Chapter 6 Urban Planning and Downtown Revitalization

Understanding the Urban Fabric

Throughout history, the growth of human communities has occurred as a relatively continuous development of increasingly complex, ordered settlements. The first small settlements were established for hunter/gatherer groups. Advantages that came with growing crops and domesticating animals led to large and more specialized agricultural communities. As societies developed, towns based on trade were established at key locations, which meant more specialization and the development of a currency-based economy. Over the centuries, towns grew larger, attracting investment and industry, eventually leading to the complex human environments known as cities. A city is more than a collection of its inhabitants; it represents an urbanized way of life. The German urbanologist Ferdinand Tönnies (1855–1936) had a word for it—*Gesellschaft*—the pattern of life in cities: the word has a richness of meaning not found in the English vocabulary.[1]

Rural areas constitute 95 percent of the land area of the United States, but cities represent the greatest share of the country's resources of people and industry. What defines where the urban area ends and the rural area begins? In many parts of Europe, that is not a particularly difficult question to answer: the boundaries of towns are well defined. In America, by contrast, there is less control of such growth boundaries and development seems to wander into the hinterlands without defined edges, producing sprawl.

Cities have been described as the engines of change because they stimulate economic and social progress. Cities are characterized by agglomeration—the concept that activities benefit from being carried on near other similar activities. For example, Detroit's shipbuilding industry spawned the early automobile industry, bringing hundreds of auto manufacturers to the region during the new industry's early years, as well as thousands of ancillary small industries supplementing the larger auto producers. This agglomeration of businesses made Detroit a major metropolitan economy during the twentieth century. Other cities hosted other industries, for example the textile industry in Lowell, Massachusetts, the fashion and garment industry in New York City, the movie industry in Los Angeles, and the computer industry in Palo Alto and Mountain View, California.

Urban societies are strong because their inhabitants live and work together with the support of rural-based production, sharing resources as basic as land and water or as sophisticated as education and the arts. Some cities have been planned for rational growth, but many of them have grown and evolved spontaneously with no real planning.

Traditionally, the central city was the most recognizable element of the urban pattern because of its higher density of development and the height of its buildings. Economist William Alonso describes the classic concept of urban land use and land value that begins with a Central Business District (CBD) at the urban core; as the city spreads outwards, the density of businesses gradually decreases [Fig 6.1].[2] Thus central commercial areas are

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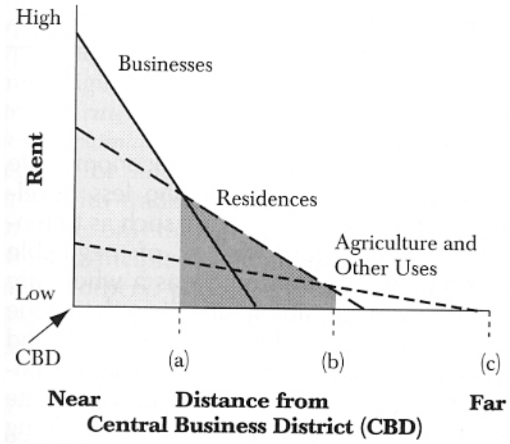
[1] Ferdinand Tönnies, *Community and Society (Gemeinschaft and Gesellschaft)* (Edison, NJ: Transaction Publishers, 1988; first published in German in 1887).

[2] Willliam Alonso, *Location and Land Use: Toward a General Theory of Land Rent* (Cambridge, MA: Harvard University Press, 1965).

surrounded by residential areas with agriculture beyond. Land values have followed this pattern, with the most valuable and expensive land located in the CBD, but decreasing in value with increasing distance from the center.



6.1. Alonso's model of urban land use
[This diagram can be redrawn, perhaps by Norton?]

However, this model is no longer valid for many cities, since some have sprouted new commercial nodes at the urban fringe. Writer Joel Garreau refers to these urban areas as "edge cities" because in many places these new development districts, located largely at intersections of interstate highways, have grown to the extent that the resulting city on the edge has business activity and residential development of greater density and value than its central city.[3]

Qualitative Considerations in Urban Development

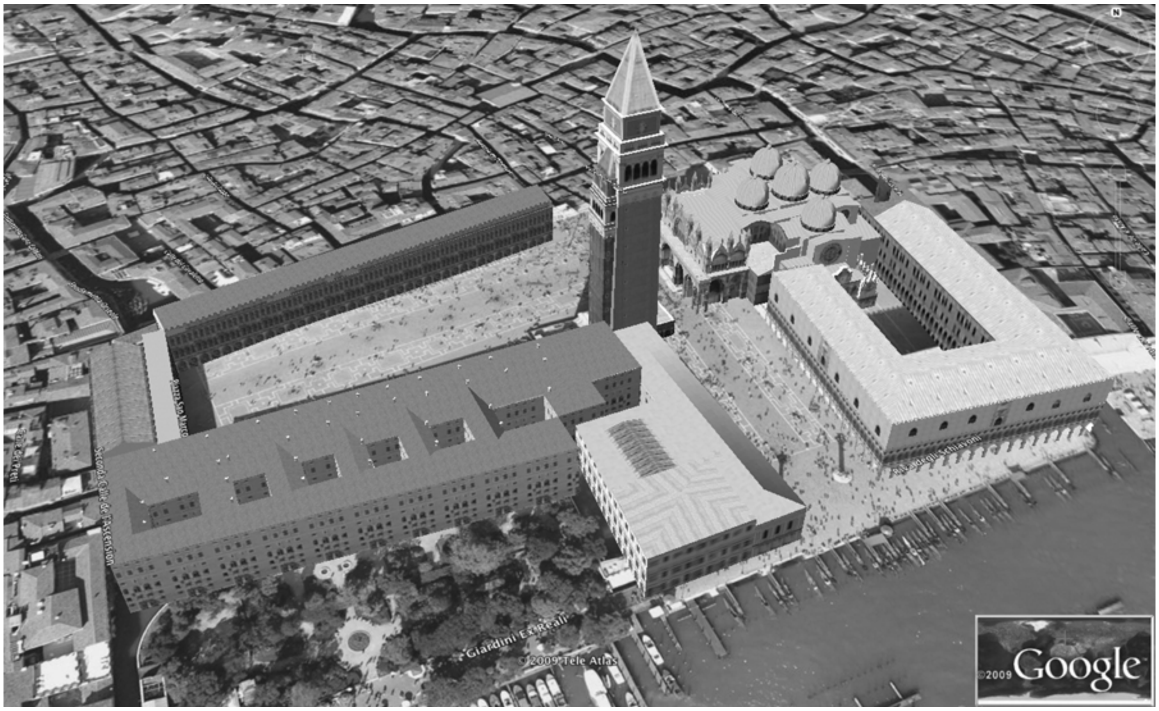
Many Americans choose to live in large urban areas that provide a wealth of resources and diversity. Some individuals find the complexity of life in a large city disconcerting, but they are able to cope with the intensity by finding their own niche within the larger metropolitan area. Large cities are broken into an array of smaller communities—ethnic, religious, social—and supporting organizations, and the greater diversity in cities makes it easier for individuals to find others with similar interests.

