

# **Integrating the Practices of Urban Planning/Design and Economic Development**

**Background Memo for Convening on  
March 6, 2015**

**RW Ventures, LLC  
Urban Planning and Design for the American City**

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## **I. Introduction**

On March 6<sup>th</sup>, a small group of leading national experts in urban planning/design and economic development will convene to explore challenges and opportunities related to more deliberate integration of their respective practices. Changing global dynamics affecting both fields suggest the need and opportunity for more systematic collaboration, making this a particularly opportune moment for this “meeting of the minds.”

The fields of urban planning/design and economic development are inherently related, as both are concerned – in different ways – with shaping the health and prosperity of particular places. Despite this overlap, the fields have often struggled to align, let alone integrate, their practices, leading to phenomena such as:

- Single-use zoning<sup>1</sup>
- Fiscalization of land use or “fiscal zoning”<sup>2</sup>
- Conflicts between or negative externalities resulting from adjacent economic uses
- Transportation planning that does not align with the realities of where residential and economic growth are taking place
- Targeted industry or economic sector planning that is not sufficiently place-based (i.e., does not explicitly tie to spatial patterns and physical assets)
- Regional economic growth plans that do not sufficiently advocate for or incorporate smart growth principles
- Transit-oriented development that does not sufficiently incorporate market-based considerations<sup>3</sup>

The context in which the two fields operate is fundamentally changing, providing new opportunities for and placing an increasing importance on deliberate cross-fertilization. Changes in the global economy, concerns about “resiliency” and new imperatives for inclusive development are affecting practice in both fields. In this context, the aim of the convening is to identify a set of concrete opportunities around which urban planning/design and economic

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<sup>1</sup> Traditional comprehensive planning and zoning tend to segregate land uses into a patchwork of self-contained districts, each comprised of a single use – residential, industrial, commercial, institutional and so on. This phenomenon tends to be more prevalent in suburban communities and urban industrial areas, resulting in market inefficiencies by disconnecting workers from jobs, consumers from retail and other amenities and various types of firms from one another.

<sup>2</sup> “Fiscal zoning” refers to the pitfall of over-zoning for consumption-oriented uses (e.g., retail, restaurants, etc.) that generate high property/sales taxes to maximize local government revenue, while under-zoning for industrial, office and similar uses that are more production-oriented and job-creating. This practice by planners leads to an over-supply of (often big box) commercial districts that can both crowd out manufacturing and deplete the number of high-wage employment opportunities. See, e.g., [http://weber.ucsd.edu/~miwhite/BNW\\_NTJ\\_final.pdf](http://weber.ucsd.edu/~miwhite/BNW_NTJ_final.pdf).

<sup>3</sup> In some instances, cities and regions are undertaking transit-oriented development projects without sufficiently rigorous market intelligence regarding (a) which stations/stops/zones are best suited for this type of dense, mixed-use development and (b) what the specific uses should be at various nodes within the transportation network (e.g., office, light industrial, services, retail, etc.).

development practitioners can begin to more deliberately and systematically collaborate, ultimately producing better outcomes from the perspective of both fields.

The goals of the day are:

- Cross-fertilization – enable practitioners in each field to learn from the other and identify ways to incorporate the most value-added pieces into their own field of practice.
- Practical applications – identify specific opportunities – e.g., project and product types such as innovation districts or TOD plans, analytic methodologies and tools, etc. – for mutually beneficial collaboration between the two fields of practice.
- R&D agenda – articulate next steps and begin developing an agenda for applied research and development to strengthen integrated practice.

To set the stage for a rich and productive discussion, this background memo aims to establish some common ground and seed discussion at the meeting by providing:

- A high-level comparison of the perspectives with which urban planning/design and economic development approach their respective areas of practice;
- A description of how certain global dynamics are changing practice in each field and heightening the need for more deliberately integrated practice; and
- Examination of a small number of common project and product types in each field, surfacing preliminary thoughts on the potential benefits of more deliberate and strategic integration.

#### ***A Note on Scope***

The scope of this background memo and the discussion on March 6<sup>th</sup> is bounded in several ways:

- Our focus is on the practice of urban planning/design and economic development, not the fundamental theory (e.g., the large and diverse field of economics!) that underlies each of them.
- We are focused on urban settings – metropolitan regions, cities and neighborhoods.
- With regard to economic development practice and our understanding of how economies work, we are focused on Western/capitalist systems.

## II. Overview of Practice: Planning/Design and Economic Development

The field(s) of **urban planning and design**<sup>4</sup> aim primarily to shape the physical environment of cities and regions for the improvement of human and environmental health, business and job growth, and access to transportation, public space and facilities, education and lifestyle amenities. It shapes the arrangement, appearance and function of places through the creation of spatial plans, guidelines and regulations for land uses; recommended land use mixes and patterns; development and design standards for buildings, open spaces and the public realm; zoning and building codes; and infrastructure requirements and placement. The intention of these improvements is to have positive impacts on quality of life, attractiveness, operational efficiency (e.g., congestion), resiliency and long-term sustainability. Practitioners, including urban planners, urban designers, landscape architects, architects and engineers are skilled in the application of tools such as quantitative modeling and scenario testing (including population and transportation demand forecasting), geospatial mapping, environmental systems planning, district design, site master planning and building design and design guideline and ordinance development. Urban planning and design, given its scale and the diversity of actors involved, often requires various forms of public participation, both formally via city planning commissions and informally through, e.g., town hall meetings, design workshops and charrettes and digital gaming exercises.

