



As the American economy shifts into recovery mode, downtown markets are primed to benefit from the next investment cycle. Demographic and lifestyle trends that were making downtowns a more desirable destination for living, dining and entertainment have not abated, but have stalled due to the recession. As the economy improves, credit markets recover, and households regain their sense of financial mobility, there will be pent-up demand that will create opportunities for new downtown investment.

Gearing Up for the Next Investment Cycle:

GRAND RAPIDS DOWNTOWN FRAMEWORK PLAN

While underlying trends remain, methods for attracting development and investment have changed. New approaches, tools and toolboxes will be necessary for downtowns to fully realize the upside of economic recovery. Downtowns that prepare their real estate delivery system and management structure today will have an advantage tomorrow.

A Post-Recession Approach for Downtown Planning:

A new downtown development and management model is emerging from Grand Rapids, Michigan. Known as the furniture manufacturing hub of western Michigan, downtown Grand Rapids has endured the recession better than most. Understanding that it needed to create a more strategic approach to investment and evaluate its business model, the Grand Rapids Downtown Development Authority (DDA) last year commissioned a new framework plan. P.U.M.A. and local urban design and community relations firms were selected to complete the task.

Developed over a six month timeframe, the resulting Grand Rapids Framework Plan offers continuity between market opportunity, physical framework, action plan and the DDA's organizational response.

More than 1,400 downtown stakeholders and residents participated in the Framework Plan community engagement process, either through a working group, open house or online survey.

The community's vision and aspirations for downtown were balanced with the economic realities of 2011, documented through an analysis of existing market conditions. The result is a series of innovative and pragmatic actions that respond to the community's priorities.

A New Operating Construct for Downtown:

The Framework Plan resulted in a new operating structure for the DDA, sorting its actions, resources and operations into three functional areas that together create a vital downtown: Economy, Environment and Experience. Short-term investment priorities are recommended to support downtown retail and create an environment that fosters creative and innovative small business ventures. Public realm improvements emphasize enhancements to the Grand River, connectivity within downtown and to adjacent neighborhoods, and a focus on "complete streets" that promote walking and biking. A physical framework to help direct DDA investment identifies activity centers, focus areas and key connections to strengthen downtown.

THE VISION FOR A VITAL DOWNTOWN



ECONOMY

A prosperous downtown

ENVIRONMENT

A comfortable and enjoyable place where people want to be

EXPERIENCE

Unique places, spaces, events and culture

Thriving Retail	River Activation	Clean and Safe
Community Venture and Innovation	Accessibility and Connections	Arts and Culture
Residential and Mixed Use Development	Infrastructure and Streetscape	Events and Programming

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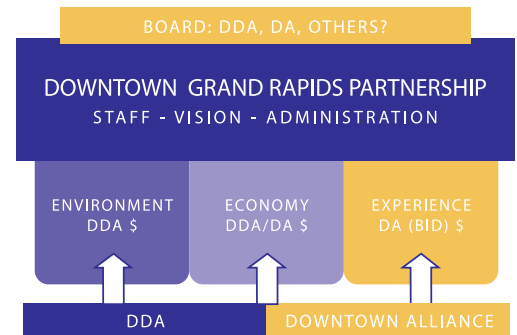
Grand Rapids Downtown Framework Plan *continued from cover*

Organizing for the Future:

Borrowing from best practices found in other cities, a recommendation to eventually combine the DDA and the downtown business improvement district (BID) under one organizational umbrella will result in the following advantages:

- Coordinate and leverage TIF and BID funds.
- Create a cohesive approach to downtown development, marketing and management.
- Achieve cost efficiencies by combining staff and administration.
- Eliminate the confusion and perceived duplication of multiple downtown agencies.
- Develop a unified and more influential public/private partnership.

For more information on the Grand Rapids Framework Plan, contact Jay Fowler, executive director of the Grand Rapids DDA at jfowler@ci.grand-rapids.mi.us or P.U.M.A. vice president Anna Jones at anna@pumaworldhq.com.



Master Plan vs. Market-Based Framework Plan

Advantages of the market-based Framework Plan approach versus a conventional downtown Master Plan include:

- A Framework Plan can be developed in less time and with less cost.
- The Framework Plan is rooted in real estate economics and market fundamentals as opposed to a design-driven Master Plan. This process results in a more pragmatic game plan for implementation, particularly during an economic cycle fraught with uncertainty.
- An ambitious community outreach process can be designed for a Framework Plan, similar to that experienced with most Master Plans.
- The Framework Plan provides the impetus for immediate implementation of initiatives that include urban design, transportation and parking, economic development, public/private financing and organizational change.

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Downtown Berkeley, California, is moving forward to create a property-based improvement district (PBID) that will generate more than \$1.2 million annually to support new cleaning, safety and marketing services. P.U.M.A. worked with downtown advocates to orchestrate community outreach and draft the Management Plan that will govern PBID services during its five-year term. We enjoyed working near Brad's alma mater at the University of California. Go Bears! For more information, contact John Caner, executive director of the Downtown Berkeley Association, at jcanner@downtownberkeley.org or Brad Segal, P.U.M.A. president, at brad@pumaworldhq.com.

