Revitalizing America's SMALLER LEGACY CITIES

Strategies for Postindustrial Success from Gary to Lowell

By Torey Hollingsworth and Alison Goebel

With support from Goodyear and other partners, Akron, Ohio, is redeveloping the historic East End neighborhood as a business, residential, and entertainment center. Rendering courtesy of: Industrial Realty Group, LLC

STRONG LOCAL LEADERSHIP, A SHARED COMMUNITY VISION, INCLUSIVE GROWTH, CREATIVE PROBLEM SOLVING, cross-sector collaboration, and place-making are all important ingredients for success in America's smaller legacy cities.

For generations, these industrial centers were essential to building American middle-class prosperity. Places like Scranton, Pennsylvania, and Worcester, Massachusetts, created job opportunities that enabled massive numbers of rural migrants and foreign immigrants to achieve a comfortable life through relatively low-skilled work. Yet as the national economy has transitioned away from manufacturing, many of these communities have struggled with entrenched poverty, neighborhood disinvestment, and a workforce with skills that do not match employers' needs.

With traditional economies built around manufacturing and populations that peaked in the 20th century then declined to 30,000 to 200,000, America's small to midsize legacy cities are found nationwide but concentrated most heavily in New England and the Great Lakes region, from Gary, Indiana, to Lowell, Massachusetts (figure 1). In national conversations, they frequently fall under the shadow of their larger counterparts. While researchers and community leaders have identified strategies to revitalize places like Pittsburgh and Baltimore, less attention has been paid to how these approaches might transfer to communities like Dayton, Ohio, or Binghamton, New York. Smaller legacy cities often lack major corporate headquarters or significant anchor institutions, assets that have been leveraged successfully in larger

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cities, meaning that even proven strategies will require creative adaptation in places like Camden, New Jersey, or Youngstown, Ohio.

In *Regenerating America's Legacy Cities*, a 2013 report from the Lincoln Institute of Land Policy, Alan Mallach and Lavea Brachman posit that the surest way to revitalize legacy cities is through strategic incrementalism—or "melding a long-term strategic vision with an incremental process for change." Establishing a path for success, they suggest, requires a shared community vision for the city's future and sustained efforts by local leaders to further that long-range view. This process may be especially important for smaller cities, which have fewer local assets and resources, leaving even less room for risk.

Through the Greater Ohio Policy Center (GOPC), we recently completed a study of 24 smaller legacy cities in seven midwestern and northeastern states to assess how well they were performing and determine which strategies might contribute to their vitality. We analyzed economic, social, and demographic data from three years: 2000, 2009, and 2015. We also interviewed local leaders in each city to learn what helped some of them thrive and what contributed to poor performance in others.

That research builds on Mallach and Brachman's report to show that strong local leadership, a shared community vision, inclusive growth, creative problem solving, cross-sector collaboration, and placemaking are all important ingredients for success. How cities get there—the factors that increase the likelihood of success—is the focus of this article, which derives from our forthcoming Policy Focus Report, *Revitalizing America's Smaller Legacy Cities: Strategies for Postindustrial Success from Gary to Lowell*, scheduled for publication by the Lincoln Institute of Land Policy in August 2017.

Figure 1

Smaller Legacy Cities in the Midwest and Northeast

METHODOLOGY

To gain a broad perspective on how well small and midsize legacy cities are faring, the Greater Ohio Policy Center (GOPC) collected data on 65 cities in seven states throughout the Midwest and Northeast that had a population of 30,000 to 200,000 in 2013; had a substantially smaller population in 2000 compared to its peak, even if it had rebounded to some extent; had a strong history of manufacturing; and was not primarily a college town or a suburb of a larger city.

After selecting 24 representative cities to study in greater depth, we analyzed data from each place's 2000 U.S. Census as well as from American Community Survey five-year estimates for 2009 and 2015 in the following categories: population, foreign-born population, young professional population, percentage of residents working in the city, unemployment rate, labor-force participation rate, median household income, poverty rate, college-degree attainment, long-term housing vacancy rate, owner-occupancy rate, percentage of home sales with a mortgage, median home value, median rent, employment industries, and occupations.