**Economic development** practice is grounded in the field of economics, which is concerned with the efficient allocation of limited resources through regulated market systems for the production and distribution of goods and services (see “A Note on Scope,” p 2). The practice of economic development aims to improve the well-being of people and places through a focus on directly and indirectly creating jobs and wealth, and making goods and services available, by increasing the number, productivity and output of firms. These goals are pursued through analysis, strategy and initiative development related to diverse but interrelated drivers of economic productivity and growth, including particularly: the presence, strength and growth potential of industry clusters; development and deployment of human capital; the innovation and entrepreneurship ecosystem; the concentration, connectivity and physical relationship among economic assets and activities (urban growth form); and the public, private and civic institutional environment.<sup>5</sup> Practitioners, ranging from neighborhood-based CDCs to regional business development organizations to industry and subject (e.g., workforce) groups, employ a wide range of methodologies and tools, including econometric analysis of market performance and dynamics; qualitative and case study research; forecasting; business planning; finance; and product, project, policy and institutional development. Similar to urban planning and design, economic development entails varied forms of public participation.

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<sup>4</sup> For much more expansive discussion of what constitutes the fields of planning and design, see, e.g., Alexander Garvin, *The American City: What Works, What Doesn't*, McGraw-Hill Professional, 2013; Alex Krieger and William S. Saunders, *Urban Design*, University of Minnesota Press, 2009; “Creating Places for People: An Urban Design Protocol for Australian Cities,” available online at <http://www.urbandesign.org.au/whatis/index.aspx>.

<sup>5</sup> For an example of one comprehensive framework for economic development and growth, see Weissbourd and Muro, “Metropolitan Business Plans: A New Approach to Economic Growth,” The Brookings Institution, 2011.

The matrix on the following pages compares the two fields along several dimensions – necessarily generalizing across a broad spectrum of practice in each – in an attempt to highlight areas of intersection and overlap, opportunities for mutual benefit from increased cross-fertilization and potential tensions or challenges to more deeply integrating practice.

	<b>Urban Planning and Design</b>	<b>Economic Development</b>
<b>Primary Goals</b>	<ul style="list-style-type: none"> <li>• Maximize the productive use<sup>6</sup> of land and systems that overlay it (e.g., transportation/transit)</li> <li>• Optimize factors such as access, connectivity, livability, aesthetics, sustainability and resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Maximize the efficient allocation of resources</li> <li>• Increase market efficiency; reduce transaction costs</li> <li>• Enable firm formation and growth</li> <li>• Increase firm efficiency and productivity</li> <li>• Increase outputs and jobs</li> </ul>
<b>Primary Systems Influenced</b>	Built environment and actors who directly shape it (e.g., government, land owners, private-sector developers, etc.)	Markets (e.g., for land, labor, etc.) – the “invisible hand” – acting through the individual decisions of people and firms
<b>Mechanisms for Influencing Systems</b>	Regulations – rules, guidelines, plans, etc. – and entitlements that enable and encourage land use and physical development aligned with the above-stated goals, and discourages or disallows development that is detrimental to them	Regulation, investment, incentives, provision of public goods (e.g. education, infrastructure), collaborations (e.g., cluster organizations) and other tools to enable markets to efficiently generate and allocate economic inputs and outputs – e.g., goods, services, land/real estate, labor, etc. – and to address market limitations, externalities, failures, etc.
<b>Illustrative Objectives and Strategies</b>	<ul style="list-style-type: none"> <li>• Create and regulate efficient land use patterns that respond to current demographic and economic trends</li> <li>• Promote efficient urban development growth patterns, organizing land and resources at the regional, city and neighborhood scales – including to ensure: <ul style="list-style-type: none"> <li>– Provision of basic city services</li> <li>– Adequate provision and transportation and public transit systems</li> <li>– Equitable distribution of land uses and services including housing, commerce, industry, culture, infrastructure and open space</li> </ul> </li> <li>• Promote good quality of life for city residents</li> <li>• Create regulations and guidelines for quality design</li> <li>• Protect and preserve natural, historic and cultural</li> </ul>	<ul style="list-style-type: none"> <li>• Grow the number, size and productivity of firms in high-growth-potential industry and functional clusters</li> <li>• Promote and support entrepreneurship and small business development through specialized finance, technical assistance and ecosystem development</li> <li>• Align workforce skills with employer demand through employer-driven training and credential programs</li> <li>• Decrease the costs of moving goods, people and ideas by efficiently connecting economic actors through by co-location (such as mixed-use development) and through transportation and virtual infrastructure.</li> <li>• Establish flexible, networked, cross-sector (public, private, civic) governance that enables economic growth</li> <li>• Align neighborhood and sub-regional assets with regional</li> </ul>

<sup>6</sup> A “productive use” is, for example, one that generates revenue, provides a habitable space or maintains the integrity of an ecological system – businesses, housing, parks, etc. Vacant land is an example of a non-productive use.

	<b>Urban Planning and Design</b>	<b>Economic Development</b>
	<p>resources</p> <ul style="list-style-type: none"> <li>• Protect against environmental harm and injustice</li> </ul>	<p>opportunities</p>
<b>Sample Products and Services</b>	<ul style="list-style-type: none"> <li>• Long-range land use and transportation plans at the city and regional scales</li> <li>• Creation and maintenance of zoning and building codes</li> <li>• Creation and maintenance of design guidelines (e.g., height, density, lot coverage, etc.)</li> <li>• Policy recommendations regarding disposition of publicly owned land for private development</li> <li>• Policy recommendations and funding priorities for infrastructure development</li> </ul>	<ul style="list-style-type: none"> <li>• Research, analysis, planning and initiative development/implementation related to: <ul style="list-style-type: none"> <li>– Industry and cluster growth/development (e.g., cluster organizations, industry-specific training, shared R&amp;D, targeting attraction/retention via tax and other incentives, etc.)</li> <li>– Human capital development and deployment (e.g., occupation-specific stacked credentials, labor market intermediaries for worker/employer matching, etc.)</li> <li>– Innovation, entrepreneurship and small business development (e.g., ecosystem development and networking, specialized technical assistance, loan and investment pools, etc.)</li> <li>– Consumer service/retail development (e.g., specialized financial products, deal development/brokering, etc.)</li> <li>– Spatial connectivity of economic assets/activity (e.g., transit-oriented development, innovation districts, repurposing industrial land, etc.)</li> <li>– Institutional infrastructure for program implementation</li> </ul> </li> <li>• Comprehensive growth plans <ul style="list-style-type: none"> <li>– State</li> <li>– Regional</li> <li>– Sub-regional/neighborhood</li> </ul> </li> </ul>

