

# Downtown Trends, Downtown Success

**T**he revitalization of America's downtowns is enjoying a surge in popularity. All across the country, in large and small cities alike, new emphasis is being placed on rejuvenating what was once the heart of the community.

Why is this new emphasis occurring? Traditionally, downtown is where a community's small businesses are located, and these businesses often are the backbone of the local economy for job, revenue, and tax generation. As the number of new industries a community can recruit declines and as large businesses contract, small businesses are becoming increasingly important to the local economy. The downtown area often is the major industry in a small local government, when considered as a single economic unit, because of the number of jobs found there.

The bottom line for many communities is that downtown revitalization is economic development, and it is a successful type of economic development because of these jobs, revenues, and taxes being generated at the local level.

Nationally, this renewed emphasis can be seen in a pilot project recently begun by the National League of Cities entitled, "Accepting the Challenge: The Rebirth of America's Downtowns." At the regional level, Chambers of Commerce once immersed in industrial development are returning their attention to downtowns. And at the local level, local governing bodies and community leaders are working together to find ways to revive their central business districts.

For this renewed interest in downtowns to be fruitful,

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**Dolores Palma**

local government officials and community leaders must be able to make informed decisions that will result in downtown success. To do so, they need to become familiar with the trends that will affect our downtowns during the remainder of this century. And they must know what types of skills and resources to develop in order to take advantage of these trends.

To define the upcoming trends and necessary resources, I have moderated discussions and focus groups with downtown professionals and community leaders throughout the United States. The primary trends and resource needs that downtowns are expected to face between 1992 and the beginning of the twenty-first century, as predicted in these discussions, fall into the following categories.

**Anticipated Trends**

**New Markets and Anchors: “The Way We Were”**—More and more, downtowns will become multifaceted centers of the community—much as they were when downtowns were the *entire* community—rather than merely centers of commerce. More emphasis will be placed on downtowns as mixed-use centers that include cultural events, city and county government facilities, family entertainment and outing activities and residential areas, in addition to retail and office facilities.

**Downtown’s Competition: Ever Present But Changing.** Competition from discount stores will remain strong during the remainder of this century. Competition from shopping malls, however, is expected to decline over the remainder of this decade because of the overbuilding of malls that occurred in the 1980s and the sameness of the malls that were built, leading consumers to believe in the adage, “A mall is a mall is a mall.” Retail strip centers will become stronger competition for downtowns

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as they increase their appeal as the convenient neighborhood shopping centers of the 1990s.

**Social Changes: The New and The Old Meet.** Social trends that began in the 1980s will continue to the start of the twenty-first century. Downtowns will continue to appeal to America’s new immigrants, as relatively inexpensive space proves attractive to these entrepreneurs. The mix of new immigrant business owners and customers in downtowns, along with long-established business owners and their customers, will pose challenges as downtowns try to accommodate the cultural needs and values of their various constituents and patrons.

The “Graying” of America will benefit small-city downtowns as re-

tirees return to their roots or seek locations high in quality-of-life amenities for retirement. Downtowns also will become more attractive to this generation as places to live, as older persons become more interested in escaping the maintenance requirements of suburban housing.

Support of downtowns and their facilities by the “baby boom” generation will rise as the overshopping of the 1980s leads consumers to look for new experiences rather than new goods.

**Planning Changes: People Driven and Market Driven.** Trends in this area will include a rise in the use of vision planning as a technique for managing downtown growth and change and a rise in the use of market analyses. These two tools—a shared, community vision and a realistic understanding of the market—will drive the actions of successful downtown enhancement programs. Use of the physical “Field of Dreams approach” to downtown enhancement, “If You Build It, They Will Come,” will continue to wane as the limits of its success become more and more apparent. At the same time, these people-driven and market-driven downtown plans will be adopted by local governing bodies as the downtown element of the comprehensive plan for the locality.

**Downtown Management: Never Ending and More Sophisticated.** The skillful and professional management of downtowns will continue to be the critical element that determines whether enhancement efforts succeed or fail. Specifically, *private-public* partnerships, which bring together the business sector, the public sector, and the community and which are *led* by the private sector, will be essential for success. These partnerships also will stress consensus building and greater community involvement.