Planners play an important role in the process of urban growth. Urban areas fulfill both economic and cultural needs, and planning for cities should recognize the significance of both. However, often growth is seen only in quantitative terms, that is, growth in population, greater industrial production, more retail square footage, additional residential developments. What is not so obvious is that urban growth should also be seen qualitatively. Europeans in small towns and large cities are less enamored of growth for the sake of growth. The northern Italian hill town of Siena, for example, population 56,000, attracts visitors from around the world not because of its size, but because of its special urban character. The focus of the city is the Piazza del Campo, first established in the 1200s as a marketplace for the surrounding villages. The town has retained the vital marketplace character for many centuries, and its piazza remains one of the most beautiful and best utilized civic spaces in Europe [Fig 6.2].

[3] Joel Garreau, *Edge City* (New York: Doubleday, 1991).

6.2. Piazza del Campo, Siena, Italy, recognized in 1995 by UNESCO as a World Heritage Site

Venice similarly focuses on a central square, the Piazza San Marco (St. Mark's Square) [Fig 6.3], which provides an important entrance from the Grand Canal to the city's core. Its carefully positioned structures integrate three important aspects of any good city plan—physical, cultural, and economic. The Campanile tower visibly roots the space, both within the plaza and beyond. St. Mark's Cathedral, with its domed roof, is the city's most important cultural icon. The city's economic base is represented by the palace of the Doges, or merchants, located directly on the Grand Canal, historically the most important transportation link for the city's trade and a major contributor to its wealth.



6.3. Piazza San Marco, Venice, Italy, with the Companile at center, the cathedral and Doges Palace to the right (The National Library, Civic Museum, and office buildings are at left and in the background.)

Kevin Lynch, of MIT, conducted research on how residents in the United States understood their cities by asking individuals to draw maps of their city on a blank sheet of paper. As he described in *The Image of the City*, he found that their images exhibited five common elements: paths (streets, sidewalks, trails), nodes (focal points of activity), edges (perceived boundaries, such as water, walls, structures), districts (larger areas with some perceived identification), and landmarks (strongly identified objects that serve as reference points). Lynch's surveys revealed that cities with a balance of these five features—or strong "imageability"—were preferred urban environments. For examples, Bostonians drew maps with all five characteristics well represented, while the maps of Los Angeles described a city whose image consisted primarily of paths (roads and highways).[4]

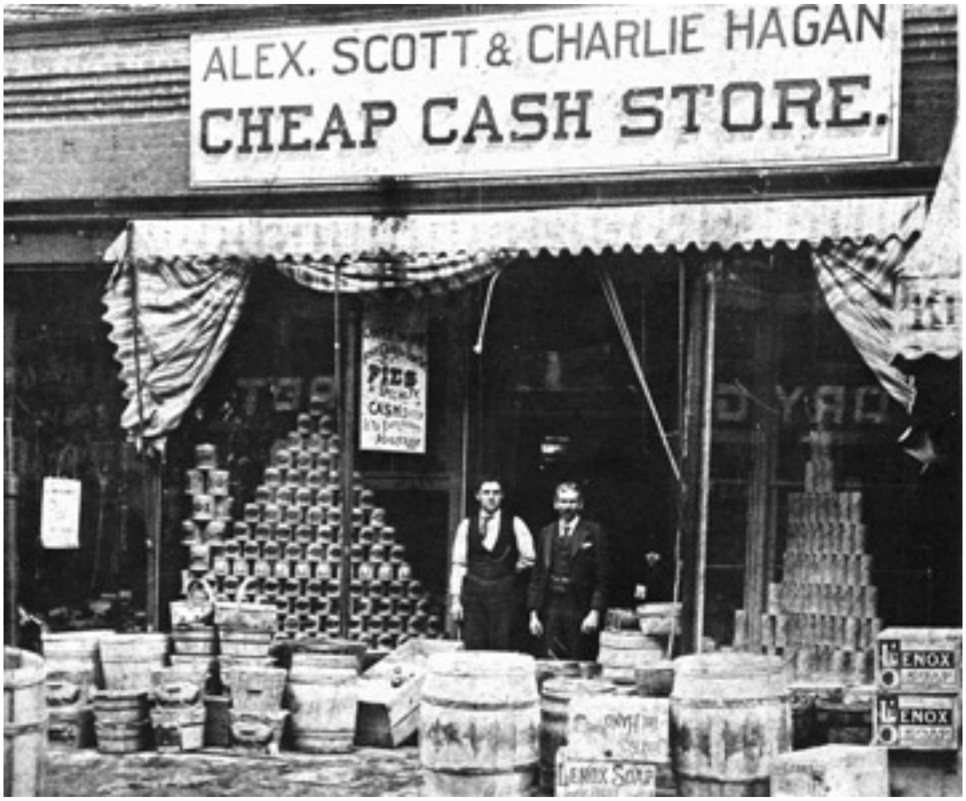
Although some American cities have retained a central plaza as a major amenity (San Francisco's Union Square [Fig 6.4]), most cities in the United States do not provide significant civic open spaces in their core. It can be argued that streets and sidewalks, where businesses, pedestrians, and automobiles are juxtaposed, are the American equivalent of the European public plaza and serve many of the same functions. America is a dynamic society, not a static one, and our public realm reflects this.

[4] Kevin Lynch, *The Image of the City* (Cambridge, MA: MIT Press, 1960).

6.4. Union Square, San Francisco, California

The Role of Downtown Retail

Commerce is one of the primary functions of all cities. Industries provide jobs; retail stores and restaurants bring life, vitality, and personality to the urban scene. The nature of retail business is one of constant change [Fig 6.5].



6.5. Cheap Cash Store, Uniontown, Pennsylvania (circa 1900), illustrating how the image of retail business has changed in the past century

Each era brings significant, and sometimes surprising, shifts in retail patterns. Historically, these changes have been brought about by a succession of innovations: "packaging in containers of fixed sizes and weights (1840s); standardized methods of sorting, grading, weighing, and inspecting (early 1850s); fixed prices (1860s); standardized clothing sizes (early 1880s); periodic presentations via catalog (1880s); the buffet-style restaurant (1885) and the cafeteria serving line (1895); fully automated vending machines (1897); standardization through franchising (1911); drive-through auto service stations (1913); self-service store layout (1916); . . . packaging that 'sold itself' (late 1920s); 'fair trade' enforced price uniformity (1931); and wide selection of competing brands displayed on open shelves (1934)."[5]

The downtown department store was a modern commercial phenomenon. From the 1880s to the 1920s, it provided something new—a convenient one-stop shopping establishment: "In department stores, buyers of goods learned new roles for themselves, apprehended themselves as 'consumers,' something different from mere users of goods."[6] There was also a social element. The department store provided post-Victorian women a safe and convenient place to comparison shop in a pleasant environment. Shopping in grand emporiums glorified a new ethic of consumerism and embodied the success of the American economic system.

In the 1920s, Jesse C. Nichols, a real estate developer responsible for developing much of the area southwest of Kansas City for upper-income housing, recognized the increasing importance of the automobile to the new suburban lifestyle. Country Club Plaza [Fig 6.6] was

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[5] Robert A. Peterson, ed., *The Future of U.S. Retailing* (New York: Quorum Books, 1991), 54 and 55.