	<b>Urban Planning and Design</b>	<b>Economic Development</b>
<b>Sample Analytic Methods and Tools</b>	<ul style="list-style-type: none"> <li>• Common data sources/types:               <ul style="list-style-type: none"> <li>– Real estate characteristics (e.g., land use, zoning, vacancy status, etc.)</li> <li>– Land characteristics (e.g., topology, hydrology, remediation needs, etc.)</li> <li>– Demographic data including social, economic, environmental and human health</li> </ul> </li> <li>• Common analytic methods/tools               <ul style="list-style-type: none"> <li>– Population and job forecasting models</li> <li>– Travel demand models</li> <li>– Density and massing models</li> <li>– Water and energy use models</li> <li>– Spatial analysis using GIS software</li> <li>– Scenario development and modeling</li> <li>– Design schemes</li> <li>– Public engagement (e.g., planning and design charrettes)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Common data sources/types:               <ul style="list-style-type: none"> <li>– Employment projections by industry and occupation</li> <li>– Establishment counts by industry</li> <li>– Real estate market characteristics (e.g., values, transaction volumes, vacancies etc.)</li> <li>– Consumer spending</li> </ul> </li> <li>• Common analytic methods/tools               <ul style="list-style-type: none"> <li>– Location quotients</li> <li>– Shift-share analysis</li> <li>– Spatial analysis using GIS software</li> <li>– Economic impact modeling (e.g., multipliers)</li> <li>– Fiscal impact modeling (e.g., taxes generated, additional services required, etc.)</li> <li>– Surveys of firms, institutions, consumers</li> <li>– Scenario development and modeling</li> <li>– Public engagement (e.g., community meetings)</li> </ul> </li> </ul>
<b>Primary Agents of Change<sup>7</sup></b>	<ul style="list-style-type: none"> <li>• <u>Direct</u>: owners and developers of land</li> <li>• <u>Indirect</u> <ul style="list-style-type: none"> <li>– Firms, households and institutions (location decisions)</li> <li>– Government departments/agencies (creation of rules and regulations)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <u>Direct</u>: Private-sector/firms, consumers</li> <li>• <u>Indirect</u> <ul style="list-style-type: none"> <li>– Individual workers/households (education/training and residential location decisions)</li> <li>– Government departments/agencies (creation of rules and regulations)</li> </ul> </li> </ul>
<b>Typical Analytic or Planning Timeframe</b>	<ul style="list-style-type: none"> <li>• 20- to 30-year horizon for regional comprehensive plans</li> <li>• 5- to 10-year horizon for city and neighborhood plans</li> <li>• 1- to 5-year horizon for site and project-specific plans (e.g., TOD, brownfield redevelopment plans, TIP, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• 5- to 10-year horizon for regional economic growth plans</li> <li>• 1- to 5-year horizon for sub-regional/neighborhood and site-specific plans</li> </ul>

<sup>7</sup> Primary actors through which planning/design and economic development aim to effect change.



Consideration of this matrix surfaces at least one “meta” observation regarding the nature of the overlaps and disconnects between urban planning/design and economic development. There seems to be something of a continuum of opportunities for integrating practice, which can be grouped roughly into three sub-categories:

- Subject areas, analytics and products/services that are distinct to one practice area with virtually no intersection with the other, and therefore do not offer clear opportunities for collaboration. For example, economic development practitioners have little to add to park/open space planning, while planners/designers have little to say about developing financial products and technical assistance for small businesses.
- Products and services that are primarily the domain of one of the fields, but exhibit a modest degree of overlap and could benefit from being better informed by and incorporating particular perspectives or tools from the other field. For example, regional land use planning would benefit from greater knowledge of what regional industries and occupations are expected to experience near- and long-term growth and what types of transportation and other infrastructure would best support their development. Conversely, cluster development efforts would benefit from a more nuanced understanding of the existing spatial arrangement of relevant firms, workers, connecting infrastructure and related collateral development such as housing and commercial amenities.
- Products and services that heavily overlap, suggesting that urban planning/design and economic development practitioners should be deliberately collaborating on them. These include, for example, mixed-use development projects such as innovation districts, repurposing industrial land, commercial corridor redevelopment and transit-oriented development. Projects like these provide the opportunity for the iteration of planners’/designers’ evaluation of physical feasibility with economic developers’ evaluation of economic and financial feasibility. In the case of repurposing industrial land, for example, an economic developer might suggest a use that aligns with the region’s high-potential growth clusters and note that it would necessitate significant truck traffic to/from the site. Planners’/designers’ evaluation of site characteristics might indicate that the volume capacity and lane widths of local roads would not accommodate this traffic, requiring consideration of alternative uses for the site.

