

## Optimal Placement of Downtown Businesses

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Modern shopping centers and malls are extensively planned and managed. A large amount of consumer research drives this planning and is used to place stores in an optimal arrangement within the shopping center. The goal is a business arrangement that increases the economic success of the individual retailers and ultimately the shopping center itself.

In developing strategies for revitalization, downtowns are beginning to apply these concepts to enhance their own economic returns. However, downtowns cannot rely on a closed environment managed by a single owner. As a result, downtowns must adapt these principles as well as account for a number of additional and unique considerations. The following discussion summarizes a number of business placement concepts that have been adapted from shopping center developers and the New Urbanism school of community design.

- *Consider the compatibility of mixed uses.* The benefits of mixed uses are obvious. A variety of uses attracts different people downtown at different times of the day. However, not all uses are compatible with one another. In other words, shopping, residential, services, offices, lodging and entertainment may not always work in close proximity with one another. For instance, residential units may be disturbed by entertainment-oriented businesses with late hours. To view the types of compatible and incompatible uses, see the chart developed by the Urban Land Institute at [www.uwex.edu/ces/cced/dma/18.html](http://www.uwex.edu/ces/cced/dma/18.html).
- *Considering implementing an "A-Street" and "B-Street" approach to business placement.* The concept of A-Streets and B-Streets designate a hierarchy of street uses. A-Streets are characterized by a high standard of attractiveness and pedestrian interest. These streets should be organized in a continuous manner with uninterrupted pedestrian appeal. Conversely, B-

Streets often have lower order uses, such as parking lots, police stations, libraries, auto repair shops and fast-food. Consider designating one or several streets as A-Streets and plan future business placement around these streets.

- *Place anchor businesses and traffic generators in a manner that encourages pedestrian interaction.* Placing anchors at the end of malls is a practice designed to draw shoppers past smaller business and generate additional activity. Anchor businesses can be arranged in a similar fashion in downtowns, however these anchors do not have to be limited to retailers. Modern anchors can include courthouses, hospitals, colleges, office buildings and other service organizations and institutions.
- *Consider the impact of "sensory" factors on the business arrangement.* For example, clothing stores should not be located next to restaurants as the smell of food hurts clothing sales. Clothing stores should not be located on the north side of a street as the sunshine through the front windows will fade merchandise. Similarly, restaurants with western exposures have to contend with bright sunlight and glare at dinnertime. Furthermore, noisy businesses such as outdoor markets, restaurants with outside seating or live music establishments, may conflict with residential locations.



- *Consider the accessibility needs of convenience-based stores.* Intuitively, convenience-based businesses require a location with good customer accessibility for success. Customers want the ability to quickly go into and out of these stores and are unlikely to walk several blocks. Consequently, nearby parking for these types of stores is a must. Convenience and accessibility also requires targeting the business' specific target market. For instance, coffee shops are often located on the inbound side of the street to take advantage of the morning work commute. Conversely, grocery and convenience stores are often located on the outbound street side to accommodate shoppers needing to stop after work. This type of business placement is commonly known as the "no left turn rule."
- *Restrict retail shopping to a limited distance.* People will more likely walk shorter distances than for miles along a shopping corridor. Shoppers can be made to feel welcome downtown if they arrive at a well-landscaped and attractive parking lot or garage. The walk should make pedestrians feel safe with visible police presence, cleanliness, no loitering and adequate lighting.
- *Reconcile the needs of drive-through customers and pedestrians.* Many convenience businesses have particular location requirements. Businesses such as banks, fast-food establishments and increasingly, dry-cleaners and pharmacies, require locations that can accommodate a drive-through. Placing these businesses in the middle of a block lined with retailers may cause car and pedestrian conflicts and ultimately hinder shopping.
- *Consider the best uses for street-level and upper-level units.* Not every business is best suited for a street level location. Some businesses, especially services, do not need the large amount of pedestrian traffic or visibility needed by retailers. Upper-level units often have lower rents than those at street level. Placing these businesses in upper levels may provide additional opportunities for businesses that could not afford higher rents while opening space for businesses needing greater visibility.
- *Locate businesses together that attract similar customers based either on their demographics, products desired, pricing and time of shopping.*
- Most downtowns will benefit from compatible clusters (share a particular market segment but offer unrelated goods and services) or complementary clusters (share customers and market segments, but offer complementary goods and services). For more information on clusters, see *Lets Talk Business*, July 1997, <http://www.uwex.edu/ces/cced/lets/lets797.html>).
- *Place businesses in a sequence recognizing that most casual shoppers travel counterclockwise.* Accordingly, upon entering a "main street," shoppers will likely turn right more often than left. This may be important in locating businesses that do best as either the first or last establishments to visit on a shopping trip. In doing so, it is important to consider where customers park versus where they shop in a downtown.
- *Place retailers in a manner that preserves retail continuity.* Interesting and attractive retail displays will keep the interest of the customers, encourage sales and maintain pedestrian traffic. In contrast, building uses such as warehouses and parking garages create long stretches of uninteresting, blank walls. These walls may force the pedestrian to turn around or cross the street. While some types of non-retail uses can be integrated with retail, it needs to be done in an interspersed manner.

While downtowns can benefit from these placement strategies, the ideas are often difficult to implement. Unlike shopping centers, downtowns have many building owners. They make independent business decisions that may not necessarily be best for other property owners (and business tenants). Nevertheless, the strategies presented here should be encouraged as they will, in the long run, help maximize overall business activity and vibrancy of the entire business district.

**Sources:**

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