HOW A UNIVERSITY AND A FOUNDATION TURNED AROUND A DEPRESSED community BY GETTING PEOPLE TO INVEST AGAIN

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The city of Macon is a cradle of culture and commerce in Central Georgia. Founded in 1823 as a “City Within a Park,” this former textile city boasts a rich musical history, high-quality colleges and universities, wide boulevards, lush city parks and affordable, antebellum homes. Talented musicians such as Otis Redding, Little Richard and the Allman Brothers Band came up in Macon.

But larger economic forces and poor planning have battered this city of 91,000. After World War II, Macon emptied as people moved to the suburbs. Interstate 75 was built through African-American neighborhoods in the heart of town. Jobs went to Atlanta and other big cities, or overseas, and with the jobs went Macon’s most talented sons and daughters. Today, Macon ranks as one of the most dangerous cities of its size in the nation. In 2012, Macon’s median household income was $23,127, less than half of the median income in Georgia and nationwide.

Over the past seven years, Mercer University, the John S. and James L. Knight Foundation and the city of Macon have partnered in a demonstration project to turn around a 2-square-mile section of town known as College Hill. College Hill, a collection of historic neighborhoods that flow between Mercer University and downtown, declined with the rest of Macon. The Pleasant Hill section of the neighborhood was taken over by weed-filled vacant lots. The Beall’s Hill section turned into a den for drug dealing. The university erected a fence around the perimeter of campus and warned students not to cross any bridges or railroad tracks.

In 2007, four students at Mercer University completed a senior capstone project with a revitalization plan for College Hill. “They were on fire with this idea to attract the creative class to this part of town,” said their professor, Peter Brown.

Their idea caught on. Spurred by Knight Foundation, the university and the city joined with residents to forge a shared vision for College Hill that unlocked the neighborhood’s rich history and quirky spirit. Blighted neighborhoods are being retaken, block by block. Nearly $100 million in...
“It’s all starting to knit together. It’s multitudes of things working in concert over a sustained period of time. You can really start to see change.”

—KATHRYN DENNIS, COMMUNITY FOUNDATION OF CENTRAL GEORGIA

private investment has poured in. Home prices have skyrocketed and spirits have soared.

Today this “hip and historic” community has a vibrant arts and music scene. The Second Sunday Concert Series in Washington Park regularly draws 2,000 people. Neighbors have planted 250 trees and installed a rain garden in Tattnall Square Park. Outdoor lending libraries have been installed throughout town, including one resembling the TARDIS from the “Dr. Who” television show. This fall, a 67-foot outdoor slide was built into Coleman Hill.

The College Hill revitalization has earned national and even international acclaim. It has become a model for how visionary private-sector leadership and innovative, public-private partnering can spark a renaissance.

The most remarkable aspect of the redevelopment of College Hill is the spirit of possibility that pervades a part of town that many gave up for a slum a decade ago. Neighbors who once were afraid to go outside now play in the renovated parks, gather at public concerts, and pitch in to keep the neighborhood clean. As the College Hill Alliance puts it, “It’s more than a location; it’s a grassroots movement.” A part of town that was once depressed, economically and emotionally, believes in itself again.

These are the secrets of College Hill’s successful turnaround. It can happen in your hometown, too.

“We believe in the potential for a better, stronger, more cohesive community now more than any time in the past 100 years.”

—ROBERT REICHERT, MAYOR OF MACON-BIBB COUNTY
College Hill is still a work in progress. But after years of effort, and several missteps, the College Hill experience has yielded some powerful insights on how to turn around a community, even without government funding.

Those involved in the College Hill renaissance say there were three key elements to its success:

**Vision**
A compelling shared vision driven by the community.

**Leadership**
An anchor institution or corporation that funds initial improvements and incentivizes its employees to participate, a foundation partner that actively spurs progress and removes roadblocks, and pioneering private investors to bring those initial improvements to scale.

**Participation**
Residents who are engaged and feel empowered. Corporations, foundations and the government can encourage that participation through transparency, constant communication and competitions.
Most urban redevelopment projects start in the center city, where the challenges are the most complex and the interests most entrenched. This effort started in a residential neighborhood and is only now moving downtown with the Macon Action Plan master planning process, which is modeled after the College Hill approach.