[6] Alan Trachtenberg, *The Incorporation of America* (New York: Hill and Wang, 1982), 130.

opened in 1922, probably the first center designed for shopping by use of the car. Located at a nexus of roads that Nichols had built over the years for his housing developments and near a trolley line, almost half of its space was devoted to streets and parking; it included one of the country's first parking garages. With 250 shops at Country Club Plaza, some of them branches of established downtown stores, Nichols made the suburban shopping center a direct competitor to the traditional downtown as a center of retail activity—a trend that has impacted cities ever since.

6.6. Country Club Plaza, Kansas City, Missouri

In 1931, Highland Park in Dallas became the prototype for suburban shopping centers as a commercial typology. All the retail activity was located in a single place, not divided by public streets, and managed by a single owner, who established a uniform image for the entire complex. Northland Center, built two decades later in Southfield, Michigan, a suburb of Detroit, is generally considered to be the country's first regional mall. J. L. Hudson's, the huge downtown Detroit department store, decided to open a branch 8 miles north in this new suburban complex, where it was surrounded by a hundred smaller shops and nearly 10,000 parking spaces. Northland Center featured auditoriums, a bank, post office, infirmary, sculpture, fountains, lavish landscaping, even an office for lost children. Soon, Hudson's abandoned its downtown store, signaling the beginning of the inevitable shift of downtown retail to new suburban centers. (Coming full circle, Northland Center was demolished in 2005 and replaced by individual chain retail stores.)

Malls have continued to grow. Mall of America [Fig 6.7], just outside Minneapolis, opened in 1992. It employs 11,000 people year-round and sales there contribute $1.8 billion to the state's economy each year. With 520 stores and 86 restaurants, it is a major shopping center that competes aggressively with downtown retail.[7] Even larger is Edmonton Mall in Alberta, Canada, with 5.2 million square feet of floor space and over 800 stores, 19 movie theatres, 110 eating establishments, and 5 amusement areas.

6.7. Mall of America, Minneapolis, Minnesota

These malls, with all services collected in one common location, have put countless small independent retailers in traditional downtowns out of business, except for those who fill niches in the local market. Further competition to downtowns has come from commercial strips, which service shoppers by providing convenient in-and-out basic retail services directly along the roadside [Fig 6.8].

[7] Information from the Mall of America Web site: www.mallofamerica.com.

6.8. Strip commercial district, Myrtle Beach, South Carolina

Communities should consider measures for regulating mall siting and construction. Planning consultants Zenia Kotval and John R. Mullin suggested a mall should not be allowed by right; it should be granted only under a special permit that includes criteria related to the environment, traffic, fiscal impact, and community character as well as the potential effect on downtown, assuming full build-out of the entire property. A new mall should be governed by a site plan review, and provisions for buffer and open space, design, landscape requirements, and land use covenants should be established and enforced. The mall developer should be expected to pay for relevant technical and legal assistance required by the community.[9]

The rapid growth of these forms of retail has created many problems planners need to understand, including the following:

Too much square footage. The amount of retail store square footage has grown faster than the growth in both population and consumer spending. One study estimates that the United States has 20 square feet of retail per capita compared to 2 square feet in Europe.[10] Many existing shopping centers have been abandoned as a result of oversupply and as new retail follows development at the urban fringe.

Copycat imaging. Retailers have made a habit of copying retail leaders in merchandise, layout, marketing, and service, obscuring the distinctiveness that in the past differentiated one retailer from another.

Price sensitivity. Growth in the retail industry in the first decade of the twenty-first century is primarily a result of making price more important than all other aspects of merchandising. Quantity sales are therefore needed to make minimal profit margins and many

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[9]Zenia Kotval and John R. Mullin, “When the Mall Comes to a Small Town: How to Shape Development with Carrots and Sticks,” *Small Town* (September/October 1992): 21.

[10] Gibbs Planning Group PowerPoint, July 17, 2008, http://alexandriava.gov/uploadedFiles/planning/info/landmark-vandorn/LVD2008_07_17cmp.pdf (accessed October 10, 2009).

traditional retailers whose business was built primarily on quality and service have been forced out of business. With service no longer a goal, stores do not earn customer loyalty.

Greater gap between big stores and start-ups. Beginning in the early 1990s, a large gap began to develop and grow between large, high-performing retailers with sound management practices and the balance of the retail environment. Although this trend varies, in many communities it has discouraged start-up businesses and new entrepreneurs, leading to the control of commerce by a few big corporations.

Further, economic blight—loss in market demand brought by changes in competition or other socioeconomic factors—physical blight, and the aging and lack of maintenance of commercial structures have led to abandoned retail districts. Brian J. L. Berry has defined a number of reasons for commercial blight: changing technology; when older businesses do not accommodate changing markets; a lack of shopper convenience or inadequate parking; and external factors, such as incompatible adjacent land uses or environmental or social deterioration in the surrounding area.[11]

Planners can help communities develop strategies for encouraging redevelopment of overbuilt commercial districts with high vacancy rates. One is to require businesses to post a bond when submitting an application for a new building; the bond protects the community against the costs if the business subsequently abandons its building. In Buckingham Township, Pennsylvania, for example, "as part of the land development agreement . . . provisions shall be made for the removal or adaptive reuse of the structure by the applicant should the facility not be used for a period of 12 consecutive months. Financial security may be required by the township."[12] In Charlotte, North Carolina, city planners added to the zoning ordinance two provisions: (1) a developer must provide the financial means to tear down a building if their tenant store closes and remains empty, and (2) so-called big boxes (large stores owned and run by a corporation) must be part of a larger, mixed-use development of stores, offices, and apartments. Under the first provision, developers must put a designated amount of money in an escrow account for a specified period of time. If the structure is abandoned, the local government can use the funds to mitigate loss of tax revenue caused by the vacant structure.[13]

Downtown Revitalization

As many American cities lost their traditional center businesses to new developments on the city's edge, planners began to consider what could be done about it. Could downtown businesses compete directly against major discounters and chain stores in an attempt to recapture their retail dominance? Could they evolve into new kinds of retail centers, with businesses that do not compete directly with the discounters and chains, but are complementary to them? Should downtowns abandon their traditional retail role entirely and become service centers relying increasingly on office and financial functions for their viability? Or are downtowns obsolete; should they be allowed to die a natural death, as have other elements of nineteenth- and early-twentieth-century cities?

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[11] Brian J. L. Berry, "Commercial Structure and Commercial Blight," Research Paper No. 85, University of Chicago, Department of Geography, 1963, as found in Michael Pacione, *Urban Geography: A Global Perspective*, 2nd ed. (London: Taylor and Francis, 2001), 253.

[12] Sprawl-Busters.com, "Charlotte, N.C. Planners Want Demolition Bond for Big Boxes," http://sprawl-busters.com/search.php?readstory=973 (accessed March 6, 2009).

[13] Ibid.