For product/service types in the latter two categories (modest to heavy overlap), a number of more detailed questions arise with regard to the nature of some of existing disconnects and the potential for integration (note that this is not intended to be a comprehensive list, but rather a set of initial thoughts to prompt discussion):

- How does the market-based framework of economic development practice align (or not) with planners’/designers’ view of the world? Does it suggest particular areas – e.g., addressing market imperfections or limitations – that might be particularly fitting for integrating the two practices?
- What trade-offs might be necessary to address among the values, priorities and decision-making criteria of the two fields, both when determining the best approach to a new project or situation, and when selecting among a range of potential project outcomes or policy recommendations?

- How does each field of practice view the role of government – e.g., as an enabler, a direct actor, an impediment, etc. – in addressing the challenges and opportunities of urban environments?
- In what ways do the time horizons for planning/design and economic development practice differ, conflict or complement each other? For example, economic development practice may tend towards a focus on shorter-term results (e.g., getting deals done, creating/growing firms), while planning design tends to take a longer-term view (e.g., inherent in creating buildings, roads or other major infrastructure that will be in place for an extended period of time).
- How might the data and analytic tools central to each practice be leveraged by and contribute to better/more informed decision-making by the other? Are there specific subject areas or levels of geography at which coordination of data/analytics might be most beneficial?
- What field-specific terminology could benefit from clarification and alignment to enable clearer communication and more effective integration of practice? Examples might include “productive/productivity,” “efficient/efficiency,” “best use,” “market feasibility,” “place-making” and so on.

To complement this overview of the fields’ fundamental underpinnings, the next section of this memo explores some of the global dynamics that are changing the world in which the fields operate and providing further impetus for – as well as challenges to – more deliberate collaboration between the disciplines.

### **III. Emerging Dynamics Shaping Practice and Compelling Collaboration**

The environment in which planning/design and economic development practitioners operate is constantly changing. While circumstances affecting practice will of course vary in region-, city- and neighborhood-specific ways, several macro forces are currently shaping the fields in ways that call for more deliberate and systematic integration of the two practices, including particularly:

- Emergence of the “next economy”
- Mandate for creating more resilient cities and regions
- Imperative for greater inclusion and equity

Note that these three are inter-related and overlapping – each is described in more detail below.

#### **A. New/Next Economy**

The global economy is in the midst of a transformation as fundamental as the industrial revolution. Which factors of production and institutional characteristics increasingly drive growth are changing, impacting how those factors tend to be distributed across space and what type of physical environment best supports and enables growth. This “new economy” or “next

economy” is characterized by changes across all sectors and industries, related to several inter-related and cross-cutting dynamics:<sup>8</sup>

- Knowledge,<sup>9</sup> embedded in both people and technology, plays an increasingly critical role in driving economic growth across all sectors (i.e., not limited to “high-tech” sectors such as bio/pharma, computing, etc.).
- This emphasis on knowledge inputs across all industries has heightened economic dynamism. Innovation, flexibility and adaptation to changing global conditions are even more critical to sustained economic growth than ever.<sup>10</sup> Products, firms, industries and markets rapidly emerge and change, necessitating nimble firms and institutions, and more collaboration, which enable continuous innovation and redeployment of assets across sectors.
- What economic functions most benefit from co-locating is changing. Reductions in the transportation costs of goods and the ease of transmitting ideas across space, but the enhanced value of face-to-face interaction, mean that the geography of production is shifting. Firms no longer have to be horizontally integrated, let alone locate all of their functions in a single place. They can instead take fuller advantage of supply chains, networks and the specializations of different locales to separate and concentrate varied functions in the most geographically advantageous way.

This combination of factors means that economic growth is increasingly influenced by both highly global and highly local factors in the next economy. Technology has expanded the reach of firms, increasing competition for highly sought-after human capital as well as market share, while middle-class population growth outside the US has brought exports to the forefront as a strategy for sustained firm growth. At the same time, economic assets are overwhelming concentrating, and disproportionately productive, in metropolitan areas. Where and in what combinations economic activities locate matters more than ever, as the synergies of co-locating complementary firms, workers, technologies, functions and relevant institutions play out for different specializations and geographies, from metropolitan regions to neighborhoods, corridors, innovation or industrial parks and so forth.

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<sup>8</sup> For a more in-depth description of these dynamics, see Robert Weissbourd and Christopher Berry, *The Changing Dynamics of Urban America* (Chicago: CEOs for Cities, 2004), 79-82. This section also excerpts and draws heavily on the following sources: Mark Muro and Robert Weissbourd, “Metropolitan Business Plans: A New Approach to Economic Growth” (Brookings Institution, 2011); Kosarko and Weissbourd, “Economic Impacts of GO TO 2040,” chapter 2 (Chicago Community Trust, 2011); Kosarko, Weissbourd, Wolman, Sarzynski, Levy and Hincapie, “Implementing Regionalism: Connecting Emerging Theory and Practice to Inform Economic Development” (Surdna Foundation, pending publication); Michael Spence and Sandile Hlatshwayo, “The Evolving Structure of the American Economy and the Employment Challenge” (Council on Foreign Relations, 2011).

<sup>9</sup> These changes are often collectively referred to as the “knowledge economy,” which encompasses the increasing importance of information and knowledge resources (a) as inputs to production, (b) in the production and market process and (c) as products and services. See discussion in Robert Weissbourd and Christopher Berry, *The Changing Dynamics of Urban America* (Chicago: CEOs for Cities, 2004), 24-28; Matthew Drennan, *The Information Economy and American Cities* (Baltimore: Johns Hopkins University Press, 2002); and J. Houghton and P. Sheehan, *A Primer on the Knowledge Economy* (Melbourne City, Australia: Center for Strategic Economic Studies, Victoria University, 2000).

<sup>10</sup> See, e.g., “Big Data: The Next Frontier for Innovation, Competition, and Productivity,” McKinsey Global Institute, 2011.

