



P.U.M.A.

THE URBAN IMPLOSION THEORY *Why the Suburbs Matter to Downtown*

by Brad Segal
reprinted from *The Denver Business Journal*

In cities throughout the nation, including Denver, the 1990s have been the decade of the downtown. After decades of despair, center cities are experiencing an incredible renaissance fueled by consumers, investors and policy makers. Consumers are lured by downtown's new mix of arts, entertainment, sports and housing. Investors are attracted to the value appreciation afforded by the multi-dimensional "24-hour city", providing vitality beyond the traditional "9 to 5" office park. And policy makers are supporting downtown development, backed by empirical studies that find the economic health of regions are directly tied to the economic vitality of central business districts.

Far from downtown, the urban trouble spots in the next decade are most likely to pop up in America's aging first ring suburbs. These areas, sandwiched between city centers and newer wealthy outer ring suburbs, are burdened by traffic congestion, a bland post-World War II built environment and the migration of the displaced urban poor. Indicative of this decline, the Urban Land Institute estimates that up to 20 percent of existing shopping malls will go dark in the next several years, most in first ring suburbs.

The Urban Implosion Theory is my contention that left unchecked, decaying suburbs will eventually choke the life out of newly re-energized downtowns. Downtowns and suburbs are co-dependent. While suburbs are propelled by the downtown economic engine,

downtown relies on the suburbs as its primary source of consumers and workers. A failure by either will harm the other.

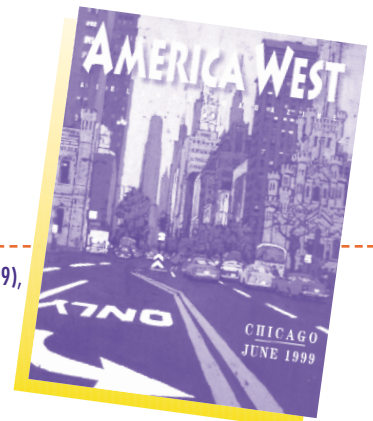
To combat the *Urban Implosion Theory*, successful cities of the next century must have both a vibrant downtown and strong regional planning. Only through regional cooperation will the challenges of the first ring suburb—congestion and poverty—be dispersed and cured.

Several cities offer inspiration and a head start for creating vital regional markets into the next century, including:

- **Portland**, which has benefitted from more than 20 years of urban growth boundaries and a regional planning agency empowered to steer local land use decisions.
- **Minneapolis**, which has developed a regional tax sharing structure that diminishes competition among local governments for tax generating projects.
- **Milwaukee**, which is guided by a progressive mayor who sees both the value of a strong city center *and* regional planning.

Unfortunately, Denver is at a distinct disadvantage as we enter the next century. Our regional planning body has developed a 20-year growth plan, but has no formal authority
(continued)

"Style-High City", an article that appeared in *America West Airlines Magazine* (June 1999), is an article written about P.U.M.A. president Brad Segal and his experiences with Denver and other downtowns. To request a copy of this article, please call 303-628-5558.



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Progressive Urban Management Associates (P.U.M.A.) produces this publication to highlight innovations and trends in community development, downtown management and marketing.

URBAN IMPLOSION THEORY (continued from cover)

Be on the
lookout
for these
friendly
faces:



Brad Segal

(pumaman@ix.netcom.com)

President of P.U.M.A. and dubbed an "urban therapist" by the *Springfield News Leader*, Brad will be attending the International Downtown Association (IDA) Annual Conference in Philadelphia, PA. Brad is also a member of the Board of Directors of IDA.



Christian Brixey Cherek
(pumadame@ix.netcom.com)

Senior Associate for P.U.M.A., and dubbed "creative counselor" by the "urban therapist", Christian will also be attending the Philadelphia IDA conference. She was recently named Vice President of the Colorado Community Revitalization Association. *More recently*, she was renamed Mrs. Cherek following an August 13th marriage to Scott in Saratoga, WY.

to implement it. More than 40 local government jurisdictions continue to compete for projects that generate sales tax. Denver's Mayor is consumed by attaining a national profile, and after eight years in office has neglected regional growth issues. Colorado's new Governor is accelerating the decline by obsessing over the widening of highways and ignoring the promise of alternative forms of transit. Denver's first ring suburbs, including Aurora, Lakewood and Englewood, have the symptoms of an urban transformation, evidenced by changing demographics, lower incomes and depressed retail.

Due to its lack of regional planning and leadership, Denver is primed to see its recent resurgence collapse under the weight of the *Urban Implosion Theory*. Other candidates include sprawling sun-belt cities such as Atlanta and Phoenix.

