

MICHIGAN PLANNER



American Planning Association
Michigan Chapter

Making Great Communities Happen

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REINFORCING PLANNING THROUGH PLACEMAKING

PLACEMAKING. IT'S WHAT PLANNERS DO, RIGHT?

Since the advent of our profession, creating quality places of lasting value has been both our charge and our passion. Together with elected leaders and appointed officials, city managers, township administrators, and other municipal professionals, planners have worked to create a vision, establish alternatives and priorities, and implement the programmatic, regulatory and policy initiatives to make great communities happen. As both an art and a science, community building can be messy, political and complicated, but in the end we strive to create communities that attract and maintain residents and businesses through the use of traditional tools of the trade including the master planning process, zoning, and building and design codes, or more contemporary models such as form based codes.

As community planners, we are heartened that state agencies like the Michigan State Housing Development Authority (MSHDA) are taking the lead to influence changes in state policy that support the planning and placemaking work that we have been advocating and advancing for years. We should see this as a reinforcement of our professional efforts – a heightened recognition of the value of community planning – and use this new energy to bolster our local planning efforts. A message of placemaking that resonates across disciplines is good for all of us.

This entire issue of the *Michigan Planner* magazine is devoted to placemaking. We cover innovations in the master planning process; the street and place; centers, nodes and corridors as a basis for form; target market analysis; and the use of more contemporized tools like Form-Based Code, Charettes, and Transportation Oriented Development.

Many of MAP's Planners in Private Practice (PIPP) Division



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members elevated their knowledge and acumen through participation in MSHDA-sponsored training programs over the last 18 months, and share their craft through the articles published here.

The bar is being raised in Michigan. The ideals of community planners are being echoed throughout state agencies and other partner organizations like the Michigan Municipal League, the Land Policy Institute, Community and Economic Development Association of Michigan, the Michigan Historic Preservation Network, and others. As placemaking is integrated into the policies and practices of our partners, so too are the ideals of community planning. And that's good for planning, right?

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TARGET MARKET ANALYSIS

The Target Market Analysis (TMA) approach to conducting housing studies is getting broad attention in Michigan in light of strategic placemaking efforts and the economic recovery.

The TMA approach identifies households that are a) highly mobile and on-the-move throughout Michigan; b) have unique lifestyle attributes; and c) are seeking new housing formats across the urban transect zones. The following key phrases are critical to understanding what TMA is, what the analysis considers, and how the results will be integrated into community planning.

Mobility – or movership rates are used to measure the share of existing populations and households that moved within each county, each year and the share that moved in from other parts of the state, other states, and abroad. To measure net migration patterns in any given year, the outflow of households from any given county can be compared to inflow of households, resulting in a gain or loss.

The Lifestyle Clusters – Based on statistical classification techniques that determine whether the majority of households living within a given block group fall with a given demographic group, and then if these

defined groups are located in specific geographic clusters (within the block group). Sources include combinations of surveys and primary consumer data, statistically analyzed and then reported.

Applying the Urban Transect – The socio-economic attributes of over 70 lifestyle clusters are studied along with their spatial or geographic distribution within communities and places. Results are used to determine each cluster's propensity for choosing to live in the T-2 through T-6 transect zones. Key demographic indicators include a) household density; b)

tenure (renter v. owner occupancy); and c) number of housing units by building size.

Applying Urban Form – Local market conditions and existing housing forms are studied to determine whether there are any “missing middle” products. Data is revealing that most communities throughout Michigan have inadequate choices among attached housing products in the T-4, T-5, and T-6 zones. Depending on the market, these products could range from duplexes and quads to row houses, town houses, flats above street front retail, hard and soft lofts, condominiums, and choices in mid-rise buildings.



Underlying data provided by Experian Decision Analytics and powered by Sites | USA. Analysis and exhibit prepared by LandUse | USA, 2014.

The Target Markets – Lifestyle clusters become Target Markets if they have high mobility rates and a propensity for missing middle housing formats. In each county and community, there are typically at least three (and up to 10) distinct Target Markets. These represent the market potential for developing new housing products that are unique to the market. Ideally, private investors will work with community leaders to design and develop products with the building form, unit density, and placemaking attributes that make them most desirable to the Target Markets.

The Millennials – The population group with the highest movership rates tend to be young, single renters with low-to-moderate income profiles. They may have college degrees but might also be finding it difficult to

find good paying jobs in their chosen professions. Many have aspirations for eventually owning a home, buying a car, getting married, and starting a family, but they are postponing these decisions later than preceding generations. Rather than moving for a job, they are increasingly more likely to seek a job after they have chosen a community to live in. They want to be socially connected and are showing a strong preference for urban places to live – particularly downtown districts.