Downtown New Haven, Connecticut, is gearing up to implement recommendations from an Economic Prosperity Strategy prepared by P.U.M.A. Focused on activating downtown storefronts, the Strategy included a snapshot of key market indicators, a survey of more than 570 downtown consumers and a profile of best practices employed by other downtown organizations. Recommendations include the creation of a new Economic Prosperity business center within the Town Green Special Services District (SSD) that will provide market information, troubleshooting and incentives to grow, attract and incubate businesses. For more information, contact Rena Leddy, executive director of the Town Green SSD, at rena@downtownnewhaven.com or Pamela Phox, P.U.M.A. market analyst at pamela@pumaworldhq.com.

Downtown Long Beach, California, is creating a downtown development corporation (DDC) as recommended by a feasibility study recently completed by P.U.M.A. An outgrowth of a strategic planning update for the Downtown Long Beach Associates (DLBA), the DDC will be a non-profit affiliate of the existing BID-based organization. An initial focus of the DDC will be small business development and finance. The DDC is also envisioned to facilitate the development of underutilized real estate. The Long Beach Redevelopment Agency, a partner in the feasibility study, identified the potential for the DDC to acquire surplus assets in advance of the downtown redevelopment project area sunset in 2017. For more information, contact Kraig Kojian, president and CEO of DLBA, at kraigk@dlba.org or P.U.M.A. vice president Anna Jones at anna@pumaworldhq.com.

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Lessons from the California Redevelopment Crisis

In a bold stroke this past January, California Governor Jerry Brown announced his intention to help reduce the state's enormous \$25 billion budget deficit by eliminating redevelopment agencies and tax increment financing (TIF) by July. An important tool for downtown revitalization for more than 50 years, TIF has been used in virtually every state throughout the nation. TIF allows for the incremental increase in property tax (and sometimes sales tax) from new investment and value to be reinvested within the geographic boundaries of a designated redevelopment area. The rationale for TIF is that projects and community facilities wouldn't happen without the upfront investment that TIF allows, therefore the community overall is better off.

California is arguably the most aggressive state to use TIF through its 400 redevelopment agencies. Governor Brown's analysts found that 12% of the state's total property tax base is now being consumed by redevelopment and TIF. In a deft political move, the governor offered a trade-off – Eliminate TIF and reallocate the property tax proceeds to local schools, police and other services. While a significant amount of TIF is encumbered to pay long term debt, the Governor's Office estimated that more than \$2 billion would initially become available and grow over time.

Predictably, the proposal has created political turmoil with local governments and redevelopment agencies pitted against powerful public employee unions. And while the drama could take years to fully play out, including anticipated litigation on the legality of the governor's plan, early polling found that two-thirds of California voters backed the governor.

Regardless of the outcome, the California redevelopment crisis offers many lessons for downtown advocates, including:

Measure Results: While a large consortium of civic groups has mobilized to fight the California budget proposal, it appears that they initially scrambled to make their case. Redevelopment proponents spent much of the first quarter of the year compiling data on projects and tangible impacts. Much like how the National Main Street program keeps track of its program results, statewide redevelopment networks need to make sure they have a current tally of the new jobs, investment and other measures that result from their work.

Communicate Results: Redevelopment is a hard concept to explain in a sound bite, and Jerry Brown, a former mayor who understands the nuances of TIF and redevelopment, knew of this vulnerability early in the game. Forget about explaining how this all works -- redevelopment proponents need to simplify their message. Something like "jobs, community facilities and local control," period.

Refocus Redevelopment Tools: In California and elsewhere, redevelopment has strayed from its original intent to revitalize blighted areas. For example, the tool has been used to subsidize big box stores in suburban greenfields, some communities have designated the majority of their commercial land to capture local tax increment and others have used TIF to backfill general fund obligations. To preempt the California scenario,

downtown advocates can work with state governments to tighten up their redevelopment laws and make sure this powerful tool is focused solely on downtown revitalization and blighted areas.

Create Different Tools: In California, the controversy over redevelopment has created an opportunity to design different and perhaps better tools. For example, many states have Downtown Development Authorities (DDA) that combine the advantages of TIF for investment with a business improvement district-type assessment for operations and marketing. DDAs should endure better than redevelopment agencies since they are tightly focused on downtowns, leverage investment from both public and private sector partners and generally do not include eminent domain powers that have contributed to redevelopment's "urban removal" stigma.

Diversify Downtown Development Resources: Like any business venture, downtowns would be wise to diversify the funding and array of tools used to promote development. In addition to TIF and redevelopment, options include business improvement districts, community development corporations, parking management districts, events production companies and more. These tools can be combined into one toolbox – a holding company model that has emerged in many mature downtown management organizations such as Denver, Seattle and Houston.

Importance of Statewide Networks: Statewide advocacy networks for downtowns should be strengthened to maximize the effectiveness of lobbying efforts in increasingly tense state budget battles. Urban areas are often at a disadvantage in state capitals, outnumbered by suburban and rural interests. Through statewide downtown networks, large cities can join with suburban town centers and rural Main Street partners to advocate with a unified sense of purpose.