We calculated the percentage changes in each category for 2000–2015 and then in two subsets, 2000–2009 and 2009–2015, to gain a clearer sense of the Great Recession's impact on each city's trajectory. In addition, GOPC collected data on employment and jobs in 2002 and 2014 from the U.S. Census Bureau's OnTheMap website. Using that data, we categorized places as high-, moderate-, and low-performing, based on their current conditions and trajectories over time. These groupings helped to convey how the cities' trajectories compared to one another and to identify continued challenges and factors contributing to revitalization.

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Collaboration for a Global Economy

Small and midsize legacy cities, perhaps even more than their larger peers, must plan to determine how they can fit into the changing global economy. Legacy cities generally do not benefit from the pattern of increasing consolidation, in which corporations move to thriving global cities. A smaller city's economic niche—one that will allow it to thrive—depends on local assets including geographic location, economic drivers, demographics, and local leadership. This means that the right niche for one city might not be right for another.

Some smaller legacy cities were once able to function independently in the global market, but that is much less likely in the future. For some cities, long-term success will hinge on aligning economic growth with that of other small cities in their region. In the Capital District of New York—which includes Albany, Schenectady, and Troy—the individual cities have maintained their own identities while building on synergies. They've branded themselves as the Tech Valley and they're working to promote the region's assets, such as strong technology companies, vibrant neighborhoods, and a relatively low cost of living.

Other smaller cities may align with larger legacy cities, the way Akron and Canton have aligned with Cleveland, to compete for national and global employers to relocate there. If the larger legacy city is not a strong economic engine on its own, several smaller cities may be able to collaborate to create a regional identity that helps draw new businesses and residents.

Some states, such as New York and Indiana, have embraced a regional model for economic development in which cities must work together to compete for state grants and incentives. These relatively new programs could help drive smaller legacy cities to focus on competing for jobs and residents alongside their neighbors.

If a smaller legacy city is near a large metropolis that is successfully competing on the global level, it can carve a niche as a logistics hub, staging ground, or bedroom community for a major market. A number of smaller legacy cities on the East Coast serve in these roles, including Bethlehem, Pennsylvania, which repositioned itself as a shipping and logistics hub for the Philadelphia and New York markets after the closure of the Bethlehem Steel plant.

Food trucks build on the legacy of market culture in Lancaster, Pennsylvania, home of the nation's oldest continuously operating farmer's market. Credit: Yarvin Market Journeys/Alamy Stock Photo

Benefiting from "place luck," Bethlehem, Pennsylvania, remained resilient after the closure of Bethlehem Steel in 1999, in part because of its proximity to Philadelphia and New York City. Credit: Ryan Hulvat

Common Factors in Success

Our research revealed several factors that help determine progress or persistent struggle in small to midsize legacy cities:

LOCATION, LOCATION, LOCATION

The greatest predictor of a city's performance is the region in which it is located: cities in the Northeast consistently fare better than their peers in the Midwest, according to nearly all indicators. Within those regions, cities in certain states also appear to fare better or worse. All the Ohio cities in our study struggled, particularly in the years following the Great Recession; even those cities with very positive trajectories between 2000 and 2009, such as Hamilton, slipped to the bottom of the rankings from 2009 to 2015. Akron and Hamilton were among the top performers in 2000, but by 2015 they had slipped into the moderate-performing group.

The two regions' histories explain a great deal of their relative strengths today. Many of the midwestern cities' economies were based on auto manufacturing, which had been declining for decades as jobs moved offshore or to other parts of the country, hitting its lowest point during the Great Recession. In many northeastern cities, manufacturing had bottomed out many decades earlier. According to the Federal Reserve Bank of Chicago, the two regional economies began to diverge substantially in the 1980s, as the Northeast continued to move away from manufacturing while the Midwest experienced a short-lived renaissance in that sector. The longer transition period may have placed midwestern cities at a disadvantage, as their northeastern counterparts had more time to focus on attracting new kinds of jobs and retraining their workforces to compete in the 21st-century economy. Many midwestern cities also were historically more reliant on manufacturing than their peers on the East Coast, meaning that their economies needed—and may still need—a more fundamental restructuring.

