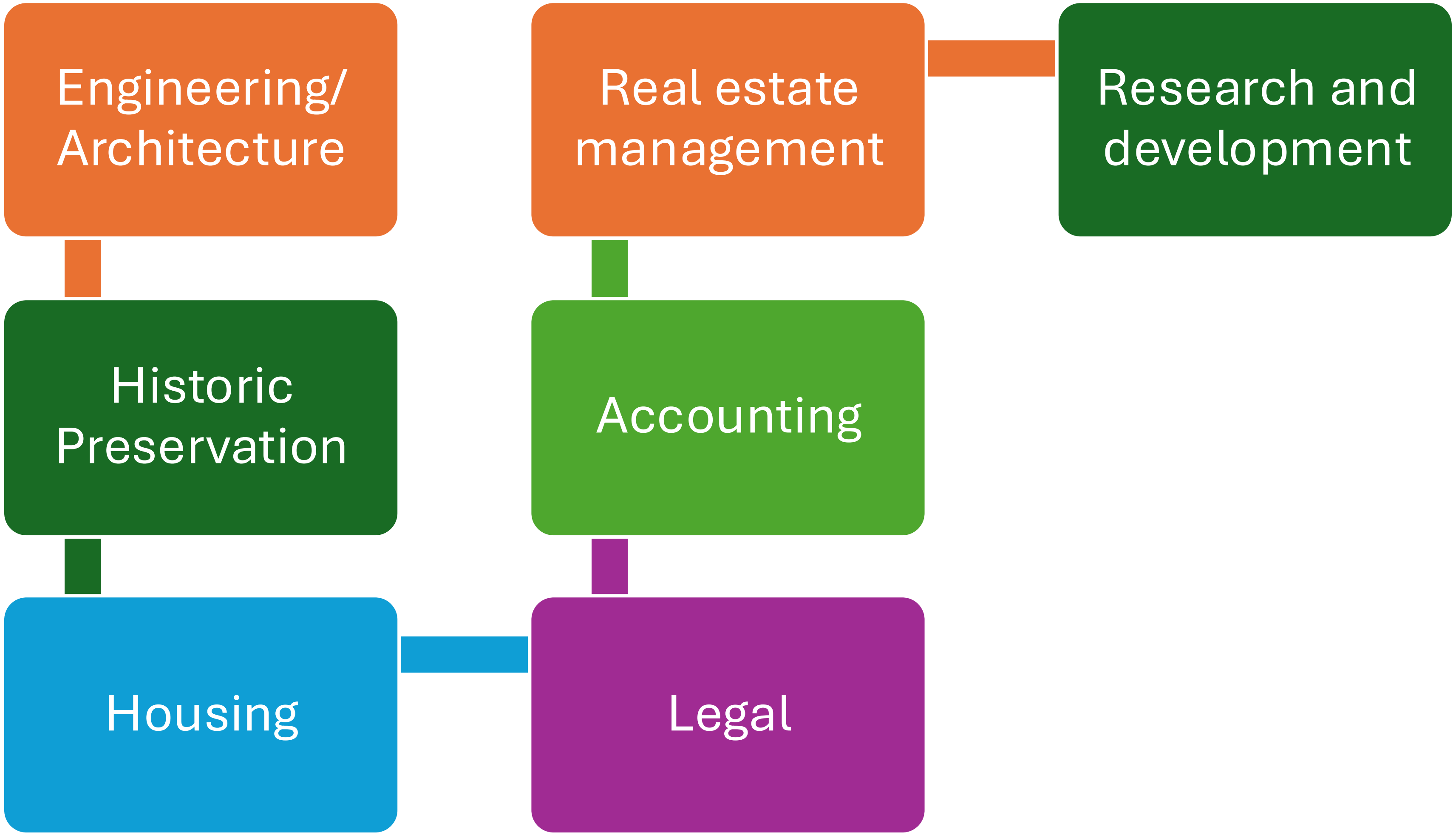
Framer – the "Deal Maker"

Engager

Developer – the "Risk Taker"

Primary Contact

Key skills


Engineering/ Architecture
Real estate management
Research and development
Historic Preservation
Accounting
Housing
Legal

Potential Stakeholders

- Municipalities
- Media
- Regional development corporations
- Educational institutions
- Hospitals/health care
- Social clubs
- Civic clubs
- Nonprofits
- Cultural institutions

How to find the right partners

What are the outcomes you're seeking?

- Built capital
- Financial capital
- Social capital
- Cultural capital
- Etc.

Who else is interested in these outcomes?

