DOWNTOWNS MATTER

Travel teaches you many things, not the least of which is that downtowns matter. Downtowns are the heart and soul of our communities. They are also an indicator of larger social and economic trends. For many years, the decline of America's downtowns was an indicator of a larger trend of people and jobs leaving cities for our far flung suburbs. Now, our downtowns are coming back to life and they are a harbinger of larger social, economic, demographic and technological trends.

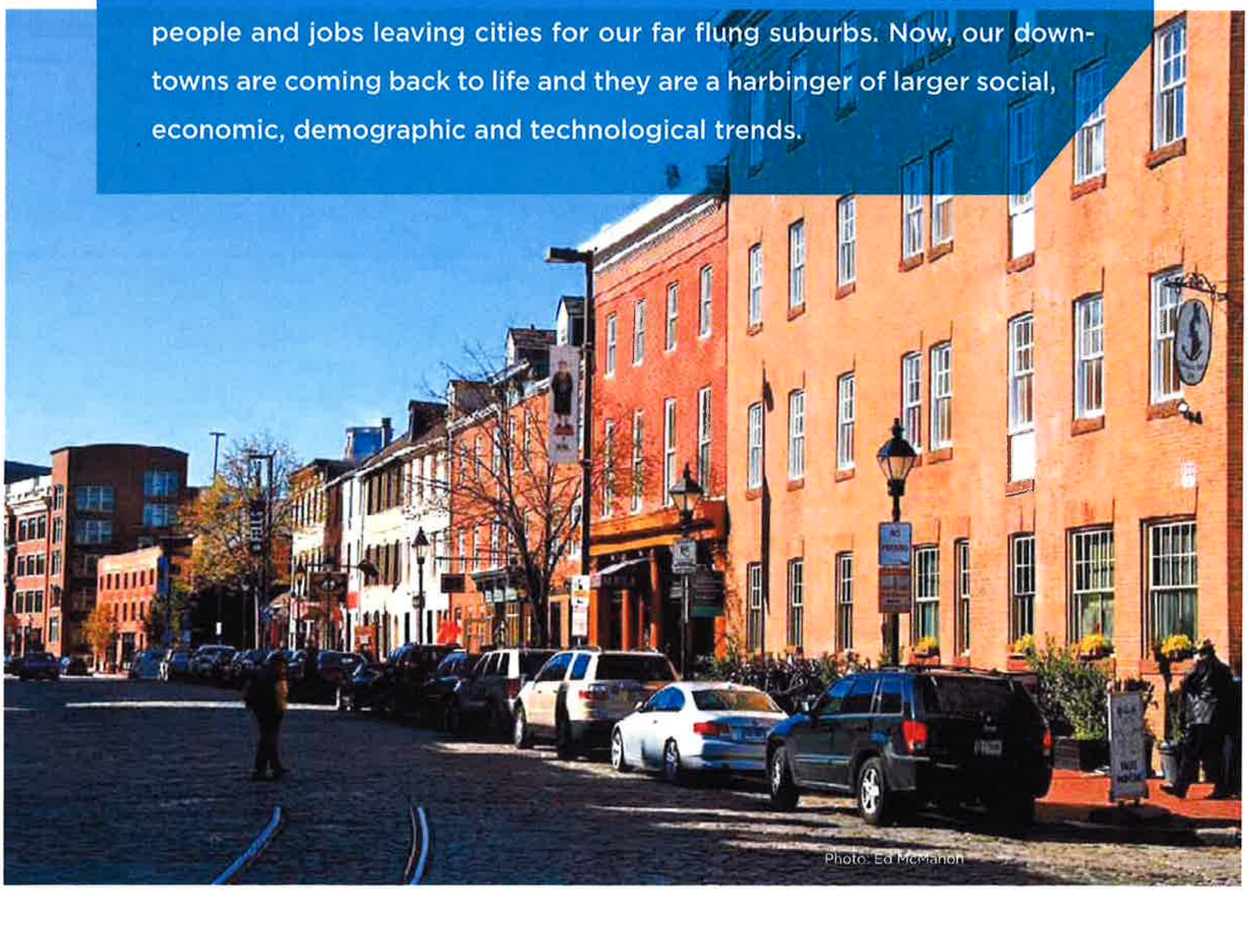

Photo: Ed McMahon

By Edward T. McMahon

There are over 25,000 incorporated communities in America. Many are prospering, but many others are not. How is it that some small cities and towns can prosper, while many others are suffering disinvestment, loss of identity and even abandonment?

