

Why Am I All Alone in this Coworking Space?

The Social Workplace Conference surveyed folks who are members of coworking spaces (lots of Millennials, by the way). The **results** ring every bell for the implementation of coworking environments in the workplace. 87% of members say they meet other members for social reasons, 89% are happier being a coworking member, 83% are less lonely after becoming a member, and 78% report that coworking keeps them sane.

I mean, who doesn't want happier, less lonely, more social, and saner employees?

But, you've almost certainly been in a building with a beautifully designed and furnished common area all ready to be coworking nirvana. And it's empty. Except for a bunch of fabulous mid-century furniture and rich wood accents. Or maybe it's happening right now inside the walls of your office space.

Why does that space sit empty?

The answer is that the built environment isn't the solution. The social dynamics that inhabit the environment control the outcome. To be sure, the space has to have the right characteristics. After all, a sterile room with comfy furniture isn't likely to hit high marks. But, unless there is a cultural baseline supporting coworking, folks won't use the space that way.

These guys have a compelling formula. They partner with restaurants in New York and San Francisco, and convert those restaurant spaces into coworking joints during the day when the restaurants are closed. It makes a ton of sense. The restaurants already executed place making. They have coffee and tea. They have tables and chairs. And it seems to be working.

But why not in your office building or in your office? The difference between a coworking **place** and coworking **space** is one of intentionality: it's not what we want the space to be used as, but the intentions of the people who go there. We think the key identifier in the survey above is that they surveyed members. Those folks all chose coworking space. And not in their office.

If the space in your building or within your office is empty, you need to think about

whether your culture supports coworking. In other words, are the managers' expectations for productivity aligned with the optics of casual work environments? Does your employees' daily work mesh with the open environment? Is collaboration part of your corporate vernacular?

At WiRED, we work hard on placemaking. But we work harder on anticipating the social dynamics in those places. When we work with corporate clients, we assess not only their physical space, but also the cultural dynamics of the workplace. That assessment provides the groundwork for an action plan that provides wayfinding to employee retention solutions. And, empty or underutilized coworking space is a canary in the coal mine for a cultural disconnect.

How About an Office in the 'Burbs?

If your company is building new offices this year, **there's a solid chance it will be in the suburbs**. Real estate software firm Yardi said: "If we look at the total office space footage forecasted for 2018 by location class, we can see that suburban offices will provide the largest amount of new space, with nearly 35 million square feet scheduled for delivery."

Here in Milwaukee, we've seen the suburb vs. city conversation play out time after time. Roundy's moved downtown. Kohl's flirted with the Park East, but stayed in a monogamous relationship with Menomonee Falls. Fiserv still hasn't announced whether they'll choose Milwaukee or Brookfield. Here in our low- to no-growth market, we find this ongoing competition to be fascinating.

When a new company comes to our region, they can pick anywhere - they don't have an historic tie to a specific community. So, they can look at their workforce and their corporate culture and they can craft a neat match between the two. The jobs they bring will attract workers based on the overall employment value proposition.

But for companies deeply rooted in the Milwaukee region, the decision is tougher. Consider that they have an established workforce that has already made residency and lifestyle decisions. They have investment in the space they're in, and they have investment in the community in which they're located. **Newton's First Law**

hits these companies hard: corporations at rest stay at rest.

It appears the suburban office boom isn't going away. And we know that the workforce will be overwhelmingly Millennial very soon. And we know Millennials like urban amenities. And we know that Millennials are, at times, tough to recruit. So how do we reconcile suburban office with Millennial workers?

There are a handful of answers. First and foremost, these aren't your father's suburban office developments. All over the country, we see developers and owners of suburban office adding **'urban' amenities**. Restaurants, cafés, food trucks, pocket parks... All these are finding new homes in the 'burbs. Here locally, Cobalt Partners is adding **The Lokal** to its mixed-use development in Greenfield. The trend is set.

Businesses staying in the 'burbs should stay ever mindful of Newton's Law. If you're not moving, you're standing still. And, most importantly, it takes work to move ahead. If you find yourself struggling to recruit and retain the workforce you want, then you need to look at your location, your internal built environment, the amenities of your office park, and your cultural foundation. That last part is the secret sauce, and can be the force that overcomes corporate inertia.

The Big Urban Mistake?

