

DOWNTOWN DEVELOPMENT PLAN PHILOSOPHY

The Downtown Development Plan Philosophy picks up where the Economic Development Philosophy leaves off; with the concrete and compelling vision of a fully functioning future downtown marketplace. Successful private, for-profit commercial developers attract investors and tenants by helping them see a vision of themselves making money as part of a successful place. That vision is founded on:

- A sound market position and marketing plan;
- Well-developed and managed leasable space; and
- A well-designed clustering/leasing plan.

It also helps if the private, for-profit commercial development company is a credible, trusted, and well-run business. Similarly, a Main Street program can be a credible, trusted, and well-run *nonprofit* business operating as a commercial developer, and can attract entrepreneurs and investors by understanding how its own marketplace functions and proactively designing its own dream marketplace.

Successful private, for-profit commercial developers define a market to go after, and use numbers (e.g. demographics) to inform their decision-making. They position their developments within regional and local markets and do targeted market research to gauge if there are enough of the right customers available to support the amount of leasable space. They don't do business-specific market research; leaving each potential business tenant and investor to run his or her own numbers to inform their own decision-making. Similarly, a Main Street program should use numbers to inform its decision-making and shape how they:

- Develop space (design);
- Develop markets (promotion);
- Develop businesses (economic restructuring); and
- Develop partners (organization)

Main Street programs can use the numbers along with local experience and a little gut intuition to settle on a market position — a commercial district specialization or niche based on a primary consumer segment served and/or a primary set of goods and services offered (what the district is best at selling and to whom). The goal is to differentiate; to be memorable and remarkable so consumers consistently choose your commercial district over the competition.

Successful private, for-profit commercial developers develop their space to visually communicate a brand message and to encourage exploration. They attempt, through science and art, to script people's movement into and through their development to their advantage; script the "theater" of their space. Think about a mall, for example. Its floor plan includes commercial spaces on the edge of the development that serve as points-of-entry and accommodate anchor businesses. Parking is concentrated near those points-of-entry. The majority of interior commercial spaces (called inline spaces) are arranged between those anchor spaces. The goal is for potential customers to find (or, really, be exposed to) as many businesses as possible through a sequence of storefronts that is interesting and uninterrupted. Research shows that breaks in the sequence will cause a person to lose interest, stop, and turn around. People won't find businesses beyond that point so won't shop those businesses. Therefore inline storefronts are designed to be narrow, frequent, with proximity to and lots of visibility from the pedestrian traffic flow (just like the way historic commercial districts originally developed).

Likewise, Main Street programs need to develop space that stimulates strolling so that customers shop the district and not just a single destination business. Single destination shopping misses opportunities to share customers and strains on-street parking spaces. With a strong commercial district brand and space that stimulates strolling, customers and parking can be shared and parking can work well located near the gateways to the district. For downtowns, anchors can be a little further removed (e.g. residential units, employers), so proactively designing for multimodal transportation is also key. If I can walk or bike between where I live and work, and if that path takes me past downtown storefronts, I am a downtown customer waiting to happen.

Successful private for-profit commercial developers also use science and art to lease their space to create not only a critical mass, but an effective combination of businesses to attract the available customers. The collective – all of the businesses in the district together – determines commercial district success. It's not just design that makes a storefront interesting (and keeps a person strolling/shopping), it's the business visible through the storefront.

In today's global economy, downtowns rarely become strong marketplaces thinking about one property at a time, one lease at a time, or one business at a time. Independent and impulsive leasing results in weaker marketplaces than cooperative and strategic leasing. The axiom for real estate has always been location, location, location. The fact is that locating a business downtown is simply not enough; its placement on the street strongly affects its chances of success. Businesses need to be clustered and should consider paying more rent to locate closer to complementary businesses. Remember, customers are often attracted to a commercial development by an anchor and look for parking near that anchor, but will stroll from that anchor all the way to another anchor if they find each business and attraction they pass interesting. Part of the challenge is that different consumer segments will find different businesses and attractions interesting.

While Main Street programs won't likely be able to actively cluster businesses through lease management (they don't own or control the properties), they can indirectly inspire owners to cluster by communicating (selling) the downtown development plan. Three-way communication among the Main Street Program, property owner, and business owner about the financial benefits of following a clustering plan is the key to success. (For more information see www.uwex.edu/ces/cced/downtowns/dma/18.cfm.)

Finally, successful private, for-profit commercial developers are good at communicating their development vision and selling their development proposals to potential reviewers, funders, and tenants by using verbal descriptions, architectural renderings, and diagrams or schematics. That is why they are able to get approval, attract investors, and lease space even before they break ground. Main Street programs need to use similar tools to attain similar results. The downtown development plan should communicate a vision for the physical development of the district as well as a strategy for leasing; the more specific, the more useful. The leasing plan should include strategies for arranging or locating current and future businesses within the mix to positively impact foot traffic and sales. The best process for crafting a downtown development plan is a participatory process involving creative brainstorming and hypothetical rearrangement and addition of businesses within the district to visually map out or model the ideal business district.