Why are some communities able to maintain their historic character and quality of life in the face of a rapidly changing world, while others have lost the very features that once gave them distinction and appeal? How can communities, both big and small, grow without losing their heart and soul?

From coast to coast, communities are struggling to answer these questions. After working in hundreds of communities in all regions of the country, I have come to some conclusions about why some communities succeed and others fail. Main Street communities have found ways to retain their small town values, historic character, scenic beauty and sense of community, yet sustain a prosperous economy. And they've done it without accepting the kind of cookie-cutter development that has turned many communities into faceless places that young people flee, tourists avoid and which no longer instill a sense of pride in residents.

Every "successful" community has its own strengths and weaknesses, but they all share some common characteristics.

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It's clear, for instance, that successful communities involve a broad cross-section of residents in determining and planning for the future. They also capitalize on their distinctive assets—their architecture, history, natural surroundings, and home grown businesses—rather than trying to adopt a new and different identity. Most successful communities also utilize a variety of private-sector and market incentives to influence new development, instead of relying solely on government regulations.

Not every successful community displays all of the following characteristics, but most have made use of at least three or four:

1) Have a vision for the future

2) Inventory assets

3) Build plans on the enhancement of existing assets

4) Use education and incentives, not just regulation

5) Pick and choose among development projects

6) Cooperate with neighbors for mutual benefit

7) Pay attention to community aesthetics

8) Have strong leaders and committed citizens

HAVE A VISION FOR THE FUTURE

Successful communities always have a plan for the future. Unfortunately, "planning" is a dirty word in some communities, especially in small towns and rural areas. In some places, this is the result of today's highly polarized political culture. In other places, it results from a misunderstanding of planning and its value. The truth is, failing to plan, simply means planning to fail. It is difficult to name any successful individual, organization, corporation or community that doesn't plan for the future.

Try to imagine a company that didn't have a business plan. It would have a very hard time attracting investors or staying competitive in the marketplace. The same is true of communities. A community plan is simply a blueprint for the future. People may differ on how to achieve the community's vision, but without a blueprint, a community will flounder.

Understandably, people in small towns don't like change. But change is inevitable. Technology, the economy, demographics, population growth, market trends and consumer attitudes are always changing and they will affect a community whether people like it or not. There are really only two kinds of change in the world today: planned change and unplanned change.

Communities can grow by choice or chance. Abraham Lincoln used to say that "the best way to predict the future is to create it yourself." Communities with a vision for the future will always be more successful than communities that just accept whatever comes along.

INVENTORY COMMUNITY ASSETS

Creating a vision for the future begins by inventorying a community's assets: natural assets, architectural assets, human assets, educational assets, recreational assets, economic assets, etc. Successful communities then build their plans—whether a land use plan, a tourism plan or an economic development plan—around the enhancement of their existing assets.

Twenty-first century economic development focuses on what a community has, rather than what it doesn't have. Too many communities spend all their time and money on business recruitment. They build an industrial park out by the airport and then they try like crazy to attract a plant, factory or distribution center to move there. The few communities that are successful

A community without a plan for the future is simply planning to fail.

at this strategy usually accomplish it by giving away the store. The old economic development paradigm was about cheap land, cheap gas and cheap labor. It was about shotgun recruitment and low cost positioning. In the old economy, the most important infrastructure investment was roads. Today, successful economic development is about laser recruitment and high value positioning. Today highly trained talent is more important than cheap labor and investing in education is far more valuable than widening the highway.

