Greg Otis
- Arts & Education Market Director

Dale McGirr
- Senior Planner & Retired Sr. VP for Finance, Planning, and Community Development - University of Cincinnati
### AGENDA

- Trends and Definitions in the Shadow Campus
- Strategic Drivers for Campus Edge Development
- 21st Century Development Leadership
- Being Bold and Disciplined
- Q & A

### DEFINITION

**The Shadow Campus Development is the History of the American City**

Shadow Campus – The area surrounding a campus where the University is the strongest influence:

- student residence
- employee residency
- visitor impact (family, sports, cultural)
- new company formations
- office space demand
- retail services demand
- transportation systems
**GROWTH PATTERN**

- In 1860, only 310 4-yr. institutions of higher education in America
- By 1930, over 2,000 4-yr. institutions of higher education in America
- Majority of American higher education campuses are 100-140 years old, in the same location, and in a town or city section that developed between 1880 and 1940
- There are double the students attending American 4-yr. institutions today compared to 1960

---

**INVESTMENT HISTORY**

- Massive on-campus investments since 1990
- No parallel investments in the "shadow campus" neighborhoods or business districts
- Older neighborhoods or towns are not considered attractive investment areas for market-based capital
- Quality of life off-campus is not equal to on-campus Student Life
- Increasing threat to institution brand and identity
THE GOOD NEWS

"The city of the future turns out to be the old neighborhood."

- Andrew Cuomo - Review of Suburban Nation
The Rise of Sprawl and the Decline of the American Dream

THE BAD NEWS

Higher Education often was the old neighborhood

Every decade since 1960, your employees have moved an average of 3-5 miles further from campus or town center.
<table>
<thead>
<tr>
<th>THE BAD NEWS</th>
</tr>
</thead>
</table>

- Less than 30% (Kent = 6,500 beds or 35%) of students live in on-campus housing.
- There are as many students living in the shadow campus as on campus (Kent is approx. 4,000-5,000).
- Off-campus student housing stock is converted single-family homes at 3X the occupancy and low re-investment rate by landlords.
- Market rate housing (for all income levels) has not naturally developed from investors.
- Retail development has been largely dominated by student oriented food and entertainment.

---

<table>
<thead>
<tr>
<th>THE BAD NEWS</th>
</tr>
</thead>
</table>

- Strong latent demand and buying power of employees and students has been under-leveraged because of:
  - Lack of targeted product
  - Reduction of public resources
  - High entry costs
  - Old infrastructure
  - Community resistance that assumes campus expansion is the only institutional agenda
  - Lack of market “comps” for several decades.
### Neighborhood quality declines
- Off-campus student housing is sub-standard (fire and crime safety issues)
- Public resources decline
- Community organizations still playing "defense" trying to contain the campus, or are inactive without the capacity to partner
- No reduction in traffic congestion and commuter pollution levels.

### Little or no new quality retail or housing product development
- No common shadow campus master plan for action (student housing, market housing, retail)
- No patient capital priming the pump, capturing imaginations and strong latent demand
- No "start" to the long trip back to neighborhood vitality.
CONCLUSION

- National strategic agenda issue for Higher Education. Comes in all sizes and shapes.
- Major employer(s) must provide the leadership as a community partner to reverse the trends
- City authorities can be a good partner in the effort, but only if:
  - There is a strong, positive relationship between the community (neighborhood and business associations) and the institution(s);
  - There is a common plan of action;
  - There is patient capital available to start the process of project development.

STATEGIC DRIVERS EDGE DEVELOPMENT

CAMPUS EDGE DEVELOPMENT PROGRAM
1. Create new student housing supply with more appropriate location, density, quality, amenities and support systems (program, parking, technology, safety)
   - Closer connection to campus for students
   - Student recruiting advantage
   - Niche housing for academic learning communities, Greek organizations, married students, honors students
   - Recapturing older housing stock for owner-occupied and employee rental.