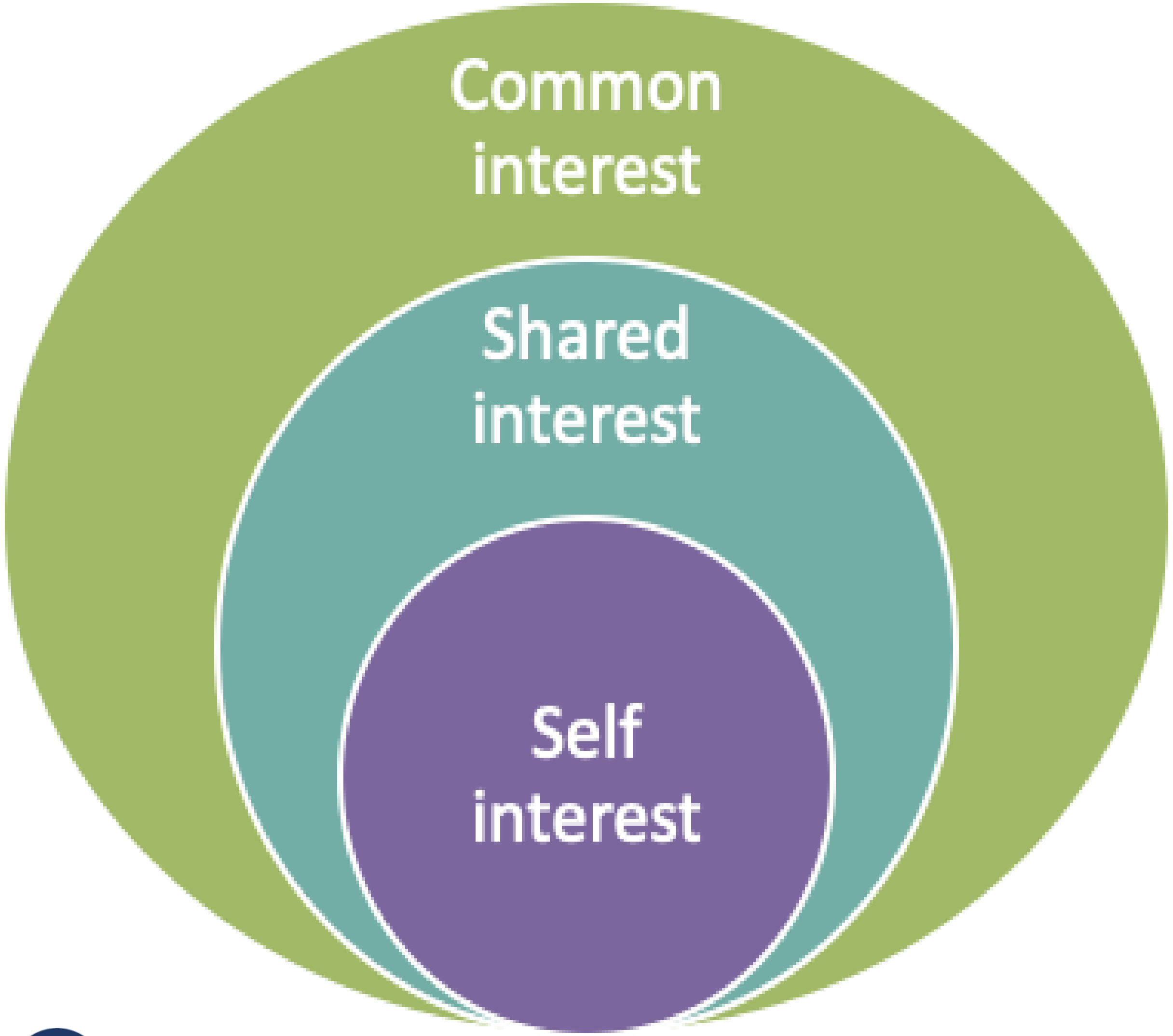
What is the value proposition for other potential partners? How do your hoped-for outcomes connect with what they are seeking?

Value Propositions

Self-Interest: What's in it for me? That is the core of the value proposition that makes it "worth their while" for any person, business or group to engage.

Shared Interest: What's in it for us? Shared interest is a conclusion by two or more players that there is something in pursuing it that they all value.

Common Interest: What's in it for everyone—the entire region? Achieving (or appealing to) common interests can sometimes stimulate outside investment and effective marketing messages.