American communities are littered with projects that were sold as a "silver bullet" solution to a city's economic woes: the New Jersey State Aquarium in Camden, Vision Land Amusement Park in Birmingham, the Galleria Mall in Worchester, Massachusetts, the Winter Garden in Niagara Falls, New York, to name just a few.

Too many communities think that economic revival is about the one big thing. Whether it is a convention center, a casino, a festival marketplace, a sports arena or an aquarium, city after city has followed the copycat logic of competition. If your city has a big convention center, my city needs an even bigger one. Festival marketplaces, for example, worked fine in cities like Boston and Baltimore, but similar projects went bankrupt in Toledo, Richmond, Jacksonville and a dozen other communities. Successful economic development is rarely about the one big thing. More likely, it is about lots of little things working synergistically together in a plan that makes sense. In her award winning book—*The Living City*—author, Roberta Gratz says that "successful cities think small in a big way."

Two examples of this are Silver Spring, Maryland, and Cleveland, Ohio. Cleveland had an aging, undersized convention center. Civic boosters argued for a huge new convention center that could compete with much bigger cities like Chicago, Atlanta or Minneapolis. But small cities like Cleveland will never win in an arms race to build the biggest convention center. Instead Cleveland took a look at its assets, one of which is the Cleveland Clinic: a world renowned medical center located a short distance from downtown. Instead of trying to compete head-on with every other convention city, Cleveland decided to build a smaller, less expensive meeting facility focused on medical conventions and which would have an attached medical mart, affiliated with the Cleveland Clinic.

ECONOMIC DEVELOPMENT

20TH CENTURY MODEL	21ST CENTURY MODEL
Public sector leadership	Public/Private Partnerships
Shotgun recruitment strategy	Laser recruitment strategy
Low cost positioning	High value positioning
Cheap labor	Highly trained talent
Key infrastructure = roads	Key infrastructure = education
Focus on what you don't have	Focus on what you do have
Driven by transactions	Driven by an overall vision

Another example of asset based economic development is Silver Spring, Maryland. For many years, Silver Spring was the largest suburban commercial center in the Mid-Atlantic region, but, by the early 1990s Silver Spring had fallen on hard times. A 1996 story in *The Economist* said "You can see America wilting in downtown Silver Spring. Old office blocks stand empty. A grand art deco theater is frequented only by ghosts. Glitzy department stores have decamped to out-of-town shopping malls. Tattoo parlors, pawnbrokers and discounters remain."

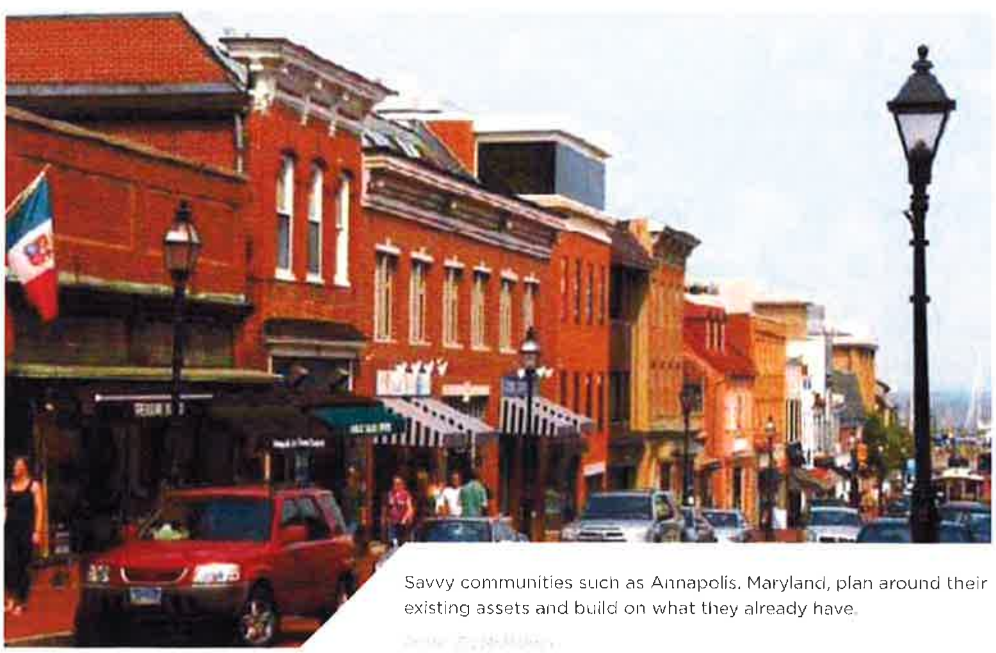
To combat this decline, local officials and an out of town developer proposed to build a second Mall of America (like the one in Bloomington, Minnesota). The proposed mega-mall would have 800 stores and it would cover 27 acres. The projected cost was $800 million and it would require a $200 million public subsidy. It would also mean the demolition of most of downtown Silver Spring's existing buildings.