This situation may have some positive aspects. Although many midwestern cities lag behind those in the Northeast, they have the opportunity to learn from the successes and mistakes their peers experienced while remaking their cities for the new economy. Experimentation and innovation are necessary for revitalization, but small and midsize cities in the Midwest can adapt proven strategies from the outset instead of relying on trial and error.

NEARNESS TO LARGER CITIES AND MARKETS

Cities near major East Coast markets have benefited economically and demographically more than cities in the Midwest because the East Coast markets are larger, stronger, and form a critical mass. Camden, New Jersey; and Scranton, Allentown, and Bethlehem, Pennsylvania, have all shown the economic power of positioning themselves as support locations for New York City and Philadelphia. Worcester and Lowell benefit from their proximity to Boston, especially via commuter rail. According to local leaders, 1,300 people commute from Worcester to Boston every day, linking the two cities' economies and talent pools.

Researchers call the economic benefit of location "place luck," noting that cities near strong markets do see some quantifiable economic benefits. However, place luck alone is not enough. Local public policies related to crime, education, and public services are the most important factors in shaping a city's economic health.

HITTING ROCK BOTTOM

Turning around a struggling city is certainly difficult, but some small and midsize legacy cities are doing just that. Interviews with local stakeholders revealed a common theme: Cities had to hit "rock bottom" before they could manage a turnaround.

Stakeholders in Lowell said that the city was too poor in the 1950s and 1960s to undertake traditional urban-renewal programs, which would have demolished parts of the historic downtown and neighborhoods. Eventually, this proved to be a boon for the city. When the empty downtown textile mills were designated a national historic site, the city hoped to revitalize through tourist activity. However, high levels of tourist traffic never materialized, and in the 1980s a major local employer went into bankruptcy. At that point, Lowell slid into very hard times. But in the late 1990s, the city decided to take the risk of acquiring the mills and putting out bids to redevelop them as housing. Years later, Lowell has shaped its renewal around that strategy, turning millions of square feet of vacant industrial space into apartments, artists' studios, and retail stores. Lowell's success in adaptive reuse of historic buildings shows that successful revitalization efforts can take hold, even from the depths of economic distress.

In the late 1990s, the City of Lowell acquired the historic textile mills on the Merrimack River (left, credit: iStock.com/DenisTangneyjr) and began transforming millions of square feet of vacant industrial space into apartments, artists' studios, and venues such as the farmer's market, shops, and The Luna Theater in Mill No. 5 (right, credit: Joel Laino).

In the 1990s, the redevelopment of Armory Square helped revitalize commerce in downtown Syracuse. Credit: Philip Scalia/Alamy Stock Photo

Revitalization Strategies

Revitalization begins with an honest assessment of the city's situation, grounded in data and facts as well as residents' perceptions, positive and negative, about how the city is faring. Using this realistic picture, cities can make decisions grounded in where they are right now and can begin to create a vision for the future.

In our study, interviews with local leaders helped us to identify eight revitalization strategies that small and midsize legacy cities have deployed successfully. Each strategy is built around existing assets and a realistic acknowledgment of limitations. None of these strategies should be seen as a "silver bullet" that can rescue a seriously challenged city. The strategies are paired with examples of best practices to illustrate how legacy cities can develop priorities for revitalization, given their limited resources.

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1. Build civic capacity and talent.
Charting a new path requires strong leaders who can envision and work toward change. Small and mid-size legacy cities must focus on retaining local talent while also drawing new leaders from outside to fill critical roles such as city manager, economic development director, and head of a major anchor institution. Efforts should include cultivating a pool of talented younger individuals who can step into leadership roles as they arise. A healthy population of young professionals is one indicator that a city is replenishing its pool of civic leadership.

