

What Makes a Successful Downtown

By Nina Gruen

Two years ago, in "The Gospel of Entertainment," I speculated that sports arenas and stadiums may offer far less of an economic boost than one-of-a-kind art museums. In the interim, I've had an opportunity to visit the Getty, which required a five-month advance parking reservation, as well as the Guggenheim Museum in Bilbao, Spain. And I can safely say that unless you have either relatives or business in this industrialized sector of Spain, there would be absolutely no reason, other than the Guggenheim, to put Bilbao on your itinerary.

The Chart on page five identifies the ten characteristics that differentiate more from less successful downtowns. In order to build a successful or more successful downtown, you have to first itemize those characteristics on which you feel your community scores high or low. Typically, your best strategy is not to begin by attempting to improve your low scores, but instead by building on the strengths your downtown already possesses. If we think of a scoring system of 1-10 with 10 being the highest quality level, then concentrating first on your downtown's 6+ factors will typically bring the highest long run returns.

My primary contention is that if downtowns are to succeed, they have to honestly evaluate their comparative advantages and build upon them. After 30 years' experience providing advice to downtowns, I have often noted that some communities are reluctant to face the real issues that limit their ability to make the necessary improvements because they are viewed as too politically sensitive. Other times, decisions are made primarily based on the cost of land, without considering the long-run viability or return from the input of public resources. When these two

situations dovetail, serious mistakes can be and are being made every day.

Concentrated Linkages

This leads me to the characteristic I put at the top of my list — the all important decision as to whether to concentrate or spread out your downtown boundary. The answer is to concentrate, even if this concentration is limited to only a block or two. This may be counter-intuitive, but I have seen innumerable scenarios that pushed

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projects to the outer boundaries of a far-too-extended downtown in the vain hope that those projects would stimulate the development of major sections of underdeveloped or blighted areas. One justification for this approach is the low price of property at the outskirts of downtown. This never works. By spreading out the particles of magnetism that attract, the strength of the magnet is exponentially decreased.

The trick is always to build strength upon strength. The best strategy is to locate your new, exciting project sufficiently close to the healthiest part of your downtown to enable the speedy redevelopment of the sites in between. If you are truly successful, these in-between sites will be privately redeveloped.

Perceived Safety

The issue of perceived safety — the number two characteristic that differentiates the

more from the less successful downtowns — is critical. Note I said "perceived." If the entrance to your downtown shows signs of social dislocation such as graffiti, prostitutes, drug dealers or panhandlers, those with the choice will stay away in droves — even if the actual felonious assault and murder rates are below average. By those with choice, I mean all those who are not required to be downtown because they work there or are seeking a critical public or private sector service located in the downtown. From this perspective, Mayor Guiliani is right. While I would not give San Francisco as high a mark as New York City, San Francisco has been successful in providing a safe and hassle-free environment in its Civic Center and Yerba Buena Conference and Art Center areas. What not to do: One of our clients, a downtown in a southwestern city, located its homeless services adjacent to a struggling arts district they hoped would privately redevelop into a chi-chi visitor destination.

Parking

The third characteristic is the parking issue. While I have not yet met a merchant who feels there is sufficient downtown parking, I have met far too many planners who truly believe if they do not provide sufficient parking, the workers, shoppers, and visitors will switch to public transit. A few, of course, do. Others elect to forego the trip, while the majority still clog the streets looking for available parking. San Francisco is one of the cities that has escalated this belief into an act of faith. You ought to see the on-going traffic jams near the conference center and Yerba Buena Arts and Entertainment Center. And the new Giants stadium isn't even open yet. Neither the new Sony Metreon entertainment complex nor the upscale W Hotel were required to provide a single parking space, and it shows in the day and night congestion.

Significant Street Level Activity

The other major parking error is interrupting activity centers with boring parking lots. Adequate, well-planned, integrated parking is a critical component of successful downtowns. While the majority of those traveling downtown will continue to come by car, once they arrive downtown the trick is to get them to walk to their multiple destinations. This means the major downtown components have to be linked by significant street level activity. People walk longer distances when they are not bored. I surprise myself sometimes by how many blocks I will walk when I'm on Madison Avenue in New York or Solano Avenue in Berkeley and Albany, which is in my neck of the woods.

Unique Tenancies

You may have noticed that I haven't yet mentioned specific tenants. If all of the previous characteristics are on the successful side of the ledger, it is relatively easy to attract the appropriate set of tenants. The nature of these tenants will, of course, vary by size and make up of your downtown. My Madison Avenue and Solano Avenue examples illustrate this contention. A Madison Avenue, with its world famous specialty tenants, can only occur in world class cities like New York, London, or Paris. But Solano Avenue can be duplicated in communities as small as 50,000 residents. Solano tenancies include interesting bookstores, many fabulous ethnic restaurants, two smaller movie houses, one of which specializes in art films, two major anchor groceries, unique clothing, furniture, gift and flower stores, and everything else from unique specialty stores, like the bone shop (animal and human bones), to the proverbial but ever popular coffee, espresso and bagel stores. The once-a-year Solano Stroll attracts massive crowds from throughout the Bay region, yet its total distance from top to bottom is about one mile.