“That makes it very unusual,” said Heather Holder Pendergast, executive director of the College Hill Alliance. “The epicenter was residents and parks and anchors that make life great, rather than business recruitment and trash pickup. The question now is: How do you take the lessons from College Hill and apply them to downtown?”

### THE ELEVEN DRIVERS OF SUCCESS

| VISION | 1 | Leverage existing assets. |
|        | 2 | Start small; show impact. |
|        | 3 | Draw up a master plan. |

| LEADERSHIP | 4 | Create an organization to champion the effort. |
|            | 5 | University partners play a pivotal role. |
|            | 6 | Foundations must act as an accelerator. |
|            | 7 | Government must be involved, even if it does not invest. |
|            | 8 | Private investment will make or break a project. |

| PARTICIPATION | 9 | Encourage new ideas and participation with competitions. |
|              | 10 | Capitalize on the energy of newcomers. |
|              | 11 | Communicate effectively to bring the vision to life. |

**Plus: If at first you don’t succeed:** The initial failure of Beall’s Hill, and the ongoing challenge of engaging the African-American community.
College Hill, though rundown, started with a sense of place, a feeling of pride, and a spark of hope. Subsequent efforts have built on those strengths. The revitalization tapped the neighborhood’s rich musical history, its historic homes (poverty is a great preservation agent), a mission-driven university partner, a risk-tolerant private foundation and an initial group of artists and university faculty who lived in and loved College Hill. The goal of the redevelopment has been to amplify this “hip and historic” heritage, not to replace it. And great care has been taken not to displace longtime residents from their homes, even as their neighborhoods are renovated; a program was developed to help homeowners pay increased property taxes as their home values soar.
College Hill, the focus of seven years of concentrated effort, is just 2 square miles with 4,300 residents—less than 5 percent of the city’s population. Local leaders intentionally focused on a small area to develop proven methods for redevelopment that could then be redeployed in other parts of town—and modeled in other parts of the country.

Staying focused has produced a bigger impact and faster results, but it has also meant choosing to not take on other worthy projects. “Have a really thick skin because people are going to talk ugly about you,” said Beverly Blake, Knight Foundation’s program director in Macon. “Ignore the naysayers. Always remember that if this were easy, someone else would already have done it.”
A framework is needed to provide focus and discipline around action. In 2008, Interface Studio, funded by a $250,000 grant from Knight Foundation, led a community-driven master plan. Over four months, Interface collected input from hundreds of residents through interviews, a bicycle tour, walking tours, cocktail hours, focus group meetings, public meetings, postcards from the future, community mapping exercises and online comments. The resulting plan was released in early 2009. It numbered 214 pages and detailed a vision for the area as “hip, historic, progressive, and unified by a commitment to vibrant public spaces, balanced streets, sustainable growth and a viable local economy.” And it outlined the five key themes that emerged during the planning process, with specific goals and highly detailed recommendations. Five years in, the initial College Hill Master Plan is 95 percent complete, and an 86-page updated master plan titled “College Hill Refresh” was released in September 2014.
An effort of this scope can’t be sustained purely through volunteers. For the past five years, the College Hill Alliance has worked full time to recruit and retain businesses and act as an advocate for the residents of College Hill, with $4.3 million in funding from Knight Foundation. The College Hill Alliance assists local entrepreneurs, provides a regular flow of communication and offers a high-level of fiscal transparency. “Don’t undercount the power of creating an organization whose sole responsibility is to be a champion for the neighborhood,” said economic developer Lakey Boyd, who has helped with the project.
The more partners you have, the more complex the project becomes. Start with a few select partners who share a common vision for the greater good and are willing to put aside their own self-interest in favor of “enlightened self-interest.” The agendas of different players (corporations, funders, the government, residents) have to be aligned so everyone is rowing in the same direction rather than pulling against one another. This, of course, is easier said than done.