Downtown organizations will find

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that they must become institutionalized fixtures of the business community, much like Chambers of Commerce, in order to survive. At the same time, a continued shortage of resources will necessitate increased mergers and partnerships among downtown organizations, Chambers of Commerce, and other civic organizations that exist both inside and outside of downtown.

On the whole, there will be a shift away from hiring downtown directors with less experience; instead, the preferred downtown directors will be older and more experienced, and salary levels offered to these professionals will continue to rise accordingly. With their increased age and experience, downtown directors will gain professional stature, being more often seen as the peers of local gov-

ernment managers, chamber executives, and local business professionals.

### **Necessary Skills and Resources**

While it is important to be aware of the upcoming trends for downtowns, it is equally important to have the skills and resources in place that will enable local government officials and community leaders to capitalize on and benefit from these trends as they become realities. The primary skills and resources that must be developed to ensure that our downtowns and downtown enhancement efforts prosper in the coming years are detailed below.

**Learn to Be Market Driven.** The most successful downtown enhance-

ment efforts will be those that are based on a sound and realistic understanding of the business district's market. No longer will our efforts be successful if we continue to put the cart before the horse by staging promotions, making physical improvements, producing brochures, and recruiting businesses without hard market data. Success will come to those downtowns whose efforts are market driven. To implement market-driven programs, government officials and community leaders will need to obtain and analyze appropriate market data and use that data to shape enhancement efforts.

Along the same line, this market information must drive efforts to successfully retain, attract, develop, and promote a range of uses for downtowns that include cultural, recreational, entertainment, and government facilities. Market information will be essential in helping downtown business owners and managers understand the needs of downtown's new anchors, cultures, and customers so that these businesses can adjust to, and serve, their changing markets.

**Learn to Be Futurists.** Government officials and community leaders who react to crises as they occur are doomed to fail. The successful downtowns will be those whose public and private sector leaders become skilled in anticipating trends and the effects those trends will have on downtown. Local leaders will need to become trend watchers and become proactive to get ahead of trends that can be used to the advantage of their downtowns.

**Learn to Be Self-Sufficient.** The days of looking outside your community for a downtown saviour—whether that be a new business, anchor, investor, or funder—are over. Instead, to be successful, downtown leaders must learn to become self-reliant and resourceful. This means that down-

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town organizations, downtown professionals, and local government officials must become adept at spotting and developing local entrepreneurs and getting them to locate downtown. In addition, they also must look creatively to find venture capital at home. Community leaders and investors may need to form local investment groups to buy, renovate, and reuse downtown property and create additional businesses and facilities downtown.

**Learn to Be Results Oriented.** At the local level, nothing will breed success like visible results. For long-term success, a local system must be adopted that allows improvements and positive changes to be continually documented. This will allow downtown to remain competitive in raising funds, recruiting volunteers, garnering the

support of the public and private sectors, and attracting businesses, investors, and customers.

**Learn How to Get the Facts.** The field of downtown enhancement has come a long way in the past 20 to 30 years. In the 1960s, those involved in downtown enhancement efforts were pioneers, often establishing the rules of the game through trial and error. Today, downtown professionals, community leaders, and local government officials have access to a vast wealth of information, knowledge, and case studies that document what works and what does not work in turning an ailing downtown around.

While this is true, we must continue to expand and document our much-needed base of technical data and knowledge. The next step we need to take is devising definitive, objective, and documented models for:

- developing downtown housing;
- adaptively using large, "white elephant" buildings for uses other than mini-malls; and
- creating and managing retail incubators.

**Work Together**

Local government professionals active in downtown revitalization efforts are no longer pioneers. Fortunately, hundreds of communities across the country have experienced revitalization successes, and many of them have documented how successes were achieved. While technical information and case studies exist, the means for sharing that information often are lacking. Local leaders should continue to search for networks, forums, and systems that allow them to communicate with each other and learn from each other so that downtowns benefit from their experiences. **PM**

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