It seems we are not ready to render downtowns obsolete. A number of revitalization programs have been instituted, from the Main Street Program of the National Trust for Historic Preservation, to the Downtown Development Authority program, to Tax Increment Financing (TIF), to Business Improvement Districts (BIDs)—not to mention various programs established by local governments and merchant associations. From the 1970s to the 1990s, planners proposed new ideas to revitalize older downtown retail as well as failing industrial and residential areas. In large and small cities, traditional downtown functions were replaced with new types of businesses that bring a fresh vitality. Clothing and hardware stores may have moved to the suburbs, but restaurants, gift shops, entertainment, and loft apartments have filled the voids. Downtowns have had to reinvent themselves to remain viable and many of them have made the shift successfully.

The revitalization of downtowns makes sense for many reasons. Downtowns offer:

Existing infrastructure. Downtowns already have streets, sewer and water lines, gas and electricity, and a central location. It is wasteful to discard this existing infrastructure and build new at the city's edge. From both the economic and the environmental standpoints, it is a poor decision to discard our downtowns rather than recycle them.

Community focus. Downtowns provide a focus and a sense of identity for communities. Without such a community center, to borrow a phrase from Gertrude Stein, “There is no there there.”[14] Where a community spirit is lacking, it is difficult to get local support for projects and activities. As American society becomes more mobile and transient, the need for a place with which one can identify becomes increasingly important.

Greater diversity. Downtowns can have greater functional diversity than new centers built on the city fringe. Their mix of retail stores, banks, public agencies, local government offices, historic areas, and cultural and educational institutions, supported by public transportation, gives them viability.

Employment opportunities. Vital downtowns are centers of employment, and workers are regular and continuing users of other downtown businesses. A thriving downtown depends on a diverse, dynamic mix.

Residential life. At one time, residents moved away from their places of employment, resulting in a major disconnect of two of the most important aspects of American life: time spent at home and time spent at work. But starting in the 1970s, the downtown areas of New York City, Los Angeles, Seattle, and San Diego began to exhibit steady city center growth and cities across the country followed in the 1980s and 1990s.[15] For many, the good life can better be enjoyed by not living separated from their workplace, but by living near it in the center city. The individuals attracted to downtown tend to be educated, professional, and without children, what author Richard Florida has called the “Creative Class.”[16] Among these are actors and artists, musicians and dancers, photographers, and writers, as well as professionals in health care, business and finance, law, and education.

To accommodate the influx, cities are increasingly reusing older buildings and adding sensitive infill of new buildings. In Milwaukee, for example, the largely disused riverfront area downtown has been given new life [Fig 6.9]. Its Riverwalk system links many of the

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[14] Gertrude Stein, *Everybody's Autobiography* (Berkeley, California: Exact Change (Small Press Distribution), 2004), 289.

[15] Eugenie L. Birch, “Who Lives Downtown? in the Brookings Institution's *Living Cities Census Series,* November 2005, 1.

[16] Richard Florida, *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life* (New York: Basic Books, 2003).

older industrial and commercial buildings along the river into alternative uses as restaurants, clubs and bars, with residences on the upper stories.

6.9. Riverfront redevelopment, Milwaukee, Wisconsin

In San Diego, Horton Plaza was converted from an underutilized downtown core into an exciting six-block, three-story retail area, with open spaces, bridges, towers, sculptures, fountains, and landscaping. And in South Boston, redevelopment of the waterfront area has brought major changes to this "last frontier" of the city.[17] An $800 million convention center is now fully booked, and more than 1,600 new hotel rooms and many new restaurants have brought life to a formerly down-at-the-heels district.

Spotlight on Baltimore's Inner Harbor[18]

Urban revitalization can involve years of planning and implementation, especially when it involves large projects. The history of the Inner Harbor area of Baltimore illustrates the impact of decades of forethought and work by many individuals and organizations.

During the 1700s and early 1800s, Cheapside Wharf was the bustling mercantile center of Baltimore. Shipping agents, ship chandlers, grocers, copper and tin manufacturers, leather

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17 Stephanie Ebbert, "Waterfront's Not Yet Feeling Like Home," *Boston Globe*, June 29, 2008, http://www.boston.com/news/local/articles/2008/06/29/waterfronts_not_yet_feeling_like_home.

18 This case study was researched and written by Eastern Michigan University graduate student Denise Pike in 1999.

workers, and furniture makers lined its streets. In 1904, the Great Baltimore Fire destroyed more than 140 acres of prime business land, and many merchants could not afford to rebuild.

Fifty years later the Inner Harbor industrial district had declined terribly. Derelict warehouses testified to a once thriving commercial center. Cars were abandoned on deserted streets in deteriorating neighborhoods. As the City of Baltimore put it, “It was perceived as a city with a great past and no future, and if you made it, you were moving to New York or Philadelphia or Chicago.”[19] When O’Neill’s Department Store closed in 1954, J. Jefferson Miller, then executive vice president of the Hecht Company department store and director of the Retail Merchants Association, persuaded a group of business associates to look into what other cities were doing to cope with the loss of downtown as a retail hub. Their conclusion was that merchants by themselves could not bring a turnaround. The group formed a Committee for Downtown and recruited members from utilities and banks and other property owners, while 100 executives formed the Greater Baltimore Committee. The two groups secured the services of David Wallace, a nationally known planner and architect whose mission was to develop a comprehensive plan for downtown.

The first effort was Charles Center, an office development on a 33-acre parcel between the existing retail and financial districts and, in 1959, the City Council adopted Charles Center as an official urban renewal area. The downtown business community and city government became partners in revitalization efforts.

In 1964, Wallace produced a plan that provided basic guidance for a 30-year, $260 million effort to redevelop the edge of the city's inner harbor to bring the public to the water’s edge. The Greater Baltimore Committee launched a public education campaign and voters approved $2 million in bonds to finance the first steps in the redevelopment of the district.

The first new Inner Harbor attraction was the restored USF *Constellation*, one of the oldest ships in the Navy, placed in 1972 at Baltimore’s newly rebuilt Pier I. To draw people to the district, the City Fair—an annual September celebration—was moved to the Inner Harbor the next year. During the nation’s bicentennial celebration, Baltimore hosted the Tall Ships, a flotilla of replicas of early sailing vessels. People from the city and beyond flocked to the Inner Harbor to see the spectacle. The harbor area was becoming a regional attraction.

New buildings rose: the United States Fidelity and Guaranty Company building, Baltimore’s tallest, was completed; the Christ Church Harbor Apartments, senior citizen housing for low- and moderate-income people, was occupied. The IBM building, Maryland Science Center, and the Harbor Campus of the Community College all opened.

The city was only halfway through its 30-year plan, and the goal of turning the Inner Harbor vision into reality would still cost millions. The federal government provided funding through the Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) programs.

Yet the Rouse Company’s proposal to build two pavilions of shops and restaurants, called Harborplace, along the Inner Harbor promenade [Fig 6.10] met with opposition. Baltimoreans feared a large commercial development would eliminate the open space along the water’s edge. Businesses in Little Italy and South Baltimore, two of the city’s most stable neighborhoods, feared their shops would suffer, and Baltimore’s African American population did not see the proposed upscale shops and restaurants as appropriate to their needs. Developer James Rouse responded by committing to include minority firms in the building of the pavilions, to hire minorities after it was built, and promised the city careful attention to design and a high tax return. In 1978, the Harborplace proposal passed with 54 percent of voter approval and its doors opened in 1980 to a record noontime crowd of over 50,000.