This set of dynamics has many implications for how economic development practitioners approach their work, several of which suggest the increasing importance of integrating their practice with that of urban planners/designers. In the new economy, compared to the “old economy,” for example:

- Different dimensions of production can derive benefits from co-locating to share labor pools, infrastructure and other economic inputs. This has a direct effect on urban growth form – primarily the realm of planners and designers – as the spatial arrangement of firms and related institutions is changing.
- Increased emphasis on innovation and adaptation, and often on knowledge assets (including tacit knowledge), place a premium on face-to-face contact and cross-fertilization of ideas across diverse networks of firms, individuals and disciplines. As a result, people and firms are moving back toward density, and new opportunities are arising for varied kinds of vibrant mixed-use districts that encourage casual and frequent interactions and include an array of firms, institutions, housing types and amenities. More generally, “economic place-making” is ascendant in the field, reflecting these changing opportunities.
- The iterative relationship between attracting and retaining firms and workers may be shifting. Heightened competition for workers with higher and more specialized skills may make it increasingly important to create environments that are rich in both job opportunities and attractive amenities.

## **B. Resilience<sup>11</sup>**

Cities and regions – and their component sub-parts, including neighborhoods – are complex, adaptive systems that arise from the interaction of social, political and economic systems with the natural and built environment (which is itself a dynamic system – including, elements such as land, natural resources, infrastructure, IT/communications, etc.).

Cities have always faced a range of risks to their health and performance. These include both acute shocks (e.g., financial crises, environmental disasters, political unrest, etc.) and chronic stresses (e.g., traffic congestion, environmental pollution and degradation, racial and economic inequality, etc.). The potential for any of these to occur puts cities at risk of social, physical or economic upheaval.

In the current global environment, the magnitude and degree of uncertainty associated with the risks that cities face may be increasing. Pressures from climate change, disease pandemics, economic fluctuations and terrorism – among others – are growing threats to the stability and prosperity of cities. More of the global population is living in cities than ever before, and the risk factors cities face have become even more complex and unpredictable in recent years. Cities are focusing on *resilience* as a framework through which to understand not only how to mitigate, but how to respond, to these risks. It is thought of by some as the evolution of the sustainability movement, broadening to encompass the “three E’s:” environment, economy and equity. The goal is to enhance the performance of urban systems in ways that make them more

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<sup>11</sup> This section draws heavily on “City Resilience Index: City Resilience Framework,” The Rockefeller Foundation and ARUP, April 2014.

robust in the face of a range of potential shocks and stressors, rather than focusing on siloed responses to specific categories of events. Among other characteristics, resilient cities tend to exhibit, for example, well-managed and maintained infrastructure, the willingness and ability to reflect on and learn from past experiences and systems that possess the excess capacity necessary to weather shocks and are deliberately aligned with one another.

An increasing focus on resilience in regions, cities and neighborhoods is changing the way planners and designers practice. These include surfacing a need to work more closely with economic development practitioners to improve economic resiliency in cities and regions, such as:

- Regions, cities and neighborhoods need to be flexible and adaptable in the face of global and local change, including those reflected in the dynamics of the next economy – i.e., not all of the changes it implies are positive in nature. Planning at all levels of geography needs to be done in ways that enable places to weather economic shocks and continue to prosper in the face of uncertainty. This might include, for example, zoning codes and design guidelines that allow for more flexibility in the built environment, to enable physical adaptation on a local scale as growth opportunities shift from one set of economic sectors and clusters to another.
- Land use, transportation and growth management strategies need to prioritize infrastructure investments and allocation of other resources in ways that enable economic resilience – e.g., smart growth land use patterns that guide more efficient transportation and public transit systems, “smart” infrastructure (e.g., electric grid) and so on.
- Other aspects of the “resilience” framing – beyond economic resilience – may provide opportunities for collaboration between planning/design and economic development practitioners. For example, environmental resiliency in response to climate change will require greater strategic coordination of economic development patterns, incentives and financing sources that enable developers to build with greater durability and energy efficiency.

### **C. Equity/Inclusion**

In recent years, both urban planning/design and economic development practice have become increasingly focused on issues of *equity* and *inclusion*. The terminology and definitions tend to vary among practitioners, but generally refer to improving access, connectivity and opportunity (e.g., economic, educational, social, etc.) for disadvantaged populations and disinvested places. The imperative is heightened by changing demographics in many metros – e.g., rapid growth of Latino populations, the rise of majority-minority metros, etc. For the economic development field, the issue arises in the context of the paradox created by the nature of growth imperatives in the next economy. For urban planners/designers, it is driven largely by historical policies and patterns of spatial development that have resulted in segregation and lack of access to opportunity.

*Economic Development Perspective<sup>12</sup>*

The drivers of next-economy growth (see section IIIA, above) create a paradox with respect to equity and inclusion. On one hand, the greater emphasis on knowledge embedded in people and technology, and so the increasing returns to capital compared to labor and to highly educated labor, increase wealth disparities. At the same time, places with the least inequity perform best in the long term, likely by wasting fewer of (or more efficiently using) a place's economic assets (e.g., human capital, businesses, land, etc.), avoiding the costs associated with poverty and perhaps by avoiding political instability.

As a result, economic development practice is increasingly viewing inclusion as an economic imperative, and trying to align poverty alleviation and economic growth by focusing on bringing people and places into the economic mainstream. This entails activities such as anticipating in which clusters/occupations regional growth will occur, and ensuring that their growth deliberately engages all populations and sub-geographies within a region. This focus on including the people and neighborhoods that are isolated from the trajectory of the economy necessarily brings to the forefront a set of spatial, infrastructure and place-based issues.