Mercer University, for example, wanted to grow its student body and attract applicants with better academic records. Its president, William D. Underwood, knew making the surrounding neighborhood more appealing would help with recruitment. That led the university to invest more than $30 million in College Hill in the past five years. The strategy has worked. In the fall of 2014, Mercer enrolled 43 percent more freshmen than three years earlier; over that same period, the school became more selective, with the average high school GPA and SAT and ACT scores of freshmen going up.

But Mercer University was driven by more than its academic ranking. The private university has Baptist roots and since its founding has held community service as a central part of its mission. “In the tenure process, we take service more seriously than other peer institutions,” said Underwood. “We weigh it equally with research.” The idea to redevelop College Hill was hatched by students, staffed by employees and championed by the administration. Students have injected energy and vitality into the project. And professors, who have flexible schedules and whose community service counts toward tenure, have led many of the volunteer efforts.
At every key step in the College Hill redevelopment, Knight Foundation injected needed cash as well as an inclusive, community-focused ethos. In 2008, Knight funded the creation of a community-driven master plan, which has guided the redevelopment ever since. In 2009, it funded the Knight Neighborhood Challenge, which empowered residents to get things done without waiting for institutions or the government to act. In 2009 and again in 2012, Knight funded the College Hill Alliance, an independent nonprofit with a full-time staff to host events, brand the neighborhood and nurture revitalization efforts. In 2009, Knight contributed to the founding of the Historic Hills and Heights Redevelopment Corp.’s award-winning revolving loan fund. And in September 2014, Knight committed $3 million to expand revitalization efforts in Beall’s Hill.

But Knight did more than provide money. Macon Program Director Beverly Blake acted as a neutral broker, breaking logjams, holding leaders accountable and accelerating progress. The foundation played a central and essential role as an external force driving forward change.
Government must be involved, even if it does not invest

Part of minimizing risk for private investors is making sure that local government, and particularly the mayor, is on board. Macon-Bibb County has only invested $167,000 in College Hill since 2009 (though its latest budget commits $2 million toward streetscape improvements to the Beall’s Hill area). And a total of just $1.1 million in public money has gone into the College Hill Corridor, just 1.2 percent of the total investment. But the local government has smoothed the path for private capital and grassroots volunteerism. And Mayor Robert Reichert has been a vocal champion of public-private partnership, “They can’t succeed without us,” he said, “and we can’t succeed without them.”

“You have to figure out what elected leaders and government staff will be responsible for, then hold them accountable,” such as roadwork and code enforcement, said Knight Foundation’s Beverly Blake. “That means being really aware about what public policy is and changing it where necessary. And the mayor needs to be bought in or you’re dead in the water.”

Though remarkably little public money has gone into College Hill over the past seven years, its redevelopment has been beneficial for the city. A recent study by Middle Georgia State College found that property tax proceeds from College Hill were $1 million higher in 2011 than in 2002. The increase in tax proceeds from College Hill over that decade is double the property tax increase in the county as a whole (57 percent for College Hill versus 30 percent for Macon-Bibb County).
Private investment is essential to build momentum for redevelopment and to bring it to scale. But it can take quite a bit of convincing for developers to bet on a marginal neighborhood. A few pioneering businesses, such as Ingleside Village Pizza, Jittery Joe’s and Francar’s Buffalo Wings, opened in the vacant retail spaces in Mercer Village in 2008 and 2009, lured by incentives from the university. “We had to find a few key tenants and make really sweet deals for them,” said Mercer President William D. Underwood. “Once we got it going, we knew others would follow.” But it wasn’t until 2011 when Jim Daws of Sierra Development Group, confident he would get student heads in beds, finished phase one of the Lofts at Mercer Village, where 117 students live above four ground-floor retailers. The Lofts were part of Mercer Village, an $18 million mixed-use complex that transformed surface parking lots just off campus into restaurants, loft apartments and Mercer’s Center for Collaborative Journalism. Many locals said seeing that scale of private investment was a tipping point; there was simply no going back. The fourth phase of the Lofts development is now under construction, and Sierra Development recently announced plans for a fifth. In total, of the nearly $100 million invested in College Hill since 2009, more than 95 percent of that has come from private sources.
The Neighborhood Challenge, run by the Community Foundation of Central Georgia, was a groundbreaking mechanism to activate, fund grassroots volunteerism, and identify and empower a new set of community leaders. “We had never before encouraged people to call us and talk about an idea,” said Julia Wood of the Community Foundation of Central Georgia. “We really changed the way we work with applicants. We started to connect them to people and to other resources.” When the Knight Neighborhood Challenge sunset this fall, it had awarded close to $3 million, created 96 full-time jobs and generated an economic impact of over $9 million.

