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## POLICY BRIEF 8

# DOWNTOWN DEVELOPMENT: KEY TRENDS & PRACTICES

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8001 Natural Bridge Road St. Louis, Missouri 63121-4499 Most American municipalities that incorporated prior to 1930, regardless of population size or geographic region, contain a downtown district. These traditional downtowns usually constituted the community's retail hub, featured a high-density walkable setting, and were at the center of community and civic life. The decades following World War II, however, were hard on American downtowns due in large part to massive suburbanization, highway construction, and increased mobility. Starting in the 1960s and continuing through today, most cities – large and small – have been actively engaged in downtown development.

Why is a healthy downtown so important to communities? First, the downtown frequently represents the community's heritage better than any other locale. It most likely is located close to the origins of the city, contains many of the oldest and most significant buildings, and has been the location for many important community events. Second, the image and identity of an entire community is often linked to the downtown. Whether a small town Main Street or a large city skyline, more visitors see the downtown than any other part of the community; therefore their impression of the downtown frequently is projected to the community as a whole. Third, the downtown generally accounts for a higher percentage of a city's tax base than anywhere else. Fourth, many argue that since the downtown has already received large amounts of public investment (i.e., infrastructure, public buildings, amenities, parking facilities), it would be wasteful and inefficient not to continually maintain and improve the district to protect these past investments. Finally, the downtown often represents a gathering place for community events and is important for fostering an overall sense of community.

The purpose of this policy brief is to present some of the key downtown development trends and practices in the United States at the onset of the 21st Century. These trends are based on the author's extensive research, writings, and consulting activities in the field of downtown development.

### Trend #1: Emphasis on a Multi-Functional Downtown

Downtowns have always housed a wide variety of functions. In recent years, cities are building on this valuable asset that is rarely found in other commercial settings. Where else can one find shopping, services, professional offices, hotels, churches, housing, entertainment, the arts, libraries, dining, government offices, and more, all within walking distance of each other? Different functions bring different types of people downtown at different times of the day and week, thereby increasing the volume and distribution of downtown activity levels.

Although downtown retailing can never hope to recapture the dominant role of its heyday, recently there has been a notable increase in several other functions. Cities large and small have encouraged the development of more housing in and next to the downtown. Redevelopment and new development of market rate, senior, and subsidized downtown housing has been widespread. These new residents breathe life into downtown districts during evenings and weekends, add diversity, and help provide an additional market for downtown businesses. Another function on the rise is tourism. Tourism has been widely utilized as an economic development tool because of its potential to generate income from outside of the community and to encourage a broader mix of downtown shops, services, and restaurants. At times there may be a risk, however, that tourists can dominate the downtown scene at the expense of community residents.

# Trend #2: Enhancement of the Downtown's Sense of Place

Most downtown development efforts now recognize the value of possessing a strong sense of place. A sense of place serves to create an inviting downtown that encourages people to linger and is distinctive from other settings that generally suffer



from placelessness (i.e., shopping malls, big box retailers, office parks, strip malls).

A number of strategies have been implemented to enhance downtown's sense of place. First, cities have made downtowns more pedestrian-friendly by widening sidewalks, making street-crossings easier and safer, and adding pedestrian amenities such as planters, street trees, flowers, benches, brick pavers on sidewalks, humanscale street lights, and banners that make downtown look more festive and colorful. Second, to take advantage of the distinctive older architecture found downtown, cities and downtown associations have established low-interest revolving loan funds for facade improvements and have instituted design guidelines or ordinances. Third, cities have added and enhanced downtown open space. Open spaces are important to a downtown because they encourage people to linger and provide a setting for community gatherings. Finally, cities fortunate to possess a downtown waterfront have worked to clear the waterfront of obsolete or undesirable uses, increase public access, and provide clear pedestrian linkages to the commercial core.

## <u>Trend #3: Development of a Community Vision for Downtown</u>

For many years planning for downtown development was a topdown endeavor. Local government agencies, usually in collaboration with major downtown businesses, property owners, and developers, crafted the future direction for the central business district with minimal community input. The 1990s ushered in a more community-inclusive approach. Downtown visioning sessions have become a popular starting point. The purpose of visioning is to work towards community consensus in identifying: 1) civic goals and objectives for the downtown, 2) assets upon which the downtown can build, 3) key problems, issues, and barriers that must be addressed, and 4) opportunities that can be taken advantage of. These then are incorporated into a strategic plan for downtown that contains specifics in terms of priorities, timelines, and resources. The key to successful visioning is to include a wide variety of downtown interests - including small businesses, residents, employees, and institutions - together with city government and other interested parties from the community at large. Effective visioning increases the number of people who have a stake in the future of downtown and can be a catalyst in making the downtown feel more like "everybody's neighborhood."