To combat this trend, down-

towns will need to be more engaged in regional concerns. Downtown improvement agendas must increasingly include the regional issues of transportation, education and affordable housing. In addition, downtown power brokers must support progressive political candidates that embrace both a strong downtown *and* a regional planning and development platform.

A new level of activism is required from the business community, particularly in cities like Denver that lack regional planning and visionary politicians. New partnerships addressing regional issues should be formed between Chambers of Commerce and downtown organizations, agencies that traditionally have operated apart.

By taking the lead in advancing regional development issues, the business community can help to avoid the inevitable drift to implosion.



Although most downtowns and business districts work hard at maintaining and creating a strong image, many do not consider their district's role in the regional marketplace.

Taking steps to identify your market niche can save organizations a lot of misdirected time and energy. Below is advice based on a niche marketing strategy that P.U.M.A. is currently developing for Louisville, CO:

Do the math

No niche marketing strategy will work if it is not based on what the market will support. Gather your important demographics for the area (including sales trends), most of which is available through your city or Chamber of Commerce. Compare today's information with that of 5 and 10 years ago—what does it say about where the market is heading?

Study your competition

Study other comparable business districts to assess how your

downtown or business district fits into the regional picture. Identify what niches your competitors fill, then explore your differential advantage over them.

Seek insider's input

Talk to local business owners; their "in the trenches" expertise is invaluable. What attracted them to move their business to the district? Who are their customers? What concerns, criticisms or kudos about the district have been expressed by their customers? What services and retail opportunities would their employees utilize if available to them?

Based on the above information, determine what types of businesses will be most suitable for future recruitment. Analyze your current retention and recruitment strategies and spruce them up in order to attract desired businesses. Most importantly, have a plan for "filling out" your niche, so that when opportunity strikes, you'll be ready!

by pumadame



In each issue of *Progressive Urban Management*, we highlight partners and clients who have been influential in our success: **Bill Mosher**, president of the Downtown Denver Partnership, announced his resignation from the Partnership in June to lead Mile High Development, a new Denver-based real estate development firm. The company will specialize in urban development projects in and around downtown Denver. We have known Bill for more than 8 years as an employer, mentor and friend. Bill led downtown Denver during a period in which our "9 to 5" downtown evolved into an emerging 24-hour urban community and one of the most vital center cities in America. P.U.M.A. owes much of its success to Bill and we wish him the best in his exciting new venture.



During the summer, several P.U.M.A. assisted business improvement district (BID) formation efforts have advanced:

Sacramento, California's Capital Station District, an industrial warehouse district north of downtown, has succeeded in forming a new property-based BID. The BID will raise \$185,000 annually to support economic development, transportation planning and human services. The effort was piloted by it's one person staff, Connie Miottel, who made all the right moves (with the exception of some dubious wagers against the Denver Broncos!). Contact Connie Miotte (916) 553-9286.

Boulder, Colorado, has exceeded its petition threshold to form a downtown BID. The Downtown Boulder BID will raise more than \$600,000 annually for enhanced maintenance and marketing. Boulder property owners formed the BID to better compete with a regional shopping mall that is currently under construction. For final approval, the BID must pass a vote by both business and property owners in November. Contact Marilyn Haas (303) 449-3774.

Springfield, Missouri, is moving forward to form the state's first community improvement district (CID). The new downtown CID will support maintenance, parking management and image enhancement programs with its \$215,000 annual budget. CID supporters secured petition support from more than 50% of property owners during a 4-week period. A public hearing to approve the CID is set for September. Contact Brian Fogle (417) 227-6111

San Diego, California, launched its petition drive to form a \$2.2 million downtown property-based BID. The new BID will replace a pre-existing municipal maintenance district and add public safety bike patrols and ambassadors. Contact Laurie Black (619) 234-0201.

AIRPLANE READING

A pleasant by-product of our travel schedule is that we get to read a lot. Here we share the best...

Online Buying Creates New House Rules, by Mark Borsuk (May 1999 Shopping Center World)
Are your downtown property owners adjusting their marketing approach to retailers as we plunge further into the information age? Retailers now have three sales channels to consider: the store, the catalog and the online presence. This article suggests guidelines for what will and won't work for retail property development and management in the internet sales environment.

New Lives for Old Malls, by George Homsy (May 1999 Planning)
Have you noticed that suburban malls are being renovated to look more and more like downtowns? With the popularity of malls decreasing, and

downtown renaissances increasing, suburban malls are having to get creative to find new uses for old shopping centers. This article suggests ideas suitable for "mall recycling" such as office parks, outlet malls and expo centers.