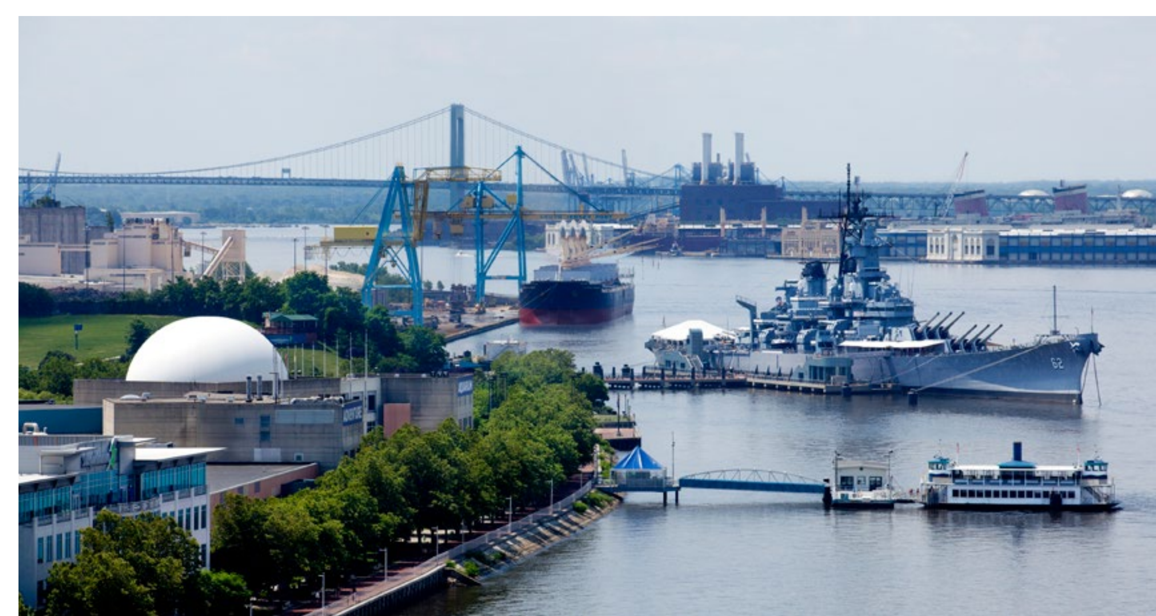
In Hamilton, Ohio, leaders had long treated the city as if it were a walled garden, allowing little collaboration and few external influences to catalyze creativity. As major employers left and the Great Recession took hold, some city-council members decided an infusion of outside energy could help put the city back on track. They recruited a city manager from outside, who focused on building a culture of collaboration within city government, between the private and public sectors, and among regional governments and organizations. Hamilton also focused on attracting talent and supporting leadership development. A 2011 public-sector program, the Russell P. Price Fellowship draws talented recent college graduates to take on management-level projects within the city government. The fellows are provided with housing downtown and encouraged to become part of the fabric of the community professionally and personally. Many have remained in Hamilton after their terms ended, adding to a new generation of local leaders.

2. Encourage a shared public- and private-sector vision.
Local government officials and private-sector leaders must jointly "own" the need for urban revitalization and work collaboratively to find solutions. Research by the Federal Reserve Bank of Boston on resurgent smaller legacy cities found a common denominator: cross-sector leaders who recognized that "it was in their own interest to prevent further deterioration in the local economy" and took responsibility for improvement. Turnaround stories demonstrate that a committed group of local leaders, including elected officials, business leaders, civil servants, grassroots advocates, philanthropic partners, can chart a new direction for the city and work together to advance their vision.

In 1984, the RCA Corporation, Campbell Soup Company, and City of Camden, New Jersey, came together to discuss redeveloping the downtown waterfront land they owned. Together they launched the nonprofit Cooper's Ferry Development Association (CFDA) to create a vision and master plan that would allow for public access to the waterfront and promote revitalization. CFDA attracted and coordinated more than $600 million in private and public investment and established the building blocks for a vibrant mixed-use waterfront community, anchored by family entertainment venues, office buildings, and residential lofts. CFDA then began working with residents to direct private and philanthropic investment in the city's neighborhoods. In 2011, CFDA merged with the Greater Camden Partnership to form the Cooper's Ferry Partnership, the city's lead organization for collaborative efforts in economic development, arts and culture, and the preservation and creation of open space.

3. Expand opportunities for low-income workers.
Revitalization efforts won't succeed if they focus only on higher-income residents. Cities must create greater access to opportunity for all, including lower-income residents who need jobs. Visible poverty and inequality create a negative image that can scare businesses away from the city's urban core, leading to lost tax revenues and a massive drag on city finances to pay the long-term costs of reducing blight.