## <u>Trend #4: Use of Private/Public Part-nerships</u>

The partnering of private and public interests and resources has become a dominant feature of successful downtown development. An active and well-organized downtown association, with a full-time manager and a broad base of volunteers, can help downtown businesses and property owners work together towards their mutual benefit, serve as a unified voice representing downtown interests, and engage in marketing, promotions, business recruitment, and event coordination. City governments contribute by granting downtown high priority in the comprehensive plan and budgeting process, by investing in public improvements (e.g., infrastructure, sidewalks), and by providing financial incentives such as lowinterest revolving loan funds. The establishment of a business improvement district, wherein special downtown property assessments are levied by the city and used to fund projects identified by the downtown organization, has become an increasingly common

tool to foster private/public partnerships. In cities where either the city or the private sector is apathetic, downtown improvement efforts generally face a difficult road.

## <u>Trend #5: Application of the Main Street Approach</u>

A very popular approach to downtown development, particularly in smaller cities, is the Main Street Approach established by the National Trust for Historic Preservation in the late 1970s. Approximately 1000 cities are officially Main Street Programs (National Main Street Center 2000), and countless others use the approach as well. Most states have statewide Main Street Programs that provide technical assistance and organize conferences and activities. This approach emphasizes the balanced use of four critical elements: 1) organization of downtown businesses and interests, 2) design that enhances visual qualities and historic architecture, 3) promotion and marketing, and 4) economic restructuring and business recruitment. Typically, a local Main Street organization will have a full-time manager, integrate a variety of public and private funding sources, organize a series of downtown promotional events, and be involved in design improvement and business development activities.

#### <u>Trend #6: Attention to Downtown</u> Promotional Activities

The promotion of downtown attractions, businesses, and events has become a major dimension of downtown development today. For example, a survey conducted by the author of Main Street programs found that a significantly higher percentage of time and effort was expended on promotional activities than on organization, design, or economic restructuring. Promotions are usually spearheaded by the downtown organization. These organizations recognize the necessity of reacquainting long-time residents and introducing newer residents and visitors to the virtues of downtown. Staging downtown events, such as festivals, parades, concerts, and craft shows, can bring people downtown and expose them to what the downtown has to offer. Other commonly used promotional activities include media relations, websites, newsletters, brochures, cooperative advertising, and self-guided walking tours.

#### <u>Trend #7: Creation of New Suburban</u> <u>Downtowns</u>

A recent trend that provides extraordinary evidence of the value and importance of downtowns is the development of new downtowns in suburbs that heretofore have never possessed a traditional core district. Scores of suburbs have recognized the importance of creating a public realm and a gathering place for community events that might help to instill a stronger sense of community. In suburban communities ranging from Rockville, Maryland to Schaum-

burg, Illinois to Maple Grove, Minnesota to Valencia, California, new town centers (AKA downtowns) have been constructed that mirror many of the attributes of traditional Main Streets, such as a high density pedestrian-friendly setting that contains a variety of functions,

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including city government facilities in many cases. These suburbs are hopeful that their new downtown will serve to provide a much-needed identity and sense of place for their community.

#### Conclusion

What lessons should policy makers take from this policy review? First, cities of all sizes, including an increasing number of suburbs, value downtown for its economic benefits, heritage, identity, and sense of community/place. Downtown development has been a catalyst for the enhancement of civic pride and economic development in communities from coast to coast. The entire community, not just the downtown, benefits from a healthy downtown. Second, a strong commitment by local government, in conjunction with a well-organized and active private sector, is essential for successful downtown development. Third, it is important for state government to be on board too. Many states (e.g., California, Georgia, Iowa, Missouri, Oklahoma, Oregon, Pennsylvania, Washington, West Virginia, Wisconsin) have established either a State Main Street Office or an Office of Downtown Development – often housed in a Department of Commerce or Economic Development – for the purpose of providing much needed technical assistance and financial resources to support local downtown revitalization efforts.

Kent Robertson, Ph.D., is Professor and Director of Community Development at St. Cloud State University (Minnesota). He has published over 20 professional articles on downtown development, spoken widely on this topic, and assisted a number of communities with their downtown development efforts through facilitating visioning sessions (Marinette, Wisconsin; St. Cloud, Minnesota), conducting workshops (Yonkers, New York; Wausau, Wisconsin), and leading community forums (Jonesboro, Arkansas; Anoka, Minnesota). He can be reached at 320-255-3184 or kent@stcloudstate.edu.

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