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[19] City of Baltimore Department of Planning. *The Inner Harbor Book* (1984).

6.10. Harborplace Plaza, Baltimore, Maryland

The glass pavilions of Harborplace, filled with an eclectic mix of retail and restaurants, illustrate the turnaround of the Inner Harbor. Ultimately, more than 90 developers and millions of dollars were involved in Baltimore's revitalization. In the years following the opening of Harborplace, more than a dozen new developments were added, including a second Rouse development, The Gallery at Harborplace. And in 1992, near the Inner Harbor, Oriole Park at Camden Yards, the home of the Baltimore Orioles, opened on the site of a former railroad center. In recent years the Inner Harbor has become an iconic landmark of the city, and its attractions bring over 16 million visitors each year.[20]

Planning played an important role in the revitalization of Baltimore's city center. The city says, "We started out with a first-rate comprehensive plan which we enacted in phases. Save for a couple of minor changes, we stuck to the plan."[21]

Engines of Revitalization

There are many organizations and agencies that have been established to assist in efforts at downtown revitalization and center city redevelopment. Although they vary in the reasons for their existence, they often overlap in the services provided. Following are described some of the most common of these agencies.

Redevelopment Agencies

[20] Baltimore Development Corporation, *Inner Harbor Coordinator Annual Report* (2008), 6.

[21] City of Baltimore Department of Planning, *The Inner Harbor Book* (1984).

Much of the success of a revitalization program depends on the individuals and agencies responsible for encouraging and funding such efforts. One of the most common and successful organizations is a community's redevelopment agency, which has the specific power, granted by one or more municipal authorities, to promote economic growth. The city entrusts the redevelopment agency with specific responsibilities for projects in designated districts. The powers of a redevelopment agency vary from state to state and community to community, but powers typically included in the its charter include the authority to acquire property to eliminate blight or obsolescence or to provide land for public facilities. The agency may demolish, construct, or reconstruct streets, utilities, parks and playgrounds, repair or rehabilitate older structures, or dispose of acquired property at fair market value.

A redevelopment agency usually does not have the power to construct administrative, police, or fire buildings, or publicly owned facilities that are part of a capital improvements program approved before the establishment of the agency. The redevelopment agency may work on projects that already have been approved for redevelopment expenditures or survey areas that are being considered for project status but are not yet approved by the city.

Spotlight on Hunters Point Shipyard, San Francisco Redevelopment Authority

Hunters Point Shipyard is located in the bay area of southeastern San Francisco [Fig 6.11]. The 500-acre facility was a naval shipyard from World War II until 1974 and was a major source of employment for the area. After 14 years of study, the City of San Francisco Redevelopment Agency proposed a plan for a $900 million cleanup and conversion of the facility to residential use, to feature new homes and parks, and employment opportunities for local residents [Fig 6.12].

6.11. Hunters Point Shipyard, San Francisco, 1970s

Now called Bayview Hunters Point, the project has moved ahead with a new light rail service connected to the Caltrain line, Portola Place housing development and several affordable housing developments, a new police station, and a new waterfront park. Many other projects are in various planning stages.

6.12. Bayview Hunters Point revitalization proposal, 2008

Financial Institutions

Banks and lenders are essential to revitalization efforts. In an increasing effort to satisfy their stockholders, financial institutions have looked for opportunities providing the highest rate of return, sending their investment money to other regions and even to other parts of the world. These lenders ignore their responsibility to the community in which they are based, from which most of their business comes. Yet they have the resources to provide core support for their municipality's economic development programs.

The federal government's Community Reinvestment Act of 1972[2] (revised in 1995 and 2005) encourages local banks and thrifts to offer credit and services to their local communities in an equitable manner by evaluating institutions based on their community involvement. This legislation was aimed at providing affordable housing and eliminating prejudicial treatment in mortgage lending, but the act is more expansive in its administration. Some banks and lending institutions have responded by opening new branches in underserved areas, expanding services, and creating more flexible underwriting standards.

The housing meltdown of 2008 changed many of the rules of residential financing. According to a 2009 article in the *Wall Street Journal*, 23 percent of U.S. homeowners owed more on their mortgages than their properties were worth.[23] Without a substantial recovery, these owners have no equity available from their primary asset, limiting their ability to plan for the future. Planners must recognize the long-term implications of this situation.

Business Improvement Districts

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22 Community Reinvestment Act (or CRA, Pub.L. 95-128, title VIII, 91 Stat. 1147, 12 U.S.C. § 2901 *et seq*.

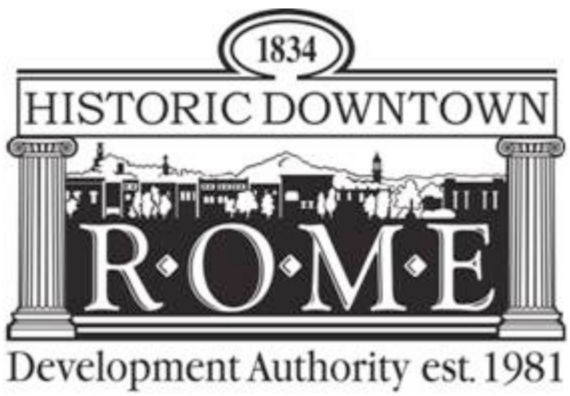
23 Ruth Simon and James R. Hagerty, "1 in 4 Borrowers Under Water." *Wall Street Journal*. (November 24, 2009): A1.

Business Improvement Districts (BIDs) are another mechanism for funding general improvements to a business district. BIDs use fees from member businesses to fund services in the BID district beyond what a city normally provides. The services may include security personnel (if there is concern about crime in the district), additional street cleaning, maintenance, or paying for joint promotional programs. Typically, the local government collects the fees and distributes them to the BID for defined projects.

BIDs, established through the petition of a majority of property owners in a commercial district who see the value in combining resources, are enabled through state legislation and are now being used in most states. They are usually structured as nonprofit organizations, although they may be constituted as a public agency. As examples, the Alliance for Downtown New York, Downtown D.C. in Washington, the Fashion District in Los Angeles, and the Center City District in Philadelphia are BIDs. Many medium-sized and small cities also have BIDs.

Downtown Development Authorities

Downtown Development Authorities (DDAs) are intended primarily to prevent and correct deterioration of existing business districts [Fig 6.13]. They also promote economic growth, encourage historic preservation, and contribute to revitalization. DDAs provide communities with the necessary organizational, monetary, and legal assistance to carry out public sector initiatives alone or in concert with privately motivated development projects.



6.13. Rome, Georgia's Downtown Development Authority placard

Similar to redevelopment agencies but focused more on downtowns, DDAs study economic changes and the impact of metropolitan growth on the downtown district and plan, and develop and finance construction or rehabilitation that contributes to the economic growth of the downtown. Typically, a DDA prepares development and TIF plans (TIF; see Chapter 16) to submit to the local municipality for approval. The development plan describes the resources, location, and cost of public improvements projected to take place in the DDA district; the TIF plan details the tax increment procedure, the amount of bonded indebtedness to be incurred, and the duration of the program. DDAs underwrite streetscape improvements, parking, underground utilities and other public infrastructure improvements, downtown marketing efforts, and downtown staff operations, to name a few. The DDA may be able to sell, lease, convey, own, or dispose of property as both lessor and lessee and issue bonds for revenue-producing public facilities.