*Urban Planning/Design Perspective*

Legacy policies and patterns of development of the built environment have contributed to cities and regions that are increasingly segregated along racial and economic lines. This pattern is being exacerbated by current land use development and economic growth policies that reinforce racial and income segregation. The consequences include, for example:

- Low-income households predominantly live in the central portions of the city, while job growth has particularly accelerated in suburban areas
- Regions have enacted transportation and land policies that promote economic sprawl and create incentive structures that further distort land use and infrastructure decision-making
- Regional planning policies do not sufficiently promote regional public transit aligned with the patterns of development and job center expansion outside the center city
- Planning, design and policy-making leadership is not always as inclusive or diverse as the population demographics it serves
- Economic growth strategies that focus on knowledge-intensive/high-tech industries or are built around anchor institutions may not provide as many employment opportunities for lower-income and less-skilled workers, and have the potential to result in displacement

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<sup>12</sup> For further background on the emerging practice of inclusive regional economic growth, see “Convening on Inclusive Regional Economic Growth: Framing Paper,” prepared by RW Ventures, LLC for a meeting supported by the Ford Foundation on June 6, 2014 (available upon request).

*Opportunities for Collaboration/Integration*

- At the regional and city scale, urban planners/designers and economic development practitioners can work in tandem so that the perspectives and interests of disinvested communities and disadvantaged populations are incorporated into all areas of practice. For example, comprehensive land use and transportation planning principles should include a criterion related to enhancing inclusion; economic growth plans should be developed for distinct sub-geographies within the region in alignment with over-arching regional plans; investments in public infrastructure and services should be prioritized in ways that support equitable opportunities for economic growth; etc.
- At the neighborhood scale, both fields of practice are concerned with improving the physical and virtual access residents and businesses have to economic opportunities throughout the region. Each field addresses a piece of this and needs to be directly informed by the other. For example, economic development practitioners can identify the regional cluster, occupational or supply chain dynamics that provide opportunities for neighborhood growth. Planning/design practitioners can enable better access to those opportunities through planning and prioritizing infrastructure that connects neighborhoods to key nodes of activity, crafting zoning codes and design guidelines that facilitate location of those uses in the neighborhoods, etc.
- At the level of specific projects, urban planners/designers and economic development practitioners need to collaborate more deeply around integrated redevelopment projects, to take advantage of opportunities such as the redevelopment of urban industrial land into mixed uses that are physically, socially and economically integrated with the surrounding neighborhood while mitigating risks of displacement (particularly of developments that focus on economic uses that are highly knowledge-intensive, such as technology parks, innovation districts, etc.).

**IV. Applications and Practice**

In the context of the changing global environment (section III), many opportunities surface in which urban planning/design and economic development practice have the potential to better inform and mutually reinforcing of one another. Potential benefits that could be realized might include, for example:

- Improved connectivity between jobs, housing, education facilities and other community and regional assets (e.g., open space, cultural institutions)
- Reinvestment in often-disinvested low-income and minority communities
- More efficient transportation/transit networks, lower travel times and less congestion
- Ordinances and regulations – particularly zoning – that allow or even encourage the type of development and design most demanded by next-economy firms and organizations (i.e., dense, mixed-use, well-connected nodes of activity)
- Infrastructure (e.g., transportation, water, energy and technology) investments and land-use patterns that are tailored to the needs of high-growth industry clusters, keeping firms

connected to workers, customers and suppliers; and adding value in ways that make firms more productive and efficient

- Diverse and accessible amenities, retail, housing, open spaces and services tailored to the needs of different segments of the regional population, and particularly the varied segments of the labor force
- More inclusive processes – that better reflect local demographic and socioeconomic factors – for engaging residents and businesses in planning/design and economic development

This section aims to highlight a few project and product types for which there may be especially significant opportunities to realize benefits of integration, and surface some questions about how they might be achieved, as food for thought. Participants will discuss these and other product/project types further together on March 6<sup>th</sup>.

### **A. Comprehensive Plan (Regional or Municipal Scale)**

#### *Description*

Comprehensive plans (or “comp plans”), developed by urban planners/designers, present a long-term vision and high-level analysis and strategies related to a range of topics. Subjects tend to include transportation and other infrastructure, land use, housing, parks and natural resources and to varying degrees, economic development. Comp plans often begin with extensive research on existing conditions and an assessment of current challenges and opportunities. They then articulate a vision, set goals and give direction on new development, redevelopment and preservation of the built and natural environment. Plans range in depth, breadth and specificity, often based on the size of the municipality or region and the scale of and tools available to the planning staff charged with its creation.

#### *Opportunities for Integration/Synergy*

Economic or business development, if included as an element of a comprehensive plan, often receives a much less robust treatment than other subjects in the plan. In the next economy, the benefits of co-locating particular uses vary depending on the particular mix of uses being contemplated. Comp plans would benefit from being better informed by economic development practice regarding, for example:

- Which types of economic uses derive benefits from co-location
- What infrastructure and other physical characteristics of place (e.g., proximity to freight rail infrastructure, access to high-speed internet service, etc.) support growth for particular types of firms and clusters
- Which types of occupations are in high demand or growing in the region, where appropriately skilled workers tend to live and the extent to which transportation infrastructure sufficiently connects these locations
- The nature of the supply chains for high-priority clusters in the region, and the extent to which transportation infrastructure is able to efficiently move goods into, out of and through the region



*Questions to Consider*

- Should regional comprehensive plans promote smart urban growth, coordinating land use decisions among municipalities?
- When making transit/transportation decisions, should the regional economic growth trajectory and agenda be the driver, or something else?
- How might decisions about how best to support growth and development of industry clusters be more informed by spatial conditions of the region or its constituent sub-areas (cities, neighborhoods)?
- Can comprehensive plans help mitigate competition for business attraction among a region's municipalities?