So what happened? Community leaders rejected the massive American Dream Mall and set their sights on a succession of more modest developments. First, they realized that despite its decline, Silver Spring had some important assets that were probably more valuable than a giant mega-mall. Silver Spring was adjacent to Washington, D.C., the nation's capital. Second it was served by transit (i.e. the Washington Metro system) and third it was surrounded by stable middle-class neighborhoods.

Rather than spending $200 million subsidizing a giant mall, county and state officials collaborated to find a site for the new headquarters for the Discovery Communications Corp, which was then housed in several different locations around the Washington area. The site where Discovery Communications decided to build their new headquarters was adjacent to the Silver Spring Metro Station. Bringing 1,500 employees into downtown Silver Spring was a huge boost to the community, but what really synergized the renewal was Discovery Corp's agreement not to build a cafeteria in their new headquarters building. This meant employees would have to patronize local restaurants. This kick-started the revitalization of Silver Spring and led to dozens of other projects including new housing, retail and entertainment venues.

BUILD PLANS AROUND EXISTING ASSETS

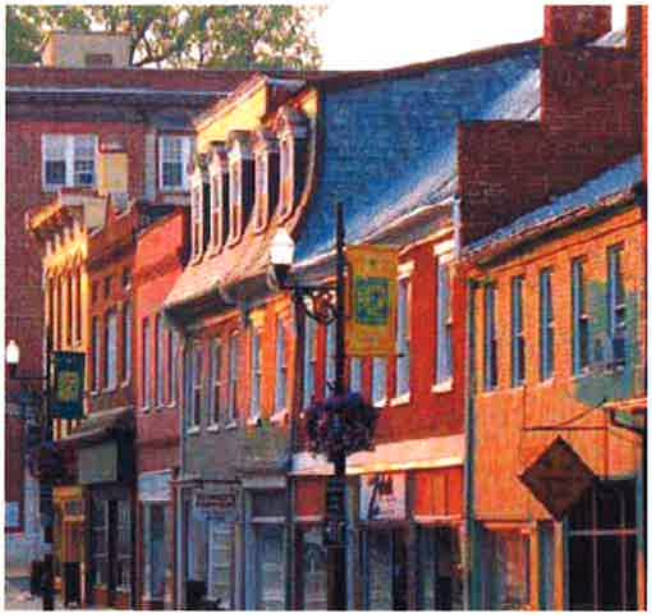
After communities have inventoried their assets, they shape their future around them.



Savvy communities such as Annapolis, Maryland, plan around their existing assets and build on what they already have.

Whether it is a land use plan, a tourism plan, a downtown redevelopment plan or an economic development plan, savvy communities build on what they already have.

Sometimes the assets of a community are obvious. Other times, they are not so obvious. Annapolis, Maryland, for example, has obvious assets: an abundance of historic



To encourage rehabilitation of historic buildings, Staunton Downtown Development Association offered free design assistance to downtown business owners who agreed to restore the façade of their building. This incentive was a huge success and today there are five historic districts in the Virginia Main Street community, including the entire downtown.

buildings, an attractive and accessible waterfront and a long history of maritime activity. Given these assets, it is only natural that Annapolis has become the home of both the National Sailboat Show and the National Powerboat Show, which together attract more than 90,000 visitors a year.