States utilize DDAs in various ways. Under Colorado law, local governments can establish DDAs and use tax increment financing for financial support. In Wyoming, authorities can "plan and propose . . . removal, site preparation, renovation, repair, remodeling, reconstruction, or other changes in existing buildings . . . which in the opinion of the board will aid and improve the downtown development area."[24] In Michigan, there are over 345 communities with DDAs, an indicator of the success of the program.

The Main Street Program

In 1980, the National Trust for Historic Preservation established the Main Street Program to show that the rehabilitation of older commercial buildings could be an important part of a downtown revitalization effort. The original concept for the Main Street Program was based on three pilot projects that began in 1977 in Galesburg, Illinois; Hot Springs, South Dakota; and Madison, Indiana. Since then, the Main Street Program has become one of the most important and influential nationwide programs dealing directly with downtown revitalization. Designation as a Main Street state or city brings recognition to a community's efforts and ensures that the program's Standards of Performance are followed. Over 1,200 of these programs have been established across the United States. Main Street programs often are partnered with other downtown programs such as DDAs or BIDs.

Encouraged by the results of its pilot projects, the Main Street Program established a Four-Point Approach to downtown revitalization based on four key issues:

Organization. Various groups working in a downtown may have different perspectives on an approach to its revitalization. For example, the merchants' association may want to promote retail sales, the Chamber of Commerce create jobs, and city government provide municipal services. Without coordination, the separate agendas of these interest groups may not support those of the others (and, as a result, miss opportunities for synergy) or even conflict with one another. The Main Street Program organizes these varied interests into efforts with revitalization as their common goal.

Promotion. Many older downtowns have an image problem because they have deteriorated as residents have left them for shopping centers and malls. The Main Street Program has shown that joint advertising campaigns for downtown businesses, new logos, new signage, and special festivals attract people. Making the downtown a destination that offers a variety of pleasurable experiences can remake its image.

Economic restructuring. The Main Street Program looks for new and innovative sources of private and/or public funding for downtown improvements. It may enlist local banks to create a revolving loan program for rehabilitation work or use grants and loans from external sources for specific efforts.

Design. Good design downtown is a signal that a downtown is thriving. Organization, promotion, and economic restructuring are important to a successful overall program, but design provides the visual evidence. Residents can see that the downtown is improving when the streetscape gains plantings and furniture, storefronts are rehabilitated, and well-lit displays and special projects freshen the environment.

The National Trust Main Street Center office in Washington, D.C. (www.preservationnation.org/main-street) engages in many activities to benefit communities and individuals. It supports and coordinates a nationwide network of Main Street organizations and provides direct, on-site technical assistance and consulting services to towns, cities, and urban neighborhoods. It publishes a wide range of books and training materials including the *Main Street News*, available its members. It offers professional training and certification programs through the National Main Street Institute and coordinates the annual National Main Street Conference on commercial district revitalization. Annual National Main Street Awards recognize revitalization successes.

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24 Wyoming Urban Renewal Code, "Chapter 9—Urban Renewal," Article 1 (Urban Development), http://legisweb.state.wy.us/statutes/titles/Title15/T15CH9.htm.

Exercise: Rivertown Tomorrow

Rivertown's City Council has decided to establish a Main Street Program to focus efforts on the city's downtown area and want guidance on how it can use the program for revitalization. Various merchants have agreed to assist in this effort and would likely support any recommendations. Norman Tyler, manager of the First National Bank, said the bank would be willing to cooperate in the establishment of a funding program for downtown businesses.

Based on your knowledge of Rivertown, suggest four proposed activities that respond to each of the four points of the Main Street Program: organization, promotion, economic restructuring, and design. (Information about Rivertown can be found in the Appendices and earlier exercises.)

Downtown Zoning

Conventional zoning is a regulatory tool, rather than an incentive to revitalization (see Chapter 14 for more on zoning). Historically, zoning's role has been to prevent incompatible land-uses. Over time this role has produced zoning ordinances that may limit flexibility for planners and developers.

Zoning, however, can be used as a tool for downtown revitalization. For example, mixed-use zoning enables the blending of commercial and residential land uses. With mixed-use zoning, residents become customers for commercial establishments, and in turn local businesses provide convenient services for residents. In some areas, clean industries may also be allowed in mixed-use districts because they provide local employment.

Spotlight on Washington D.C.'s Downtown Shopping (SHOP) District (an overlay zone)[25]

The SHOP district in Washington, D.C., uses zoning as a tool to encourage a diversity of functions in a downtown [Fig 6.14]. The SHOP zoning district, an 18-square-block area of downtown, originally was a response to lack of ground floor retail space in many office buildings being constructed there, with the result that entire blocks of the downtown had little retail activity.

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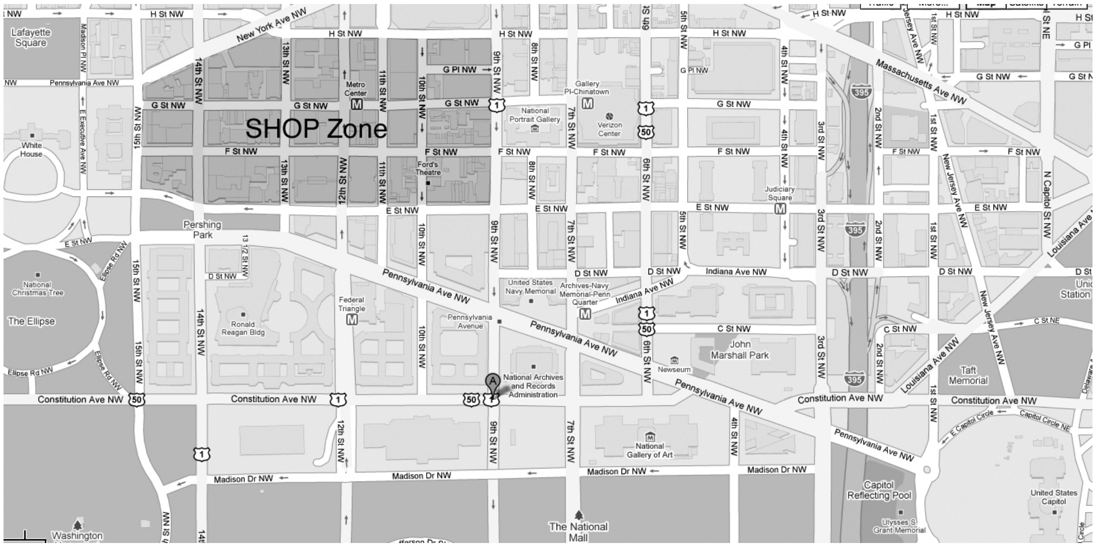
25 Mark Jenkins, "Bringing Retail Back Downtown," *Urban Land* (June 1989): 2–5. See also the Washington, D.C., Zoning Ordinance, Section 1703, "Downtown Shopping District (Retail Core)."