Enabling Factors

i.e. "Investment Readiness Factors"

- Community Assets
- Local Government & Civic Structures
- Economic Ecosystem
- Built Infrastructure
- Natural Environment

Take the Assessment Online

Photo credit: Sam Levitan

https://www.downtownplaybook.org/readiness-assessment

https://www.downtownplaybook.org/download-the-pdf-assessment

	range of local community members, fostering respect, openness to new perspectives, and collaboration
	Shared Vision: Vision, goals, and a plan for your downtown shared by diverse stakeholders and residents, and an inclusive process in place to adjust as community priorities and opportunities shift
	Existing Skills: Inventory of relevant existing skills and expertise held by local residents
	Opportunities & Constraints: Analysis of the opportunities and constraints to developing your downtown in a way that engages a diverse array of residents
	Quality of Life: Assessment of quality-of-life assets: recreation, arts/culture, third spaces (informal social gathering), entertainment, etc.
	Property Inventory: Inventory of building stock (ownership, quality, square footage, required upgrades, etc.) and potential uses identified
	Investment and Investment Capacity: Capacity on the ground to put investment deals together
	Local Brand: Strong brand/identity for the region that draws on local history, culture, emerging industries, ongoing innovation, etc. for area
	Education Assets: Access to education (K-12, quality early childhood education; post-secondary certificate programs, etc.)
	Health Assets: Access to, and affordability of healthcare assets.
	TOTAL SCORE

Investment Readiness Scoring Guide

- What type of investments is your community ready for now?
- What can you do to help your community become ready for bigger investments?

Investment Readiness Scoring Guide		
Readiness Factors	Thumbs Up	Interpretation
1-10	👍	This community is in the early stages of investment readiness. Try analyzing the current factors that have been checked in the assessment and plan how to build on those assets to gain additional readiness factors. Examples of Investments to seek now may be Technical Assistance or Planning Grants to help increase investment readiness.
11-20	👍👍	[illegible] is gaining momentum and may have some downtown projects ready for investment. It is often best to begin working on small projects with the greatest impact to help build more momentum and excitement for downtown development. The community should continue identifying assets to build upon and analyze the readiness factors it does not [illegible] if there are any that c[illegible] This will help propel downtown redevelopment forward. It may be time to seek early investments like: Technical Assistance, and Pre-development or Planning Grants. The community may also begin attracting early Equity and Debt investors, and investigate properties that may qualify for alternative opportunities [illegible] tax credits.
21-30	👍👍👍	This community is actively engaged in downtown development and is likely working on a "pipeline of projects" that build on one another leading toward a shared vision and overall transformation for downtown. Multiple investors are now interested in investing because they believe their investments will gain a greater return as they leverage the investments of others. It may be time to seek Developers, Equity and Debt investors, moderate-sized Implementation Grants, or other subsidies, and connect entrepreneurs and small businesses with programs that help them gain technical assistance, funding, and financing.
31-40+	👍👍👍👍	This community has experienced a series of successful downtown development projects. Because of this, the community has gained a track record of success and can make a compelling case to investors that they will receive a good return on their investment. This community is a strong candidate for large investments from Equity and Debt Investors, as well as Implementation Grants, which can be used as matching funds to fill gaps and complete large projects. Investors will be especially interested in projects that have gained significant community support, as well as those that leverage local assets and align with local and regional economic development efforts.

5 Stages of Investment

PLANNING

Activities

Form project idea
Examine community plans
Do preliminary needs analysis

Money Implications

$

Skill / Organizational Needs

Planning
Community Outreach
Funding
Fund Raising
Legal

PREDEVELOPMENT

Activities

In-depth analysis
Secure financing
Finalize project team
Attain site control

Money Implications

$$

Skill / Organizational Needs

Architectural / Engineering coordination

MAKE A CHOICE

Activities

Move forward as-is.

Stop.
Abandon the project.

Go back.
Modify the plan and continue.