The Active Adults – Maturing adults are also an important group, and include mid-aged singles, empty nesters, early retirees, active seniors, seniors living in independent and assisted living facilities, and the elderly. These groups are living longer, staying more active later in life, working later into life, and growing as a share of

the total population. Similar to the Millennials, they too are seeking vibrant urban places that allow them to be more socially connected and active. Although they have relatively low movership rates, many are also seeking opportunities to downsize from detached houses into attached housing – without moving into a senior apartment.

The Role of Placemaking – The Placemaking process is paramount to the successful development of new housing products that fully meet the preferences and expectations of the Target Markets. More than ever, residents are demanding communities that include complete streets for all modes of transportation, provide easy access to public transit, and are walkable to neighborhood amenities.

Retail TMA – Many of the Target Markets

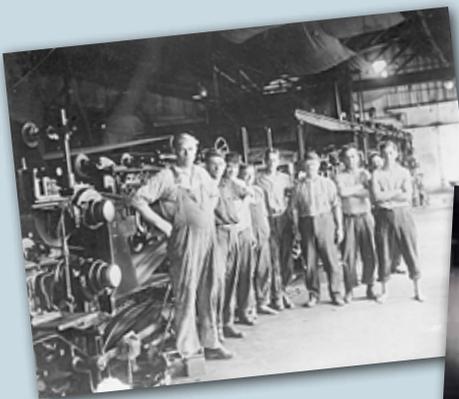


CONVERTING A PAPER MILL INTO A NEIGHBORHOOD

For decades the city of Monroe was home to a half dozen paper manufacturing operations which produced newspaper, cardboard and bottled beer cases. The decline of the paper industry left Monroe with hundreds of acres of vacant industrial property fully serviced by public infrastructure. One smaller paper plant in the southwest portion of the city was acquired, demolished and materials were used

for the renovation and conversion of the historic La-Z-Boy furniture manufacturing plant into senior housing. A several hundred acre property in the northeast section of the city was redeveloped as neighborhood based on the Congress for the New Urbanism (CNU) principles. This project was one of the first planned new urbanism neighborhoods in

Michigan. It utilized the incentives of the brownfield redevelopment authority coupled with a detailed pattern book which outlined the placement and design of the private and public realm and a new residential neighborhood was created. Today children ride their bikes, parents push strollers, and neighbors enjoy conversations on their front porches... all where a paper mill once stood.



have a high propensity to choose attached housing products in urban places, and there is often a need to test the market potential for mixed-use projects with new housing choices above street-front retail. Regardless of the form and context, residents still need access to a mix of retail and services. In particular, new housing should be walkable to a neighborhood grocery store, pharmacy, hardware store, and eateries. The potential for other retail and services will depend on existing competition and lifestyle preferences of the Target Markets.

SHDA Matching Grants – To help with the completion of regional TMAs in Michigan, the Michigan State Housing Development Authority (MSHDA) Community Development Division is offering matching grants to qualifying communities. The completed studies will help guide the planning of other MSHDA grants and programs, and will serve as a platform for more site-specific studies and developer grant applications. Contact your MSHDA Community Development Specialist for more information about conducting a TMA for your community and applying for a matching grant.

Site Planning – Ideally, the TMA results are used to help guide future updates to local planning documents, including community-wide master plans, downtown plans, and sub-area plans. The results should also be used by local developers and stakeholders to guide site-specific development plans, and as a platform for site-specific studies for underwriting purposes.

Supply-Demand and Gap Analyses – The Target Market Analysis approach is unique from more conventional supply-demand and gap models, which focus on studying the attributes of households that are already living in a given community. The supply-

demand approach relies on existing conditions only, and fails to consider the lifestyle preferences of migrating households and the choices that they would make if they were available.

The supply-demand approach assumes that existing housing products currently available and occupied by households is an accurate representation of their preferences. This assumption is leveraged by the private development community (and supported by the lending institutions) to justify the development of more of that same product, rather than products that are missing. These trends and practices contributes to bland, homogeneous communities that lack diversity and fail to attract the moving Target Markets.

FOR MORE INFORMATION:

The Target Market Approach: <http://www.experian.com/assets/marketing-services/brochures/mosaic-brochure.pdf>

Target Market Profiles: <http://classic.demographicsnow.com/AllocateOnline.srct?ShowPage=static/MosaicUSA.htm>

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demographics, spatial analysis, and location intelligence.



LandUse|USA specializes in land use economics, market strategies, and target market analysis for large and small urban places. LandUse|USA (www.LandUseUSA.com) is also pre-approved to work on MSHDA-funded Target Market Analyses throughout

Michigan. For more information, send an email to sharonwoods@landuseusa.com, or call (517) 290-5531.