6.14. SHOP Zone, Washington, D.C.

The zoning overlay (a set of regulations available as an option to the underlying zoning) required that at least 20 percent of the total floor area of new buildings be either retail or service uses, while the remaining floor area could be office or residential. This ratio was nearly four times the typical amount of space previously allotted to retail in downtown buildings, and in many instances meant that both the ground floor and the second floor of a building needed to be reserved for retail. In the calculation of floor areas, exceptions were allowed: department stores count as triple square footage credit because they are considered very desirable uses; theaters count double; minority or displaced businesses count one and a half of the allocation. The zoning also regulated entrances and display windows, and discouraged indoor atriums since it was determined these popular spaces do not contribute to the vitality of the street outdoors. The SHOP program's rigorous technique to create mixed uses initially met with resistance from developers, but it was successful in restoring retail uses to this important downtown area.

Other cities have established specially zoned downtown districts similar to the SHOP zone. In Cincinnati, a local ordinance specifies that at least 60 percent of ground-level frontage must be retail; banks, travel agents, and airline ticket offices are not considered retail uses. Bellevue, Washington, encourages the establishment of neighborhood businesses operated by in-town residents. San Francisco requires that a mix of retail be established for both affluent and less affluent downtown workers.

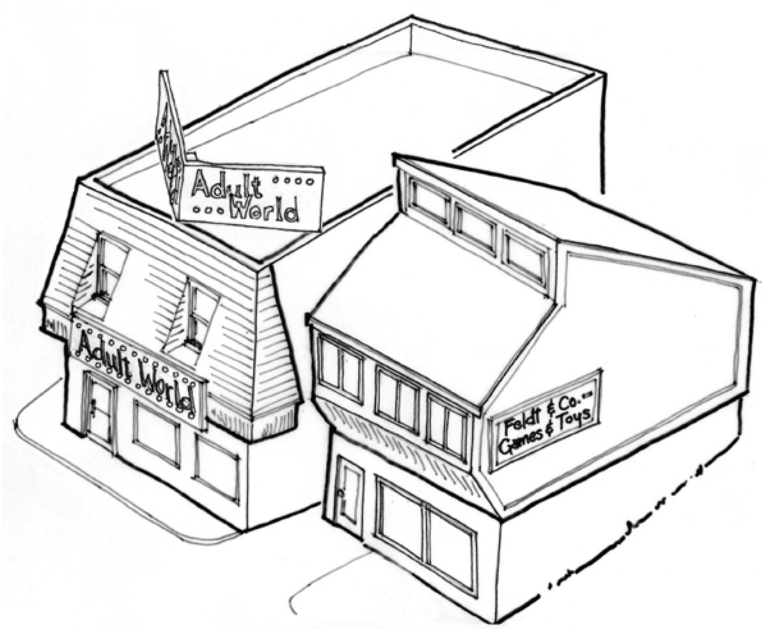
Zoning is not without pitfalls. Oftentimes downtowns, especially in economically depressed areas, face the difficult issue of where to allow sex businesses. City officials must balance the rights of citizens who feel the moral values of their community are at stake and business owners who claim their right to free speech is constitutionally protected. The courts have established that the location of sex-oriented businesses can be regulated, but they cannot be banned completely; they must be able to exist someplace within a community. Although citizens tend to see the establishment of these businesses as an issue that should be addressed on moral grounds, for planning purposes only land-use restrictions are viable. Two basic approaches to control sex businesses are available: the “divide and regulate” scheme that forbids sex businesses from locating too close to one another or to a residential district, and the “concentrate and regulate” approach, which limits all sex businesses to one area.

If legal restraints of sex-related businesses are based on the impact on the surrounding area in the same objective way as other businesses are regulated, a reasonable method of zoning can be developed. Traffic studies, crime statistics, tax consequences, and the effect on surrounding commercial and residential areas are means to address the issue and offer the opportunity for review and development of appropriate regulations based on good planning principles, rather than on emotional public reaction.

Exercise: Adult World Bookstore in Rivertown

Residents in Rivertown are furious about a newly established Adult World bookstore operated by local businessman Nipsy More [Fig 6.15]. It is located in his former Sports World store on Station Street, next to Feldt’s Toys and Games store. Ms. Ima Peeples, who lives directly behind the store, has threatened to take action: “I’ll go right to City Council and give them a piece of my mind for allowing this,” said Ms. Peeples.

Bookstore owner More, when asked about the business, explained that a new America Big-Box store located just west of the city’s boundary had drawn customers from his sports store and he had to find a business that would have no competition. He felt he was within his legal rights to open the new store. City Council member Delores Lemma, who is opposed to the new use, explained the city’s zoning ordinance (see Appendix C) makes no reference to sex businesses; thus, they are not explicitly prohibited.



6.15. Sketch of Adult World bookstore

As the city's assistant planner, you are to write a memo to Ms. Lemma describing what the city might do to resolve this problem. You may research how other communities have addressed a similar situation. Suggest actions residents could take to influence either Mr. More or Ms. Peeples to reevaluate their stand.

Smart Growth

"Smart growth" is one of the most important current movements in urban planning; as one critic said, "Who can be in favor of dumb growth?"[26] Smart growth is defined as planning that encourages growth in center cities rather than on the urban fringe and advocates land uses that are walkable, bicycle-friendly, and well-supplied with local transportation. Smart growth concentrates on neighborhood schools, multifunction streets, mixed-use development, and a range of housing choices. It ties urban growth to long-range, regional planning. The national organization, Smart Growth America, is a coalition of national, state, and local organizations working to improve the ways in which American communities are planned. Members represent various interests, among them environmental concerns, historic preservation, neighborhood redevelopment, farmland and open space preservation, and alternative transportation.

Some states have taken significant measures to control growth and encourage better decisions about where growth should occur. Maryland's Smart Growth Areas Act of 1997 designated Priority Funding Areas (PFAs), both urban and rural, including areas already serviced with water and sewer, or areas where such infrastructure improvements are part of the community's plan. Areas outside PFAs are ineligible for either infrastructure or economic development assistance. The intention is to stimulate development in existing communities, rather than in new ones that would contribute to sprawl. Smart Growth rates development proposals on a point system, with favorable treatment for projects that have a high proportion of private to public dollars, are located in areas with relatively high unemployment, are linked to local employment and training providers, and contribute to public safety, welfare, education, and/or transit. An Illinois act, for example, gives a tax credit to businesses that locate in an area with nearby public transportation and/or affordable (workforce) housing. Companies also may qualify for credits by giving employees housing credits or providing shuttle services.

Urban Growth Boundaries

Urban growth boundaries are designed to direct growth to lands designated for increased intensity and away from lands reserved for rural uses. Local governments can guide and promote growth within their urban boundaries in accordance with their comprehensive plan for significant periods of time—typically 20 years or more. Urban growth boundaries correspondingly protect farmland and open space from premature development, thereby enhancing the agricultural economy and promoting conservation.