*Example: Plan for the 21st Century (New Orleans, LA)*

<http://www.nola.gov/city-planning/master-plan/>

**B. Comprehensive Economic Development Strategy (Regional or Municipal Scale)**

*Description*

Jurisdictions must create a Comprehensive economic Development Strategy (CEDS) in order to qualify for specific funding from the federal Economic Development Administration. The primary purpose of the CEDS is to grow the economy by understanding where there is opportunity for growth, then creating strategies directing resources and to pursue them. A CEDS include a description of the city's or region's economy, population, geography, workforce development system, transportation access and other economic resources. It must include an in-depth analysis of the economic development problems and opportunities and be consistent with applicable state and regional plans and priorities. A CEDS must also identify economic clusters and outline past, present and projected future economic development investments in the region.

*Opportunities for Integration/Synergy*

CEDS do not tend to make specific recommendations regarding where in the city or region particular types of investments that can drive economic growth – e.g., transportation infrastructure, training facilities and programs, broadband infrastructure, etc. – should be located. More granular consideration of the geographic aspects of economic growth dynamics could be incorporated, at least in part by leveraging spatial, transportation and other data and analyses developed by urban planners/designers (e.g., in the process of developing a comp plan, as described in IVA, above).

*Questions to Consider*

- How might the program allocations proposed in a typical CEDS be different if more deeply informed by land use propositions?
- What are the points of intersection for combining CEDS and comp plan? How might each become more specific in advocating smart growth and making place-specific recommendations?

- Can CEDS offer specific solutions for areas of the region/city most in need of physical and economic revitalization?
- What would inter-agency collaboration on a combined CEDS/comp plan look like?

*Example: Planning for Progress*<sup>13</sup> (Cook County, IL)

<http://blog.cookcountyil.gov/economicdevelopment/planning-for-progress/>

### **C. Economic Growth Plan/Metropolitan Business Plan (Regional Scale)**

#### *Description*

The content and scope of regional economic growth plans vary from place to place. One framework – the Metropolitan Business Plan (MBP)<sup>14</sup> – aims to translate the practice of private-sector business planning to regional economic growth planning. It is a relatively new approach that is gaining traction and showing promising early results. An MBP includes a vision statement and goals for the region’s economy; a fact-based market assessment of regional assets and performance across five market levers that drive growth; a set of integrated strategies to improve performance; and specific operational and financial plans to create and deliver new products, services and enterprises to implement the strategies. MBPs are not mandated or used to determine eligibility for any state or federal funding streams, and therefore are much more flexible than, e.g., a CEDS.

#### *Opportunities for Integration/Synergy*

While MBPs are explicitly concerned with addressing issues of regional economic growth, their market assessment does include some degree of attention to the built environment and the spatial arrangement of economic assets. The “spatial efficiency” market lever is concerned with the location of and connections – both physical and virtual – between nodes of economic actors, which include workers, firms and related institutions. This section of the MBP, however, tends to be one of the most challenging for economic development practitioners to address, as its content is not directly in the traditional scope of the field. This section, and the MBP overall, would benefit significantly from integration of data and analysis developed by urban planners/designers around transportation networks, land use patterns, commuting patterns and times, quality and usage of existing infrastructure, planned infrastructure investments and many other topics.

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<sup>13</sup> For the first time, Cook County has combined two federally required plans that address the same five-year timeframe, to create Planning for Progress, which provides an integrated strategic plan for future housing, community and economic development investments.

<sup>14</sup> For a more in-depth description of the rationale and methodology that underpins Metropolitan Business Planning, see:  
[http://www.brookings.edu/~media/research/files/papers/2011/4/12%20metro%20business%20muro/1208\\_metro\\_su\\_mmit\\_business\\_framing\\_paper](http://www.brookings.edu/~media/research/files/papers/2011/4/12%20metro%20business%20muro/1208_metro_su_mmit_business_framing_paper).

*Questions to Consider*

- How might MBP's cluster, human capital and innovation/entrepreneurship strategies be shaped by more nuanced exploration of the geography of firms and jobs, planned infrastructure investments, population projections, issues of regional inequality or smart growth development planning, etc. (i.e., information developed as part of a comp plan)?
- What tensions might arise between planners/designers and economic development practitioners regarding the appropriate scope of an MBP – i.e., what is included versus excluded? For example, MBPs do not address topics such as parks/open space, housing, basic infrastructure, public education system, public safety, etc.
- Could data/spatial analysis methods utilized by planners/designers contribute to defining appropriate sub-regions in which to execute more nuanced “neighborhood business planning”?

*Example: Plan for Economic Growth and Jobs (Chicago, IL)*

<http://www.worldbusinesschicago.com/plan>

**D. Zoning Ordinances (City and Neighborhood Scales)**

*Description*

Zoning ordinances are legal definitions of how land and buildings can be used. Beyond delineating zoning districts and describing permitted uses, they often include parking and loading requirements, landscaping and buffering rules, signage requirements and other detailed provisions. New codes and re-zoning require approval by city council or a zoning commission.

*Opportunities for Integration/Synergy*

Zoning ordinances can be relatively inflexible with regard to adapting to the changing demands of markets for housing, commercial, industrial and other types of development. Enacting changes to zoning codes tend to be driven by near-term, local and project-specific agendas rather than more long-term growth considerations, and the formal approval process required for changes to the ordinances can be daunting or time-consuming.

More deliberately and strategically integrating economic development professionals' knowledge of a region's economic trajectory could improve outcomes when ordinances are up for review and potential amendment. It could also inform more systematic rethinking and rewriting of codes to better reflect changes that have occurred in the demand for more mixed uses, the compatibility of different uses (as various industrial uses become less noxious) and in land and building characteristics favored by certain industries in the context of the next economy.