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PUMAblog Following Policy Turmoil

We're following several policy developments that each have national implications for downtown and community development, including:

- **California Redevelopment Under Siege:** We're monitoring Governor Brown's proposal to eliminate redevelopment and tax increment financing and the response from our downtown peers.

- **U.S. Transportation Policy at a Crossroads:** In Washington, an epic battle looms over the future of federal transportation policies, including funding for transit and enhancements that have been widely used in downtowns and urban neighborhoods. P.U.M.A. has joined with a dozen downtown organizations from throughout the country in an unprecedented effort to hire a lobbyist working on behalf of the International Downtown Association.

- **Colorado's Bottom-Up Economic Plan:** In our home state, new Governor John Hickenlooper has launched an innovative approach to crafting statewide economic development policies. As opposed to traditional economic policy-making that relies on technocrats and business leaders, Governor Hickenlooper is seeking grassroots input from business, resident and other stakeholders from each of Colorado's 64 counties. The exercise, which will be completed later this spring, will result in new statewide economic development priorities and actions.

For an up-to-date briefing on each of these issues, plus observations from our travels, best practices and trends, visit PUMAblog at www.pumaworldhq.com.

P.U.M.A. PROWLs



ABOUT P.U.M.A.

Progressive Urban Management Associates (P.U.M.A.) is a consulting firm providing management, marketing and financial services to advance downtown and community development. The firm has provided services to more than 200 clients in 32 states, the District of Columbia, Canada, Jamaica and the Bahamas. Clients include downtown management organizations, local governments, community development corporations and private firms.

Specialties include:

Economic Development Strategies

P.U.M.A.'s economic development strategies merge an understanding of the marketplace with organizational development to create realistic action plans and the tools to implement them.

Strategic Planning

P.U.M.A. helps create, grow and refocus organizations that advance downtown and commercial corridor revitalization, community development and other civic agendas.

Community Engagement

P.U.M.A. designs and facilitates a variety of community engagement techniques that are tailored to fit the unique dynamics of our projects and client communities.

Business Improvement Districts

P.U.M.A. is acknowledged as an international leader in business improvement districts, bringing experience from throughout North America and a track record of success to BID development, start-up and operations.

Community Development Tools

In addition to BIDs, we have worked with a variety of community development financing tools, special districts and grassroots approaches.

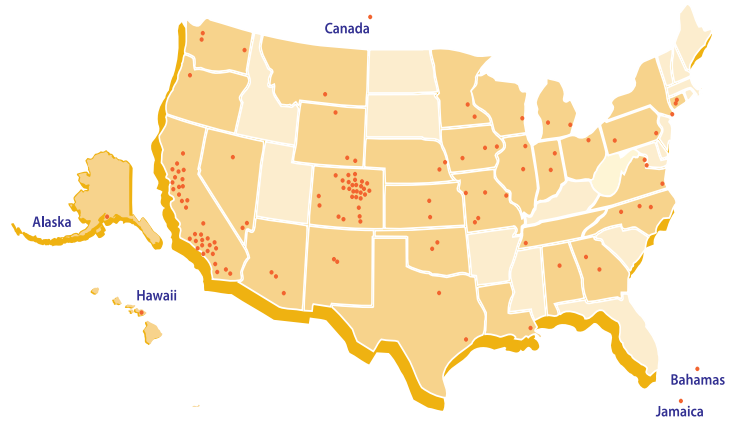
Anna Jones, vice president, is managing a market-based downtown plan for Greeley, Colo., and is part of a team creating a marketing plan for a national heritage area in Colorado's San Luis Valley. Anna was recently named vice president of the Downtown Colorado Inc. board of directors, and she will be accompanying civic leaders on the Downtown Denver Partnership's Urban Exploration tour to Philadelphia, Penn., in April. anna@pumaworldhq.com

Brad Segal, president, has been busy monitoring downtown policy developments in California, Colorado and Washington DC. He has new-found interest in keeping PUMAblog current and relevant, a diversion that is a big relief to his co-workers. Now serving his third term on the International Downtown Association's board of directors, Brad will be attending IDA's spring workshop in Chicago in April. brad@pumaworldhq.com

We welcome **Erica Heller**, AICP, P.U.M.A.'s new senior associate! Erica brings recent experience in land use consulting for Clarion Associates, plus she is a past practitioner within the City of Lakewood, Colo., redevelopment agency and planning department. Erica broadens and deepens our market-based planning and development capabilities and is an outstanding addition to the team. Please welcome Erica at erica@pumaworldhq.com.

Pamela Phox, market analyst, has been working on a market-based plan for the City of Monte Vista, Colo., and managing research for several other projects. Pamela has taken a lead role in managing the firm's information products, keeping the website fresh and project profiles current. Pamela recently marked her tenth year with P.U.M.A. pamela@pumaworldhq.com

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Strategic problem solving for downtowns and communities

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