Growth boundaries must be drawn carefully and with foresight, especially if there is no requirement for future review. The establishment of growth boundaries typically is a three-step process. First, the boundary lines must be mapped in conjunction with the community's comprehensive plan. Next, the voters need to approve the boundaries through an initiative or a referendum or through the municipal council. Finally, the community must work with adjacent jurisdictions that will be affected by the measure, ensuring cooperation with the spirit and intent of the action.

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[26] Duane Desiderio is quoted in an article by Gurdon H. Buck, "The Latest Buzz in the Land Development Cocktail Parties: 'Smart Growth,' 'Urban Sprawl,' 'New Urbanism,' 'The Village Districts'" (Palm Beach, FL: American College of Real Estate Lawyers, Spring 1999), http://www.acrel.org/Documents/Seminars/a000013.pdf.

Growth boundaries have been used successfully in urban areas in Tennessee, Maryland, and Florida in the east, and California, Washington, and Oregon in the west. Several states mandate creation of urban growth boundaries. Boundaries on a regional scale frequently are adopted with multijurisdictional cooperation, by voter approval and/or governmental action.

The first growth-limiting measure was established in 1972 in Petaluma, California, 40 miles north of San Francisco. Concerned about rapid development, the voters in Petaluma limited the number of new housing units to 500 per year, about half the number that had been built in previous years. They approved a growth boundary to control urban sprawl and minimize growing costs for building infrastructure. As a result, pastures and open space now surround the city and grain silos and creameries are important ties to the community's past. Petaluma boasts an attractive mixture of old and new, with a central city plan that commits the city to keeping older land uses from being crowded out.

Portland, Oregon, offers perhaps the best example of the use of an urban growth boundary [Fig 6.16]. In 1973, a coalition of farmers and environmentalists and a supportive governor convinced the state legislature that urban growth control measures would be the most effective means of protecting the state's natural beauty and ready access to open space. Under Oregon law, each city or metropolitan area in the state has an urban growth boundary that separates urban land from rural land.[27] By state law, the City of Portland is required to have a minimum 20-year supply of land available for residential development within its growth boundary. The status of the supply is reviewed every five years by the Metro Council. Portland's growth boundary is not static but is modified based on changing conditions. For example, in 2002 nearly 19,000 acres were added to provide for over 38,000 housing units, representing an increase in size of 9 percent since 1990, compared to an increase in population of 17 percent during that same period.

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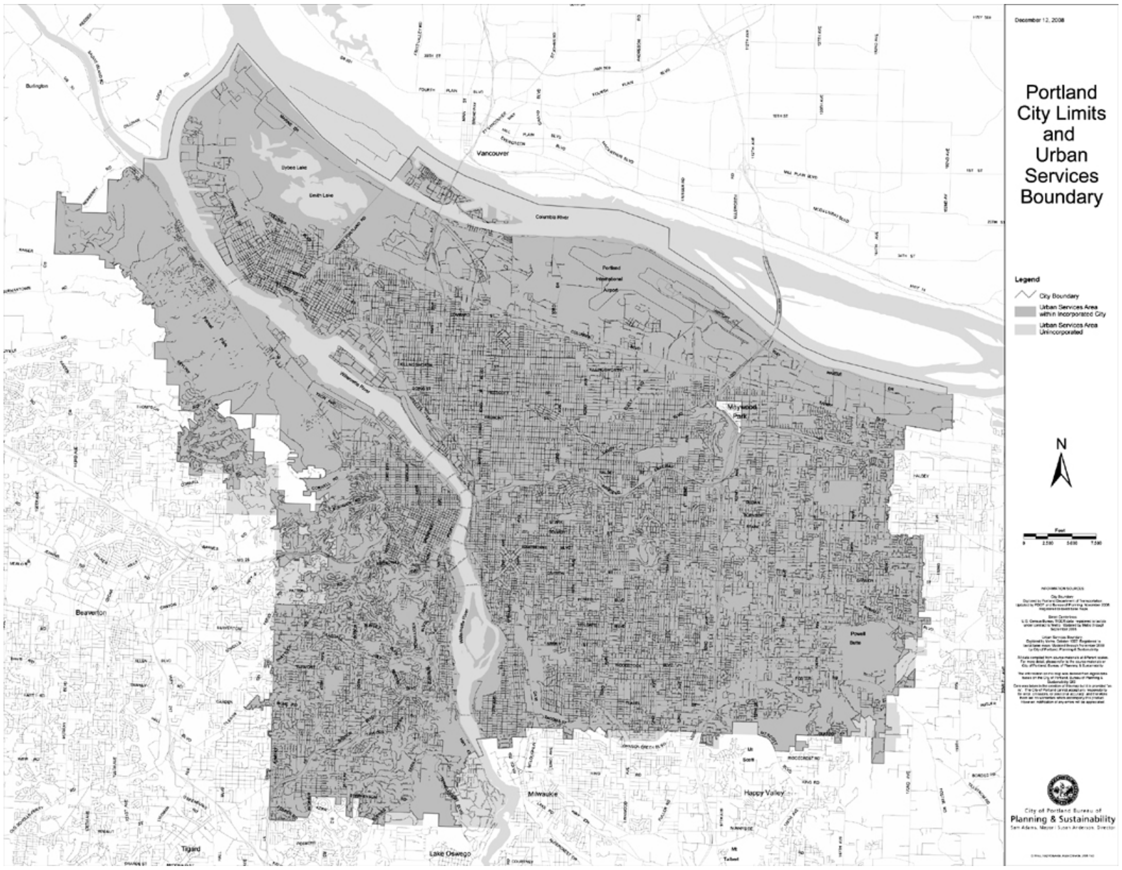
[27] Metro Regional Government, "Urban growth boundary," http://www.metro-region.org/index.cfm/go/by.web/id/277 (accessed April 17, 2009).



6.16. Urban Growth Boundary, Portland, Oregon

Summary

Communities across the United States have evolved from small settlements along rivers to agricultural communities to centers for trade to large industrial cities and, finally, to postindustrial metropolitan areas. Urban areas occupy a small fraction of America's landscape, yet have become the location of the majority of residential, commercial, and industrial land uses.

Local government leaders and urban planners confront new challenges presented by significant demographic shifts and a long-term pattern of population migration from the center city to the urban and suburban fringe. The core of a city is its central business district (CBD). Most CBDs reached their peak of growth and economic vitality decades ago. During the last century, cities lost much of their primacy to suburban and rural transitional areas. Economic dependence on the central city declined as shopping malls and strip mall developments rose along major roads. Aging infrastructure such as streets, disused factories, and relocated or abandoned businesses contributed to urban flight. As a result, most large city downtowns are reinventing themselves. Their existing infrastructure, including roads, sidewalks, and water and sewer lines, make them ready for redevelopment, and from the standpoint of sustainability it is desirable to utilize these existing developed areas rather than adding to sprawl. Yet, it is often cheaper to build on virgin land in the suburbs than it is to rebuild in an older urbanized area, so planners must help cities to find funding and develop incentives for builders and developers.

Many organizations are available to support revitalization plans to bring center cities increased economic development. Among these are redevelopment agencies, financial institutions, Business Improvement Districts, Downtown Development Authorities, and the Main Street Program. Special zoning provisions, Smart Growth programs, and Urban Growth Boundaries reinforce the vitality of urban core areas.