

# LET'S TALK BUSINESS

*Ideas for Expanding Retail and Services in Your Community*

Issue 66  
February 2002

## **Downtown Development: Key Trends & Practices**

by Kent Robertson, Ph.D.\*

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

### **Trend #1: Emphasis on Multi-Functional Uses**

Downtowns have always housed a wide variety of functions. 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. Tourism has also 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.

### **Trend #2: Enhancement of 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 suffer from placelessness (i.e., shopping malls, big box retailers, 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. Second, to take advantage of the distinctive older architecture found downtown, cities and downtown associations have established low-interest revolving loan funds for façade 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.

### **Trend #3: Development of a Community Vision**

For many years planning for downtown development was a topdown endeavor directed by government property owners, and businesses. The 1990s ushered in a more community-inclusive approach. Downtown visioning sessions have become a popular starting point by 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.”

#### **Trend #4: Use of Private/Public Partnerships**

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 and by providing financial incentives such as low-interest 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.

#### **Trend #5: Application of the Main Street Approach**

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 and countless others use the approach as well. 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 events, and be involved in design improvement and business development activities.

#### **Trend #6: Attention to 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.

#### **Trend #7: Creation of New Suburban Downtowns**

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 from Rockville, MD to Valencia, CA, new town centers 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, including 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 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. 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 have established either a State Main Street Office or an Office of Downtown Development for the purpose of providing much needed technical assistance and financial resources to support local downtown revitalization efforts.

---

*Source: Public Policy Research Center, University of Missouri-St. Louis, Policy Brief 8, June 2001. Reprinted with permission of the author.*

*\* Kent Robertson, Ph.D. is Professor and Director, Community Development Program, St. Cloud State University-Minnesota, ph: 320-255-3184; fax: 320-654-5413; email: kent@stcloudstate.edu. Newsletter production by Alice Justice.*

Center For Community Economic Development, University of Wisconsin-Extension  
610 Langdon Street, Madison, WI 53703-1104

PH: (608)265-8136; FAX: (608)263-4999; TTY: (800)947-3529; HTTP://WWW.UWEX.EDU/CES/CCED

An EEO/Affirmative Action Employer, UW-Extension provides equal opportunities in employment and programming, including Title IX and ADA requirements.