Jackson, Wyoming, is another community with obvious assets: world class scenery, unparalleled wildlife and outdoor recreation resources. Jackson and Teton County, Wyoming, have built their tourism economy around the marketing and promotion of these assets. However, they have also built their land use plans around the protection of these assets. For example, they prohibit outdoor advertising to ensure that the world class scenery is not degraded. They have mapped the wildlife migration corridors to ensure that the large herds of elk that winter on the edge of town keep coming, etc.

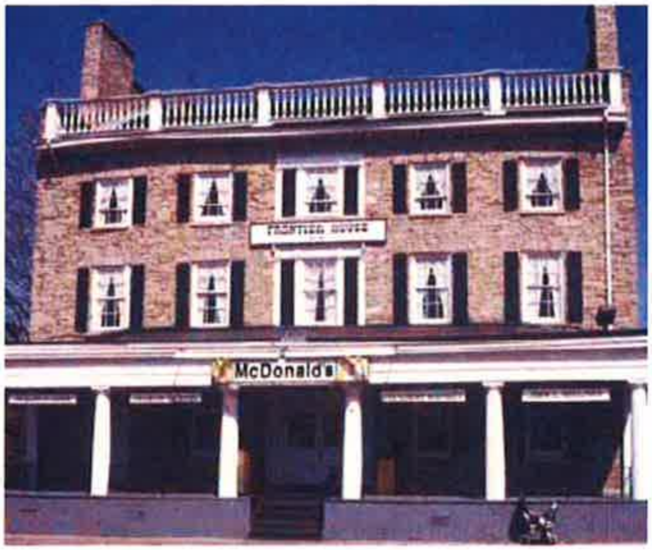
In other communities the assets are not so obvious. Consider Lowell, Massachusetts. In 1975, Lowell was a dying industrial city. It had an unemployment rate of over 20 percent; it was littered with abandoned factories and empty textile mills. It was hemorrhaging jobs and people. The common wisdom was that without manufacturing, it had few assets and a dim future.

Today, Lowell, Massachusetts, is one of the Rust Belt's great success stories. Visitors will now find that the once empty mills have come back to life as affordable housing, luxury apartments, shops and restaurants, even the University of Massachusetts at Lowell has moved back downtown into restored industrial buildings.

USE EDUCATION AND INCENTIVES NOT JUST REGULATION

Successful communities use education, incentives, partnerships and voluntary initiatives, not just regulation. To be sure, land use regulations and ordinances are essential to protecting public health and to setting minimum standards of conduct in a community. Regulations prevent the worst in development, but they rarely bring out the best. Regulations are also subject to shifting political winds. Often one county commission or town council will enact tough regulations only to see them repealed or weakened by a future town council with a different ideology or viewpoint.

If regulations aren't the entire answer, how can a community encourage new development that is in harmony with local aspirations and values? Communities need to use carrots not just sticks. This is the essence of the Main Street Approach. Main Street communities use education, partnerships and voluntary initiatives. Main Street communities have also identified a variety of creative ways to influence the development process outside of the regulatory process. Some of the incentives they use include: conservation easements, purchase of development rights, expedited permit review, tax abatements that promote the rehabilitation of historic buildings, award and recognition programs, density bonuses for saving open space and other techniques.



Most would agree that the design of the McDonald's restaurants in Lewiston, New York, (left) and Asheville, North Carolina, (right) are better than the standard design with which we are all familiar.

In Staunton, Virginia, the Main Street program offered free design assistance to any downtown business owner who would restore the façade of their building. They did this after the city council had rejected a measure to create an historic district in downtown Staunton. At first, only one business owner took advantage of the incentive, but then a second business owner restored his building façade, and then a third, and then many more. Today, there are five historic districts in Staunton, including the entire downtown, but it all began with an incentive.