“The Knight Neighborhood Challenge really was a difference maker in taking ideas to action, which is where I see a lot of efforts stall out,” said economic developer Lakey Boyd. “People get excited about ideas, but see no way to implement them or they just don’t even see their ideas as valuable. Having a process that celebrates the ideas as well as provides seed funding was huge.”
People who have recently moved to a place see it with fresh eyes. They can breathe new life and enthusiasm into a city in transition. Mercer University, which helped drive the revitalization, is essentially a campus of newcomers to town. The vast majority of its 736 full- and part-time faculty and most of the 4,000 students at the Macon campus did not grow up in Macon. Such newcomers often recognize a neighborhood’s promise more clearly than people who have been there all their lives and have become resigned to the status quo. And newcomers are often the only ones willing to take on entrenched interests. “People came from other cities and were naïve about this university town being everything they wanted it to be. Why couldn’t it be Athens,” home to the University of Georgia, said Heather Holder Pendergast, executive director of the College Hill Alliance. “They were like a torch in the darkness. They shifted what was a pessimistic community to a community that’s really inspired.”

“It’s not because we don’t know any better,” said Knight Foundation’s Beverly Blake, who moved to Macon from Atlanta in 2004. “It’s because we don’t know any different.”
To redevelop a community, you need partners and residents to trust the process. That’s only possible through total transparency and constant communication. “Communicate, communicate, communicate, then communicate some more,” said Knight Foundation’s Beverly Blake. One of the key roles of the College Hill Alliance is to provide the transparency and communication flow necessary to build trust. That’s particularly important if you want to engage marginalized populations, such as College Hill’s African-American and poorer residents. After years of broken promises and inscrutable government action, they have good reason to be wary.
Fifteen years ago, Beall’s Hill, a section of College Hill next to the university, was plagued by crime and poverty. In 2001, a HOPE VI grant from the U.S. Department of Housing and Urban Development funded the demolition of the aging Oglethorpe Homes and the construction of new multifamily homes. In 2003, the city, the university and the housing authority created the Beall’s Hill Development Corp. as a partnership to accelerate the transformation of the neighborhood. But by 2006, the housing authority had withdrawn from the alliance over concerns about how the Beall’s Hill Development Corp. was handling money. In 2007, the corporation’s executive director resigned. In 2009, the Beall’s Hill Development Corp. folded. Property that was owned by the corporation was transferred to the Macon-Bibb County Land Bank Authority. That could have been the end of the story.

In 2009, officials from the city of Macon, Mercer University and Macon Housing Authority decided to start again. They created the Historic Hills and Heights Development Corp. to take the place of the Beall’s Hill Development Corp., expanding its scope to include six other areas of town. The new organization brought partners back to the table and restarted the revolving loan fund. Since 2009, the Historic Hills and Heights Development Corp.’s public-private partnership has designed, constructed and sold over $4.8 million in new construction and rehabilitation projects. The rate of new construction and renovations in the Beall’s Hill section has increased by 500 percent, from two or three houses per year before 2009 to eight new houses and seven rehabs between May 2010 and May 2011.

This makes it one of the nation’s most active revolving funds. The International Economic Development Council recognized it as one of the most successful neighborhood redevelopment initiatives in the world.

Leaders say a key element to the turnaround strategy for Beall’s Hill is not displacing longtime African-American residents, many of whom have owned their homes for three generations. “That attitude has not been, ‘Let’s take this neighborhood back,’” said College Hill Alliance Executive Director Heather Holder Pendergast. “Rather it’s, ‘Let’s give this neighborhood back to the people who live there.’”

Essie Jackson, an elderly African-American woman and the vice president of the Beall’s Hill Neighborhood Association, said her neighbors used to be afraid to venture outside to clean their yards. Now they have “church pride.” They are proud of their neighborhood and are working every day to keep it clean and beautiful.