Colorado Copes with Growing Pains, by John Rebchook (May 1999 Urban Land)
Colorado's quality of life is attracting an influx of corporations and individuals to move to the state; in many ways, the exploding growth is compromising the very quality of life many moved here to enjoy. John Rebchook, a local real estate reporter, explores who is moving here and why and debates the positive and negative impacts of statewide growth.



With the help of business improvement districts nationwide, P.U.M.A. is comprising a "Business Improvement District Resource Library" that will contain comprehensive information on a variety of BIDs.

The library should be operational by late fall—please call 303-628-5558 if you would like to contribute to and/or access this resource.

MATCH THE DOWNTOWN TO ITS PRIORITIES

During the past year, P.U.M.A. has worked with several downtowns to determine property owner priorities for business improvement districts and/or downtown development plans. Match the following downtowns to their priorities in the box below:

- Boulder, Colorado
- Oklahoma City, Oklahoma
- San Diego, California
- Lincoln, Nebraska
- Regina, Saskatchewan
- Macon, Georgia
- Sacramento, California

CITY	1ST PRIORITY	2ND PRIORITY	3RD PRIORITY
1	Maintenance	Human Services	Security
2	Maintenance	Consumer Marketing	Parking Management
3	Parking Management	Security	Economic Development
4	Parking Management	Economic Development	Street Beautification
5	Security	Economic Development	Downtown Identity
6	Security	Maintenance	Economic Development
7	Downtown Identity	Street Beautification	Maintenance

(Hint: The 2nd and 3rd priorities are often more descriptive of the downtown than the 1st.) Answers are provided on page 4.

NEW PRODUCTS

■ BID AUDIT

Need to fine tune that business improvement district (BID), or demonstrate to ratepayers how you're performing? P.U.M.A.'s **BID Audit** aims to meet the following objectives:

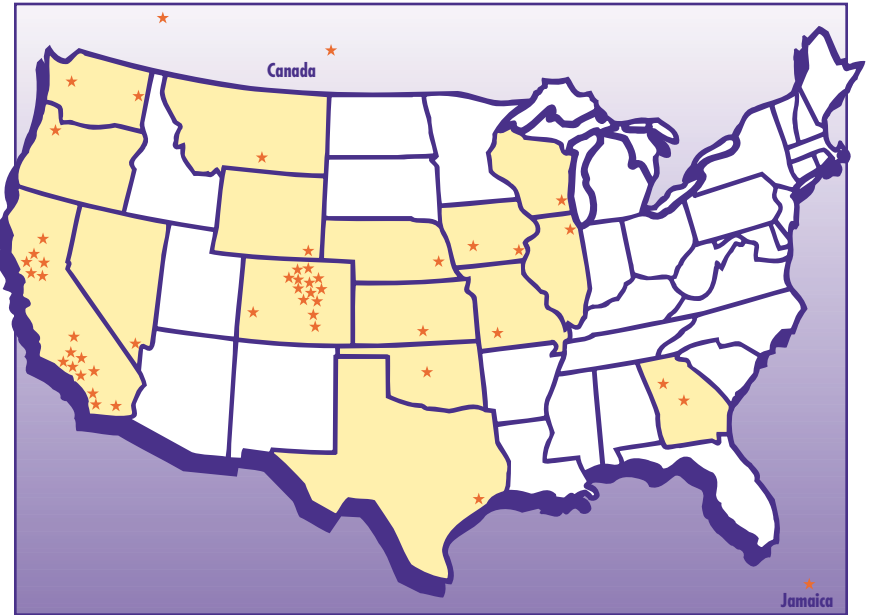
- Evaluate the overall efficiency of the BID's delivery of services and accountability to ratepayers;
- Develop comparisons for BID operations in comparable markets;
- Survey ratepayers to determine satisfaction levels with current services and identify priorities for improvement;
- Develop recommendations to improve existing operations.

If it's time to take a hard look at the BID, contact us to put it under a friendly microscope.

Answers to "Match the Downtown to its Priorities" (from page 3):

1. San Diego, California
2. Boulder, Colorado
3. Regina, Saskatchewan
4. Lincoln, Nebraska
5. Macon, Georgia
6. Sacramento, California
7. Oklahoma City, Oklahoma

CLIENT COMMUNITIES - 1994-PRESENT



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 60 clients in 16 states, Canada and Jamaica. Clients include downtown management organizations, local governments, community development corporations and private firms. Specialties include:

- Forming, expanding or consolidating management districts
- Designing and implementing niche marketing and economic development strategies
- Performing market research, business planning and project feasibility analysis
- Guiding the creation and growth of public/private management and development organizations

PROGRESSIVE URBAN
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