DEVELOPMENT

Activities

Construction or start up

Money Implications

$$$$$

Skill / Organizational Needs

Project Management
Administrative

MANAGEMENT

Activities

Ongoing administration

Money Implications

$$

Skill / Organizational Needs

Asset Management
Property Management

Capital Stack

04 Equity

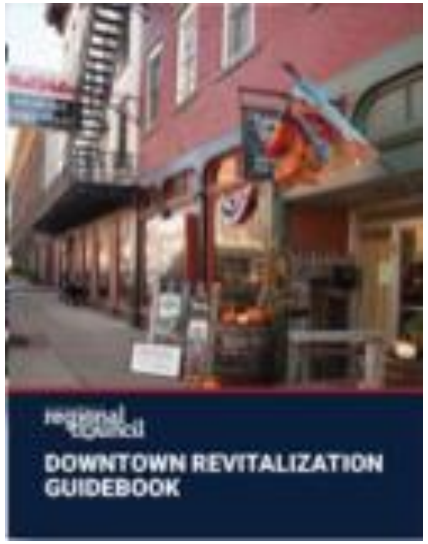
03 Senior Debt

02 Subordinate Debt

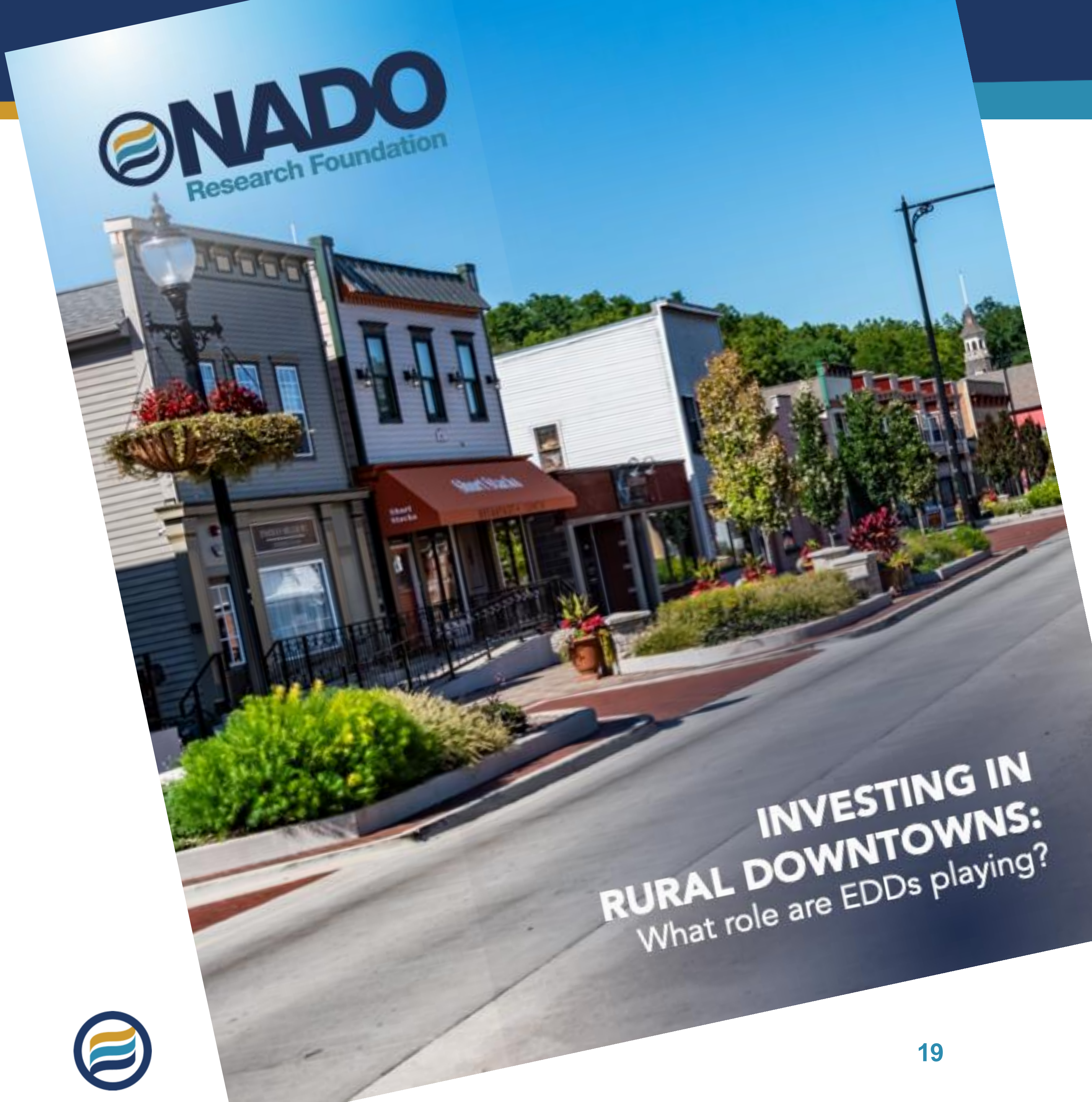
01 Grant or Subsidy

How EDDs Can Support a Downtown Comeback

- Inventory resources and assets
- Downtown planning and placemaking
- Brownfields assessment, cleanup and redevelopment
- Funding and implementation
- EDD-Produced resources



https://www.nado.org/ruraldowntowns/



www.downtownplaybook.org

For more information

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