Syracuse has demonstrated how urban revitalization and poverty reduction can be addressed together. CenterState CEO, a regional chamber of commerce and economic development organization, created the Work Train Collaborative with a "dual client" approach: finding good jobs for low-income workers and training good employees for local businesses. With the help of grassroots efforts, CenterState CEO led a workforce development strategy that tied a redevelopment project near a local hospital to high-paying jobs and skills training. Since that pilot project, the program has expanded from construction into healthcare jobs, added employers, and increased its geographic reach.



With Philadelphia in view across the Delaware River, the waterfront in Camden, New Jersey, is home to Adventure Aquarium, Battleship New Jersey, and the Port of Camden. Credit: iStock.com/Aneese

4. Build on an authentic sense of place.
Placemaking—creating interesting places where people want to spend time—is a proven economic development strategy for many cities. Michigan, which has a number of smaller legacy cities, has embraced placemaking as an economic development tool at the state level. Placemaking should build on existing assets like historic neighborhoods, compact and walkable downtowns, and legacy cultural institutions. Cities should consider which demographic groups might be particularly interested in these assets, such as young people who have moved away but want to return home to start families or take care of aging parents, regional residents attracted to urban living, immigrants looking for inexpensive housing, and rehabbers who can't afford to buy a home in a larger city. Highly skilled workers are likely to first choose where they want to live and then look for a job in that place. Smaller legacy cities can build on their authentic sense of place to attract workers and the jobs that follow them.

When the Bethlehem Steel plant closed in 1999, the city of Bethlehem, Pennsylvania, braced for devastating economic impacts. However, the mill site, which was the largest brownfield in the country, offered developable land along the riverfront. A group of local partners, including Bethlehem Steel, Lehigh University, the City itself, and a local arts nonprofit called ArtsQuest, collaborated to create a new vision for the site. In 2007, the Sands Casino Resort purchased land zoned for a mixed-use entertainment district, remediated the site, and opened a casino and hotel, keeping one of the mill's blast furnaces as a nod to the city's past. ArtsQuest now maintains an arts and cultural campus there, including an outdoor amphitheater. The campus has become a significant regional draw, with one million visitors in the first five years of operation. It also provides a new venue for Musikfest—the nation's largest free music festival, estimated to produce $55 million annually for the region's economy.

With its very low housing costs, Dayton, Ohio, led the nation with the highest percentage of home buyers under 35 years old in 2016. Credit: Ohiostockphotography

Youngstown, Ohio, has used data to pinpoint struggling neighborhoods and then leveraged a variety of financial resources to triage housing in poor condition. Credit: Ohiostockphotography

5. Focus regional efforts on rebuilding a strong downtown.
Numerous studies have found that strong regions are built around strong central cities, and strong cities are built around strong downtowns. One great asset in many small and midsize legacy cities is a historic downtown. Even when they no longer serve as the center of business and commerce, downtowns are the public face of the entire region. New technologies, suburbanization, and car-centric commuting patterns mean that many economic functions will take place outside of the downtown. But downtowns can still be vibrant regional centers as mixed-use residential and entertainment areas.

Muncie, Indiana, chose to focus on attracting young professionals specifically because Ball State University, with more than 20,000 students, is located there; as a result, the city saw significant growth in its young professional population between 2009 and 2015. In other places, a different demographic group, such as empty nesters, may be a better target for residential development; that group, because of higher incomes related to downsizing from homes in the suburbs, can often pay more to live downtown. Regardless of the demographic, building mixed-use downtowns with bars, restaurants, retail, and housing appears to be a winning strategy for many cities.

Akron, Ohio, and its regional partners have worked together to attract businesses to the region. Officials from the city, county, and regional chamber of commerce created a partnership that has drawn foreign businesses to the area. But the city's policies did not encourage businesses to locate downtown or within Akron proper, so suburban office and industrial parks became the default location for many new employers. This made it difficult for transit-dependent workers to take jobs outside the city and increased office vacancy rates in the downtown. While regional economic growth is valuable for the city as a whole, much of the new business growth has occurred at Akron's expense. The downtown organization and other stakeholders have now developed a strategic plan for the city's urban core, and some new political leaders understand the value of focusing economic development activities there. This renewed focus on downtown as a business, residential, and entertainment center is likely to pay long-term dividends for the city.