2. Need for more employees to live near campus and create an active environment with high personal investment
   - Creates strong market for commercial capital to fund future development
   - Major element of campus sustainability commitment
   - Creates new private investment flow into campus neighborhoods
   - Creates a competitive advantage in faculty and staff recruitment
3. Institutional role in regional economic development strategies

- Program extensions supporting economic growth (direct and indirect employment growth center for city)
- Enriching student and faculty experience by community engagement
- Increasing employee residency/investment in shadow campus area improves tax base

Community Partnering and Development is a Critical Strategic Issue

- This issue must be managed from top of the institution
- This issue requires an investment of human and financial resources
- The institutional financial risks of inaction are much higher than the cost of leadership and community investment.
### 20th Century Culture

- Institutional needs and growth are inherently more important than preserving community assets and vitality
- Off campus affairs are not our business unless we need new land
- The City administration is the leader of off campus development
- A communications program is the "core" of a community engagement effort
- Market forces will respond with appropriate investments, even for student housing needs
- Our employees’ residency patterns are not an issue we need to help manage.


**21st CENTURY PLANNING CULTURE**

- Campus planning integrated with "shadow campus" planning
  - Quality-of-Life in the neighborhoods is a success factor for the institution
  - Create a flow of new investment from outside the institution based on strong project cash flows
  - Investment depends on developers, home owners, and businesses with strong incomes / business plans
  - Strongest candidates are university employees
  - Campus expansion needs to be coordinated with community needs via an integrated master plan
  - Off-campus student housing must be "managed" through partnerships with attention to: quality, density, amenities, and safety issues.

**8 STEPS TO SUCCESS**

- Define a 21st century culture of Edge Development
- Adopt Principles for Community Partnering and Smart Growth
- Define the dimensions and limits of your commitment
- Reach out to community and business leadership with new culture, principles and resource assistance plan in hand
- Form a nonprofit Neighborhood Development Corporation
- Go to the City together with your community partners
- Create an Integrated Master Plan
- Find an early win-win project
# NEW CULTURE OF EDGE DEVELOPMENT

- Trends
- Strategic Drivers
- 21st Century Leadership
- Being Bold
- Q & A

- Identify opportunities for private/public, public/public, or private/private land uses that have impact on each other
- Find a common agenda and manage the influences between adjacent:
  - Land Uses
  - Densities
  - Jurisdictions
  - Economic Interests
- Produce Win-Win-Win Projects:
  - Combined-Use Development Strategies
  - Integrate Land Use and Transportation Systems
  - Produce Regional and Community Health:
    - smart, sustainable economic, community, and institutional growth.

# ADOPT PRINCIPLES

- Trends
- Strategic Drivers
- 21st Century Leadership
- Being Bold
- Q & A

- Principles for Community Partnering and Smart Growth
- In-kind Staff Support
  - Legal
  - Planning
  - Financial and Market Analysis (Real Estate)
  - Employee and Student Demand Surveys
  - Organizational Development Training
  - Non-Profit Governances
  - Public Relations

- Financial Operating Support Grant
  - Small office in community
  - Legal costs of forming non-profit
  - Part-time Director of non-profit chosen by the community
  - Consulting funds to study critical neighborhood issues
  - All designed to do needed work AND empower a stronger community organization
### COMMITMENT FROM PARTNERSHIP

#### Trends
- Establish a strong Employee Assistance Program
  - Incentive loans to purchase a home in a defined district near campus
  - 5-10% of purchase cost - Available to all income levels
  - Loan forgiveness if employee continues employment and stays in home for 5-7 years
- Program can be institutionally funded as HR cost and/or grant funded from a foundation (CWRU, Cleveland)
- NOTHING will establish credibility faster than committing to incentives for your employees to become members of the local residential community.