Arian Horbovetz writes a compelling blog called **The Urban Phoenix**. His article "**The Big Urban Mistake: Building for Tourism vs. Livability**" is particularly thought-provoking. The big question he addresses is "whether to invest in large urban draws that will bring outside money in, or invest in a growing and changing downtown residential population that yearns for investments in keeping them there." It's a good question.

Horbovetz's thesis is strong. He points to Southwest Airlines' CEO, Herb Kelleher, who said "*Your employees come first. And if you treat your employees right, guess what? Your customers come back, and that makes your shareholders happy.*" Horbovetz then equivocates 'employees' with 'residents', 'customers' with 'tourists', and 'shareholders' with developers, municipalities, and investors.

Good stuff and emotionally appealing.

He provides a roadmap for the pattern of downtown revival. And, he pretty much nails it. To be fair - we've seen this pattern played out across the country. Downtown is at a standstill, or even moving backwards. Small efforts (artists, urban pioneers, investors) overcome inertia in 'cool' neighborhoods perception of risk goes down and more people move back downtown gets more exciting and development heats up projects get bigger and bigger and downtown residents start feeling underappreciated as the city fails to develop amenities for them downtown residents leave downtown (*note that we believe many would leave anyway as they lifecycle into child-rearing etc.*).

Horbovetz then recommends an idealized shift of that pattern: instead of projects getting bigger and bigger, he recommends that development efforts focus on the residents, and what they need. The big Arena? No dice. Convention Center? Nope. But, get after parks, grocery stores, transit...

In the end, he asserts that the net result will be happy residents and more tourism. Win/win.

Except we're not sure we can agree with him as a blanket statement.

Milwaukee, and cities of its size, simply aren't Utica, NY. And we absolutely don't believe that there is a **Goldilocks Density**. We appreciate aspirational planning. But when aspiration can't be met by reality, it's fantasy. Most importantly, we think that Horbovetz is throwing the baby out with the bathwater.

The patterns that he identifies simply aren't mutually exclusive. We can build a new Arena and we can work to cultivate family-friendly community amenities. We can have a new convention center (and all its corresponding hotel rooms and restaurants) and new parks and transit.

Herbovitz's argument tugs nostalgic heartstrings. It's effective. But it suffers in the face of historic patterns of development. The reality is that, for most cities in America, large numbers of families have never really lived right downtown. Cities were and are the market: where goods and services could be exchanged. And the historic center is fundamental in its region.

Marchetti's Constant says that folks everywhere and throughout time, have 'daily travel time budgets' of about an hour that they refuse to exceed. Traffic increases to the historic downtown? We see increased public transit or we see edge cities pop up - moving the market closer to the people. But while those edge cities (like Brookfield here in Milwaukee) may have had their own historic foundation, they are inextricably linked to the larger nearby city that spawned their expansion. The edge city needs the city. And the city needs the edge city.

But downtown is changing. More people live there today, by a large margin, than in 1990 or even 2006. That population really doesn't look like the broader city population. Based on the housing built, mostly affluent empty nesters and Millennials live downtown now. In the end, Millennials will have kids, and they will move to the 'burbs in large numbers. Downtown will continue to cycle.

Admittedly, the author writes about mid-sized cities. So, this may be an apples vs. oranges critique. But we believe the role of the city as regional heart is fundamental. And that's also true in much smaller cities than Milwaukee. A community is larger than our neighborhood. And a city is much larger than its downtown.

We're not confident that conflating livability downtown with livability in less urban environments is reasonable. That's not to say that cities shouldn't do far more to improve livability for intergenerational households. They absolutely should, and they can. But the city does not belong to its downtown residents. It belongs to all its residents and, frankly, to the residents of the region it anchors. To focus all the development energy on residential amenities for the people living downtown is fraught with potential peril, as it may prevent substantive cultural and economic expansion. Consider that downtown is still about the market, not the houses.

We believe smaller towns like Utica and Rochester are poised for expansion. And we believe that Herbovitz is on an interesting path in his thoughts for what should drive their development decisions. But, we can't get on board with the notion that downtown residents should drive the bus. They should have a strong voice, and they should be heard. But cities are comprised of far more members than just the downtown livers.

MKEInsight: Milwaukee 2027

Every month we're going to include something here about Milwaukee. It started with two op-eds about the national beauty contest for Amazon. Last month we started laying the groundwork for a **Vision We Can All Share**. This piece carries on in that vein.