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Characteristics of Successful Downtowns

MORE SUCCESSFUL	LESS SUCCESSFUL
Concentrated Linkages	
Highly concentrated with linkages that encourage spillovers.	Spread out with unconnected activity nodes.
Perceived Safety	
High degree of perceived safety and low degree of social dislocations such as graffiti, dirty streets and panhandlers	Low degree of perceived safety and high degree of social dislocations.
Parking	
Adequate parking that does not separate active uses with massive parking lots.	Inadequate parking --sometimes under the assumptions that limited parking will force shoppers and visitors into public transit. Parking lots that create spatial discontinuities.
Significant Street Level Activity	
Street level activities that encourage pedestrian movement. (Successful downtowns are easily accessible and encourage walking and browsing.	Patches of activities interspersed with vacant, underutilized space and parking lots.
Unique Tenancies	
Upscale retail, restaurant and entertainment tenancies whose primary or only facility is located downtown.	Tenancies limited in mix and/or quality, or tenancies (typically chains) that are also located in nearby shopping centers.
Attractive Physical Environment	
Well-maintained historic buildings with modern interiors and new structures of architectural merit. The totality offers a unique physical character.	Under maintained, obsolete space and /or big box or mall-like retail environment.
Cultural and Recreational Amenities	
Cultural and recreational amenities reflective of the community.	Cultural amenities are either limited in number and/or quality.
Character of Nearby Residential Units	
Market rate residential units located in or in close proximity to downtown	Primarily subsidized units located in or in close proximity to the downtown.
Make-Up of the Labor Force	
High proportion of downtown labor force in private sector.	High proportion of downtown labor force in public sector.
Conference/Meeting Space	
Primary Conference/meeting space located in downtown.	Primary conference/meeting space located outside the downtown.

Nina J. Gruen is Principal Sociologist and co-founder of Gruen Gruen + Associates. Since 1970, GG+A has provided public and private entrepreneurs with contract research, consulting, and pre-development services. For more information about GG+A, please contact our web page at www.ggassoc.com.

Downtowns - *continued*

The question always arises, "What about the chains?" The answer is complex and depends on your downtown's existing tenant base, as well as the other locations at which these same chain stores are located. If, for example, you have a shortage of anchors in your downtown and The Gap is interested in moving in, by all means go for it. If, on the other hand, the primary chains are already located in your downtown as well as at nearby shopping locations (in yours as well as adjacent communities), it is important to look for carrots to attract one-of-a-kind retailers as well as to encourage your existing and future chains to locate their "flagship" stores in the downtown. Since the shopper can typically find it easier to access and park in a mall, you continually have to work on making the downtown a rewarding and entertaining shopping experience.

I would also remind you that all chains are not equal. Some neither appear chain-like to their customer base, nor do they follow a market saturation model. Restoration Hardware comes to mind as a good example.

Attractive Physical Environment

Unique physical character serves as an attraction in its own right. Maintaining historic structures, which can make a major contribution to the uniqueness and character of the downtown, is seldom easy and almost always costly. In smaller downtowns, sometimes the best way to deal with obsolete buildings, at least until success increases office and other demand, is to limit commercial usage to the ground floor, and use the second and third floors for only storage or non-customer use. Saving the facade is another option. For those buildings of limited merit, building new may be the only cost-effective option.

These new structures need not attempt to mimic or duplicate the historic character of existing structures. Well-designed new buildings that are sensitively integrated with the existing

structures add interest to the aesthetic experience. I'm not licensed to practice architecture, but I believe that, as with pornography, all of us know a charming downtown when we walk through one.

Cultural and Recreational Amenities

I began by referring to two dynamic engines of economic development, both of which are cultural institutions: the new Getty in Los Angeles and the Bilbao Guggenheim. A major arts facility, however, has a price tag of over 100 million dollars. What steps should you

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take to attract cultural amenities to your downtown? First, ask what is unique to your community's history. Is there a person, place, artifact, industry, or event that is special to you? If so, capitalize on it, as Monterey has done in highlighting the life and times of Steinbeck, or Columbia, the historic gold rush. If your community is not blessed with a unique history, an up-to-date library with meeting rooms and special interest programs for youth and seniors can serve as a cultural attraction. In all instances, the architecture and attractiveness of the physical space is a key component.

Character of Nearby Residential Units

A third option is to find old warehouse space and convert it into a contemporary art museum and teaching facility. Such a facility will, in turn, induce artists to convert nearby warehouse space into artist live/work spaces. Once an art community has sprung up, it is easier to create other market rate housing designed for those singles and couples who enjoy living where the cool action is.

While I have long been an advocate for subsidized housing, it is important to recognize the conflict in placing such housing in close proximity to those downtown activity centers that you hope will attract residents (as opposed to those who work downtown) from your community and elsewhere to shop and recreate in your downtown.

The Make-Up of the Labor Force

Downtowns with a high proportion of public sector employees generally support a lower level of retail activity than those with more private sector workers. Private sector downtown employees, who frequently offer professional services or work in the financial, insurance and real estate sector, typically spend more on a daily basis, particularly on meals. In communities like Tucson, Arizona, where over 85 percent of the downtown labor force are public sector employees, there is a dearth of retail stores and restaurants. While I have not done a definitive study as to what constitutes a high proportion, I would guess that it begins to kick in as the percentage of public sector employees begins to significantly increase over 50 percent.

Conferencing/Meeting Space

The last characteristic on the list is the location of primary conferencing or meeting space. To the extent your community is large enough to support such space, it can be an important boost to the downtown to have this space located where it can help support overnight visitation and the downtown's other retail, restaurant, and cultural facilities.

These ten characteristics that differentiate the more from the less successful downtowns from one perspective can be viewed as a to-do list. From another perspective, they can be viewed as a what-not-to-do list. Either way, evaluate your downtowns with honest eyes, identify those areas and activities in which you are strong, and work to make them stronger. Concentrate your resources on highlighting the unique features of your community and understand the way in which your future planning and development decisions are likely to affect those who have a choice that you hope to attract to your downtown.

It is very risky to adopt the attitude, "If we build it they will come," and even worse to assume "If we make it difficult to get to downtown they will come." In an era in which e-commerce is beginning to take off, it is important to remember, "They will only come if getting there is not arduous, and once they are there they find much to do and delight in their surroundings."