*Questions to Consider*

- What emerging or high-growth clusters/sectors have unique land use and space requirements that could better be addressed through more thoughtful zoning codes?
- What forms of zoning are most appropriate to enable high-quality residential development and job centers – e.g., single-use (i.e., Euclidean) zoning form-based codes, something else?

How could zoning be better tailored to influence the mix, distribution, density and design of uses in a given region/city/neighborhood?

- Are new forms of zoning districts needed to support new or changing economic conditions (e.g., increased benefits from co-location, mixed uses, need for access to transit and freight infrastructure, etc.)?
- How could more flexible zoning, zoning update processes, form-based codes, or other innovative approaches enable or encourage better alignment between land use regulation and economic growth?

*Example:* Miami 21 Zoning Code (Miami, FL)

[http://www.miami21.org/zoning\\_code.asp](http://www.miami21.org/zoning_code.asp)

### **E. Redevelopment Plans (Neighborhood or Corridor Scale)**

#### *Description*

Redevelopment plans promote revitalization and reinvestment within a bounded area by rezoning the land and buildings, modifying design and building standards, and offering programs, assistance and financing tools to developers and tenants. They are typically led by a public planning department and involve a partnership between neighborhood groups and/or economic development organizations. Redevelopment plans often include additional development entitlements (e.g., special zoning, development incentives affordability requirements, etc.) and tend to include redevelopment of publicly owned land or the ability to use eminent domain to acquire properties in the redevelopment area. The goal is to spur economic growth, and such plans are often instrumental in the implementation of local economic development plans and strategy.

#### *Opportunities for Integration/Synergy*

There is significant intersection between economic development and urban planning and design in the context of small-area redevelopment plans. The opportunity to rezone land, modify regulations and invest resources in a holistic way is a powerful combination. Integrating economic development goals – particularly in ways that tie the redevelopment area to the broader regional economic trajectory – can create close alignment between the two fields of practice and across geographic scales.

*Questions to Consider*

- How can we better use economic forecasting and cluster strategies to identify the most appropriate places for redevelopment plans to promote more place-based economic development?
- How can economic development practitioners help envision the most appropriate economic growth/cluster strategy for a given place?

*Example: Broad Street Station District Redevelopment Plan (Newark, NJ)*

[http://planning.ci.newark.nj.us/wp-content/uploads/2014/09/econ\\_redev\\_plan\\_BroadStreetStation.pdf](http://planning.ci.newark.nj.us/wp-content/uploads/2014/09/econ_redev_plan_BroadStreetStation.pdf)

**F. Innovation District<sup>15</sup> (Neighborhood or Corridor Scale)**

*Description*

“Innovation districts” are an emerging concept in economic development practice, and as such, the term means somewhat different things to different practitioners. While innovation districts can take on a range of shapes and sizes, they are generally bounded geographic areas that house a mix of uses, the co-location of which is aimed at spurring innovative activity, entrepreneurship and small business growth and development primarily by fostering a robust “innovation ecosystem.” They often include anchor institutions (e.g., universities, hospitals, etc.), companies of various sizes and stages of growth, business incubators and accelerators and complementary amenities that may include housing, retail and restaurants, entertainment venues, open spaces and so on. They tend to be designed as multi-purpose live/work/play districts that are densely developed, walkable, transit-accessible and infused with cutting-edge IT and other infrastructure.

*Opportunities for Integration/Synergy*

Similar to redevelopment plans, innovation districts provide an opportunity to directly link economic development and planning/design goals in the context of a particular small geography. Economic development practitioners’ knowledge of regional cluster and innovation dynamics can be effectively combined with planners’ knowledge of infrastructure and other physical investments, as well as designers’ insights into creating functional, innovation-enabling spaces.

*Questions to Consider*

- How could planners/designers and economic development practitioners collaborate to identify the highest-potential locations and combinations of uses/tenants for developing successful innovation districts?
- The economic synergies achieved in innovation districts are highly dependent on combinations of particular types and stages of complementary economic uses and shared infrastructure tailored to those uses – how can planners/designers and economic development

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<sup>15</sup> For a more detailed description of the innovation district phenomenon, see, e.g., <http://www.brookings.edu/~media/Programs/metro/Images/Innovation/InnovationDistricts1.pdf>.

practitioners better collaborate on understanding the optimal types of shared infrastructure for varied combinations of uses?

*Examples:*

Barcelona 22@ (Barcelona, Spain)  
<http://www.22barcelona.com/index.php?lang=en>

Boston Innovation District (Boston, MA)  
<http://www.innovationdistrict.org/>

Detroit Innovation District  
<http://midtowndetroitinc.org/what-we-do/district-planning>

Kendall Square (Cambridge, MA)  
<http://www.kendallsq.org/>

South Lake Union (Seattle, WA)  
<http://www.discover slu.com/whats-here/>

University City (Philadelphia, PA)  
<http://www.drexel.edu/strategicPlan/themes/innovation/>

## **V. Conclusion and Next Steps**

The global environment in which urban planning/design and economic development practitioners operate is constantly changing in ways that affect the way each field practices. Most significantly, the macro-level trends and dynamics currently influencing practice are surfacing a greater need for strategic and systematic collaboration and integration. A wide range of opportunities exist for more deliberately integrating the two fields of practice in ways that are mutually beneficial and that can drive enhanced outcomes from the perspective of each discipline.

This set of circumstances presents many opportunities for regions, cities and neighborhoods, but it also requires new partnerships and approaches, as well as an open mind. We hope this memo sparks new ideas, questions and an eagerness to further explore the possibilities (and challenges). This is just the starting point, and we look forward to digging in deeper with you on March 6.