Despite the deep **partisanship and antipathy** we see across the country and in Milwaukee, we believe we all have far more in common than we think. And, we believe that if we can concentrate less on 'my' problems vs. 'your' problems, and more on 'our' problems, we may craft a vision toward which we can all move.

Last month, we asserted a number of vision statements that should be almost entirely without embedded provocation. They were:

- We should improve our economy and move from low growth to higher growth as a baseline
- We should find efficiency, fiscal stability, and responsibility in government to improve the return on investment to all taxpayers for the taxes and fees they pay
- We should improve our built environment with buildings and public spaces that reflect our heritage and that make Milwaukee an even more attractive city for residents and businesses
- We should have an affordable, safe, and efficient transit system that makes our city readily accessible to its residents, workers, and visitors
- We should protect, enhance, and improve access to our incredible natural resources
- We should be a city in which a broadly diverse population chooses to live, and can afford to live, with a high quality of life
- Our cultural base should be growing and thriving
- We should be a clean city, on whose streets we all feel safe
- We should have a public and private educational system that positions our youth to become successful in the future

If you take issue with any of those aspirations, we'd love to hear why.

Aspiration unmet by planning is fantasy. And, long journeys with no waypoints can become aimless. We believe it's fundamental to aim small to miss small. So, what steps could Milwaukee take to create wayfinding toward the outcomes above?

We've started a list of measurables, the implications of which would be that we are moving toward a collective vision. This is just a start. The bullet point indicates the measure, and the sub-bullets indicate the progress we'll have made:

- Every 2nd grader will be walked to their elementary school by their parent or guardian for a parent / teacher conference
 - o *We have walkable neighborhood schools*
 - o *Parents / guardians are engaged in their children's schooling*
 - o *Streets are safe to walk.*
- For the 5th consecutive year, the region's construction industry will set a record for new workers entering the construction trades
 - o *We will have created a structure for entry into the trades*
 - o *High school education will have reformed to provide preparation for life instead of just college*
- 50% of all graduates of Marquette University, UWM, MSOE and MATC will find and take a job in metro-Milwaukee
 - o *We will reverse a trend of brain drain*
 - o *We will have a dynamic and growing employment base*
 - o *We will be a preferred lifestyle option for our young residents*
- Downtown Milwaukee will have 1 new public high school, 1 new secular private high school, 1 new elementary school, and 1 new middle school
 - o *The private sector will have continued to help solve for educational reform*

o MPS will have recognized and solved for the need for downtown infrastructure to serve its residents

- In its 5th year, the 2% local option sales tax will generate \$200 million of revenue that will be used to: offset \$75 million of single-family real estate taxes; provide \$50mm of funding for police/fire/life safety services; provide \$25 million of funding for public education; provide \$20 million of funding for streets/transit solutions; provide \$15 million of funding for parks and recreation; and, provide \$15 million of funding to the arts

o We will have amended State legislation to allow for a Local Option Sales Tax, thereby giving local municipalities more diversified revenue sources and an effective tool for self-rule

o We will have adopted a rational spending plan for sales tax revenues that provides primary benefit to city residents while both cultivating Milwaukee's role as heart of the region and limiting government's ability to spend these new revenues freely

- Metro-Milwaukee will be ranked in the top 10 metro-areas nationally for raising a family

o We will have increased the baseline quality of life for all residents of the region

o We will have taken a national leadership role in prioritizing the needs of families in the city

- The city and the MSA will experience population growth higher than the state average

o We will enjoy net in-migration because of the quality of life proposition we have created

o We will offer employment that can support our growing population

o Our economy is expanding faster than the State's

- The city and the MSA will experience real wage growth higher than the state average
 - o *The jobs that we create in Milwaukee will move in pace with our expanding economy*

This list is by no means exhaustive. We'd love to hear from you what else we can add to the list.

And while we suggest discrete goals, we don't have the catalyst for their execution. We believe that specific objectives, coupled with visionary leadership, can facilitate solutions coming from multiple directions. Most of these goals require spending – both private and government. And we are eyes open to the challenging and at times vitriolic nature of conversations about spending. We know this will be hard. At the same time, we also are deeply confident that if we don't aim small by setting specific goals, we run the risk of missing the target of a better Milwaukee completely.

As JFK said in 1961 (annotated) – *“We choose to set these goals for Milwaukee. We choose to accomplish these goals in the next decade and do the other things, not because they are easy, but because they are hard, because these goals will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one that we intend to win, and the others, too.”*