The challenge remains to integrate African-American residents into the College Hill revitalization. A large majority of the city remains poor and uninvolved. While Macon-Bibb County is evenly split between black and white residents, the College Hill section is 80 percent white. “The one thing that continues to make us lose sleep is how to get College Hill’s African-American residents involved,” said Knight Foundation’s Beverly Blake. The revitalization of Beall’s Hill is a step in the right direction, producing a rare neighborhood nationwide where upper-middle-class families live next to families in subsidized housing.
Accomplishments
ACCOMPLISHMENTS
A Statistical Overview of The College Hill Revitalization

$100,000,000

Nearly $100 million has been invested in the area since 2009, more than 95 percent of it from private investors.

+34%

During that same period, the property taxes collected in College Hill increased 57 percent to $2.6 million annually—a nearly $1 million yearly increase in an area with only 1,554 residential parcels. That’s according to a study by Middle Georgia State College. The increase has been driven by rehabilitation of existing housing and new construction on empty lots, putting properties back on the tax rolls.

+57%

Property values have increased 34 percent from 2002 to 2011, compared to 21 percent for Macon as a whole.

+43%

This fall, Mercer University enrolled the largest freshman class in its 181-year history (807 students, a 43 percent increase from the 565 freshmen enrolled three years earlier).

At the same time, Mercer University has become more selective; the high school GPAs, and SAT and ACT scores, for incoming freshmen have all risen (the average high school GPA, for example, increased from 3.66 to 3.8).
ACCOMPLISHMENTS

A Statistical Overview of The College Hill Revitalization

In 2010 and again in 2011, the National Preservation Conference recognized the Beall’s Hill project as the most successful housing revolving loan fund in the nation.

Neighbors volunteer an average of 298 hours each month.

Second Sunday concerts in Washington Park regularly draw 2,000 people.

In 2013, the International Economic Development Council recognized the College Hill Alliance’s work with a Gold Award in Economic Development for cities with populations between 25,000 to 200,000 for the success of Mercer Village, an area once filled with vacant, dilapidated buildings that was transformed into a vibrant residential and retail destination. The council also recognized the partnership in College Hill between the city of Macon, Mercer University and Knight Foundation with a Silver Award for Neighborhood Development.

One hundred thirty Knight Neighborhood Challenge grants totaling $3 million have been awarded.
The Georgia Chapter of the American Planning Association awarded the College Hill Alliance the Outstanding Economic Development Planning award for 2014. That same year, Heather Holder Pendergast, College Hill Alliance executive director, was named one of “40 Under 40” statewide leaders by Georgia Trend magazine.

A revolving loan fund, known as Historic Hills & Heights, established in 2009 increased the rate of new construction and renovations in the Beall’s Hill section by 500 percent from two or three houses per year before it started to eight new houses and seven rehabs between May 2010 and May 2011.

Neighbors have planted 250 trees and installed a rain garden in Tattnall Square Park, which was recently designated as one of 12 “Frontline Parks” nationwide by the City Parks Alliance, joining New York’s High Line and Prospect Park. The Frontline designation is given to urban parks that overcome obstacles such as small budgets, restrictions on land usage or dilapidated neighborhoods.
ACCOMPILISHMENTS
Statistical Overview Of The Knight Neighborhood Challenge

286 applications over the five-year period that ended in the fall of 2014.

130 grants worth almost $3 million were awarded.

$9.1 million in economic impact.

96 full-time jobs were created as a result of funded activities and projects.

41 percent of the projects were related to parks/green space, including public art to create welcoming areas. “We say that our parks are the front yards for the people who live in College Hill,” said Blake.

$1.3 million in additional funding was raised by grantees to further support their projects, even though there was no match requirement. “The challenge spurred them to aim higher and raise additional funds,” said Blake.

The grants ranged from $450 to $130,000, with the average grant just under $20,000. “We learned that applicants asked for exactly what they needed, no more, no less,” said Knight Foundation’s Beverly Blake.

22 percent were for events and festivals to bring people together.