Successful communities also use education to encourage voluntary action by citizens. Why do cities and towns need to use education? Because, education reduces the need for regulation. Also, because people and businesses will not embrace what they don't understand. Finally, community education is important because, citizens have a right to choose the future, but they need to know what the choices are.

PICK AND CHOOSE AMONG DEVELOPMENT PROJECTS

All development is not created equal. Some development projects will make a community a better place to live, work and visit. Other development projects will not. The biggest impediment to better development in many communities is a fear of saying "no" to anything. In my experience, communities that will not say no to anything will get the worst of everything. The proof is everywhere. Communities that set low standards, or no standards, will compete to the bottom. On the other hand, communities that set high standards will compete to the top. This is because they know that if they say no to bad development they will always get better development in its place.

Too many elected officials have an "it'll do" attitude toward new development. Worse yet, they'll accept anything that comes down the pike, even if the proposed project is completely at odds with the community's well-thought-out vision for the future. They are simply afraid to place any demands on a developer for fear that the developer will walk away if the community asks for too much. This is especially true when dealing with out-of-town developers or with national chain stores and franchises.

The bottom line for most developers, especially chain stores and franchises, is securing access to profitable trade areas. They evaluate locations based on their economic potential. If they are asked to address local design, historic preservation, site planning or architectural concerns they will usually do so. Bob Gibbs, one of America's leading development consultants, says that "when a chain store developer comes to town they generally have three designs (A, B or C) ranging from Anywhere USA to Unique (sensitive to local character). Which one gets built depends heavily upon how much push back the company gets from local residents and officials about design and its importance."

Davidson, North Carolina, did not settle for the "Plan A" design.

Photo: Ed McMahon

One community that has asked chain stores and franchises to fit-in is Davidson, North Carolina. Chain drugstores, like CVS, Rite Aid and Walgreens are proliferating across the country. They like to build featureless, single-story buildings on downtown corners, usually surrounded by parking—often after one or more historic buildings have been demolished. This is what CVS proposed in Davidson. The town could have easily accepted the cookie cutter design (Plan A), but instead it insisted on a two story brick building, pulled to the corner with parking in the rear. CVS protested, but at the end of the day they built what the town wanted because they recognized the economic value of being in a profitable location. The lesson learned is that successful communities have high expectations. They know that community identity is more important than corporate design policy.

COOPERATE WITH NEIGHBORS FOR MUTUAL BENEFIT

Historically, elected officials have tended to view neighboring communities, the county government and even the managers of adjacent national parks or other public lands as adversaries rather than allies. Some community leaders see economic development as a "zero-sum" game: if you win, I lose. Successful communities know that today's world requires cooperation for mutual benefit. They know that the real competition today is between regions. They also understand that very few small towns have the resources, by themselves, to attract tourists or to compete with larger communities.

Regional cooperation does not mean giving up your autonomy. It simply recognizes that problems like air pollution, water pollution, traffic congestion and loss of green space do not respect jurisdictional boundaries. Regional problems require regional solutions.

There are numerous examples of communities working together for mutual benefit. In the Denver Region, 41 communities cooperated to support funding for a regional transit system (i.e. Fast Tracks). Cleveland area communities cooperated to build a Metro parks system. Metro Minneapolis and St. Paul collaborate on tax base sharing. Even small rural communities can cooperate for mutual benefit. Small towns in Mississippi have worked together to organize and promote US 61 as "the Blue's Highway," linking Memphis with New Orleans. Similarly, five rural counties on Maryland's Eastern Shore collaborated with the Eastern Shore Land Conservancy to create a regional agreement to preserve farmland and open space.

PAY ATTENTION TO AESETHICS

During the development boom of the 1980s, *Time* magazine ran an article about what they called "America's growing slow-growth movement." The article began with a quote from a civic activist in Southern California, who said "we were in favor of progress, until we saw what it looked like." Looks count! Aesthetics matter! Mark Twain put it this way, "We take stock of a city like we take stock of a man. The clothes or appearance are the externals by which we judge."