The strongest smaller legacy city in the Midwest, Grand Rapids, Michigan, revitalized its struggling downtown by gathering representatives from the business, government, and academic communities and using data to create a new vision and plan for the central business district. Credit: iStock.com/DenisTangneyJr.

6. Engage in community and strategic planning. One great advantage of smaller legacy cities is that their scale allows for greater community-wide consensus building about the city's future. But the scarcity of resources means that not all visions can take root. Careful, data-driven planning is still necessary to allocate resources effectively and ensure community support for revitalization strategies.

Grand Action, a coalition of community and civic leaders in Grand Rapids, Michigan, spearheaded the visioning and implementation of much of the city's downtown revitalization. The city planning department made sure that community members were included in discussions about downtown and their neighborhoods. The city creates "neighborhood pattern workbooks" with zoning overlays that capture community needs and desires. Both city staff members and developers appreciate that the process provides a clear sense of neighborhood concerns and reduces the likelihood of facing challenges in the public-approval process.

7. Stabilize distressed neighborhoods. One of the greatest liabilities for smaller legacy cities is neighborhood disinvestment, resulting in the decay of physical structures and a decline in the quality of life. In some cities, the Great Recession caused severe declines, not just in neighborhoods that were already stressed but also in once-stable middle- and working-class areas as foreclosures and vacancies reduced property values and kicked off a cycle of disinvestment. Stabilizing a distressed neighborhood is no small task. Multiple interventions are needed just for housing: critical repairs of occupied homes, rehabilitation of vacant homes, and, in some cases, targeted demolition. Beyond housing, stabilization requires interventions to address the neighborhood's systemic problems.

In Youngstown, Ohio, more than one in ten homes was vacant and likely abandoned when the city and the Raymond J. Wean Foundation created the nonprofit Youngstown Neighborhood Development Corporation (YNDC). The program, which focuses on targeted neighborhoods, pairs

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targeted housing rehabilitation and demolition with activities like business development, community organizing, and urban farming. Housing values are extremely low, making market-rate development very difficult without subsidies. YNDC collects extensive data to analyze which neighborhoods might support market-rate development and which will require additional interventions. In some, YNDC uses HOME Investment Partnership or Community Development Block Grant dollars to make repairs on occupied homes. In others, it works with the county land bank to acquire vacant properties for rehabilitation and resale. YNDC has its own construction crew, which lowers costs and allows rehabilitation without subsidy beyond the donation of homes. The for-sale units are very popular and are sold primarily to prequalified buyers on a waiting list. All homes are entered on the Multiple Listing Service, even if they are presold, to build comparable data for future appraisals in the neighborhood. The private market has moved in, furthering revitalization efforts.

8. Strategically leverage state policies. Few successful smaller legacy cities have been able to revitalize without some assistance from their states via direct resources, economic incentives, or capacity-building programs. The Massachusetts Gateway Cities program, for example, provides resources to create communities of choice and attract entrepreneurs to cities with populations between 35,000 and 250,000 that have median incomes and educational attainment levels below the state average. The Clean Ohio Revitalization Fund made grants to municipalities for cleanup and redevelopment of brownfield sites. GOPC found that cities were able to leverage the state's investments into significant financial benefits in annual tax revenues, economic outputs, and job creation. We found that while state policies and funding alone cannot turn cities around, state programs have helped revitalization, and local leaders have used these resources strategically for the most catalytic projects.

Conclusion

Remaking small and midsize legacy cities for the 21st century means accepting and embracing that these places will not look the way they did in the 1950s. Creating stable, vibrant places for the long term requires vision, risk-taking, and patience. Some of the strategies for success require addressing equity challenges while supporting economic expansion. Some stronger cities have already made important strides by building the next generation of leaders across sectors, making investments in training low-skilled workers, or reimagining their downtowns. In the most challenged cities, local leaders will need to work together to determine the best path forward. This process may be painful as it becomes apparent that older ways of doing things and earlier visions of the city are no longer realistic. But, for many cities, this process is the only way to build a strong community and achieve a brighter future.

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