#### Strategic Drivers
- Create a pool of Patient Capital to support early costs of the development cycle
- Project loans recovered over time, with low interest costs
  - Potential Sources:
    - Endowment
    - Private Foundation Grants
    - New Market Tax Credits
    - Empowerment Zone Financing
    - Other major employers in district
    - Major regional corporations
### CONSOLIDATE LEADERSHIP AND AGENDAS

- Use the University's Senior leadership to Champion community development
  - Brief them on the new culture, principles, and commitments
  - Identify the common ground and common risks you have with them
  - Commit to geographic limits on the campus, even if it has some expansion plans in them.
  - Look for opportunities to include university programs in mixed-use developments that achieve community goals.

### GIVE RESPONSIBILITY AN IDENTITY

- Form a Non-Profit Neighborhood Development Corporation (NDC)
  - Shared governance is important
  - Forms the "table" for collaboration
  - Legal platform for banking, contracts, ownership, and partnership with development entities
  - Eligible for key sources of funding support (operating and project)
  - Serves as a focal point for community, government and media communications
ACT TRANSPARENTLY

- Changes the City's role from "conflict arbitrator" to "support player"
- Planning Staff presents recommendations to executive council for consideration
- Dual funded Planning (City and University) always moves to approval faster, and sets the tone for shared responsibility to complete the projects
- Cities need "important, doable" projects that can maintain the political support needed to succeed.

CREATE A COMMON MASTER PLAN

- Use a professional consultants
- Make the RFP writing and selection process an educational experience for community members
- Link city and institutional funding together, and put city staff on the planning team
- Submit the district plan to the city for formal approval, both to gain political support and to be eligible for certain funding sources
- Use the submission of the plan as a Public Relations opportunity.
FIND AN EARLY WIN-WIN-WIN PROJECT

- Project needs to address important mutual goal
- Even better if the community goal has been around a long time, but not addressed by the city
- Project needs to start within 24 months of the start of the new partnership
- Turns a Promise into Proof.

BE BOLD

- Be responsible, but don’t let the risk analysis "freeze you in your tracks"
- If you are not willing to invest in the future of this area, no one else will either
- Momentum building to get over barriers and capture demand requires some "force" to start the process
- You are the motivated investor with access to the professional skills to make it happen
- It starts with "impossible visions" that become realized.
BEING BOLD!

NEW POSSIBILITIES FROM OLD PROBLEMS

- Urban Outfitters and Barney's Coffee Goes Into A Closed Church On The Campus Edge

Urban Outfitter
2007 Sales = $520/sq. ft.
FROM CRACK HOUSES TO TOWN HOUSES

- Trends
- Strategic Drivers
- 21st Century Leadership
- Being Bold
- Q & A

Before

After

SUBURBAN LIFESTYLE at an URBAN CAMPUS

- Trends
- Strategic Drivers
- 21st Century Leadership
- Being Bold
- Q & A
LEASED UNIVERSITY OFFICE BUILDING

- Designed Together With Adjacent Apartments and Townhouse Condos

STUDENT LEARNING COMMUNITY VILLAGE

- Trends
- Strategic Drivers
- 21st Century Leadership
- Being Bold
- Q & A
FROM MIXED-UP TO MIXED-USE

- Trends
- Strategic Drivers
- 21st Century Leadership
- Being Bold
- Q & A

1998

2005

FROM RUN-DOWN TO TRENDY AT UK

- Trends
- Strategic Drivers
- 21st Century Leadership
- Being Bold
- Q & A

- UK a major tenant with Arts College programs
  - Includes theater, retail, housing, parking

SOUTH BROADWAY ARTS DISTRICT DEVELOPMENT CONCEPT PLAN
SMART GROWTH IN THE SHADOW CAMPUS

- It is:
  - Possible
  - Responsible
  - Crucial
  - Strategic
  - Visionary, and
  - Time To Act

CONTACT INFORMATION

- Dale McGirr
  Senior Planner
  GBBN Architects
  332 E. 8th Street
  Cincinnati, OH 45202
  513-419-8167

- Greg Otis
  Senior Planner
  GBBN Architects
  332 E. 8th Street
  Cincinnati, OH 45202
  513-419-8120