Over 80 percent of everything ever built in America has been built since about 1950, and a lot of what we have built is just plain ugly. There are still many beautiful places in America, but to get to these places we must often drive through mile after mile of billboards, strip malls, junk yards, used car lots, fry pits and endless clutter that has been termed "the geography of nowhere." The problem is not development, per se; rather, the problem is the patterns of development. Successful communities pay attention to where they put development, how it is arranged and what it looks like.

The problem is not development, per se; rather, the problem is the patterns of development.

> Successful communities understand that "the image of a community is fundamentally important to its economic well-being".

Every single day in America people make decisions about where to live, where to invest, where to vacation and where to retire based on what communities look like. Consider tourism, for example. The more any community in America comes to look just like every other community, the less reason there is to visit. On the other hand, the more a community does to protect and enhance its unique character, whether natural or architectural, the more people will want to visit. This is because tourism is about visiting places that are different, unusual and unique. If everyplace was just like everyplace else, there would be no reason to go anyplace. Think about the slogan "Keep Austin Weird," for example. What this really means, is keep Austin different. In today's world, community differentiation is an economic development imperative.

Successful communities pay attention to aesthetics. They control signs, they plant street trees, they protect scenic views and historic buildings and they encourage new construction to fit in with the existing community.

STRONG LEADERS AND COMMITTED CITIZENS

Successful communities have strong leaders and committed citizens. The Main Street Approach has proven over and over again that a small number of committed people can make a big difference in a community. Sometime these people are longtime residents upset with how unmanaged growth has changed what they love about their hometown. Other times, the leaders might be newcomers who want to make sure that their adopted hometown doesn't develop the same ugliness or congestion as the one they left. More often than not, they're simply citizens who care a great deal about their community. An example of a single citizen who made a big difference is Jerry Adelman. Jerry grew up in the small town of Lockport, Illinois. Almost single-handedly, Jerry created the Illinois and Michigan Canal National Heritage Corridor, which helped restore an abandoned canal linking Lockport with Chicago. Adelman's success at building local support for the canal convinced Congress to add the canal corridor to the national park system.

There are hundreds of examples of small groups of people working successfully to improve their communities. Some of these people are elected officials, like Joe Riley, the ten-term mayor of Charleston, South Carolina. Others are private citizens, like Robert Grow, the founder of Envision Utah. Leadership is critical, but often unappreciated. As the mayor of one small town in Upstate New York once remarked to me, "if you don't care who gets the credit, you can get an awful lot accomplished."

WHAT ABOUT THE NAYSAYERS?

Every community has naysayers. Whatever the civic or community leaders propose to do, some people will always say things like: "you can't do it," "it won't work," "it costs too much," "we tried that already." And, "no," is a very powerful word in a small community, but leaders of successful communities, especially Main Street communities, know that "yes" is a more powerful word. Yes, we can make this town a better place to live in, to look at, to work in, to visit.

Leaders of successful communities know that "yes" is a more powerful word than "no."

A pessimist sees difficulty in every opportunity. An optimist sees opportunity in every difficulty.

CONCLUSION

We live in a rapidly changing world. In his new book, *The Great Reset,* author Richard Florida says that "the post-recession economy is reshaping the way we live, work, shop and move around." He goes on to predict that "communities that embrace the future will prosper. Those that do not will decline." Downtown is a big part of our future. People and businesses are moving back downtown because this is the easiest place to attract and retain talent workers. It is also the place where people and ideas can easily connect. The future belongs to downtowns and communities that favor people over cars. Today people and businesses can choose where they want to live, vacation, invest or retire. In today's world, communities that cannot differentiate themselves will simply have no competitive advantage. This means that quality of life is more important than ever. Successful communities know that sameness is not a plus. It is minus. Successful communities set themselves apart. They know that communities that choose their future are always more successful than those that leave their future to chance.