



P.U.M.A.

Community Development Corporations: An Old Tool Finds New Life in Downtowns

by Brad Segal

Community development corporations, or “CDCs,” have been an integral part of American community revitalization strategies for more than 30 years. CDCs are generally neighborhood-based non-profit organizations that are initiated on a grassroots level. They tackle public benefit projects and other redevelopment activities in areas that have difficulty attracting private capital or lack development expertise to undertake complicated public/private financing strategies. Typical activities include:

- Facilitating and/or constructing affordable housing
- Assisting in the growth and development of small businesses
- Developing underutilized and/or blighted real estate

Despite the impressive track record of CDCs, they have generally been underutilized in downtown business districts. Reasons why CDCs have not aggressively evolved in downtowns include:

- Downtown revitalization has tended to be driven by grand plans, large projects and a reliance on governmental resources and agencies
- Downtowns often lack the residential constituency and level of grassroots activism that lead to the creation of a CDC
- Traditional CDC agendas, including the promotion of low income housing and small business development, have not always been embraced by downtown business leaders

With a rekindled national interest in the vitality of downtown business districts, a new generation of downtown CDCs is taking shape. The movement to create downtown CDCs is being led by private sector downtown management organizations and business improvement districts. The new relevance of CDCs to downtowns is driven by the following factors:

- Downtown development strategies are increasingly incremental and entrepreneurial
- CDCs tend to take care of the details - infill development that is often overlooked by large plans and public financing agencies
- Downtown management organizations are under increasing pressure to produce visible results - CDCs are tactical and project-based
- CDCs create a proven mechanism for including more diverse markets and constituencies within the umbrella of traditional downtown management organizations



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The bottom line is that downtowns are striving to be competitive destinations for both investors and customers. Successful downtowns are becoming multi-dimensional environments supporting a variety of uses, including employment, shopping, entertainment, recreation and living. To create the “24-hour city,” or at least push the clock beyond 9 to 5, downtowns need more tools in an increasingly complex tool box. The downtown CDC can be effective at both creating and deploying these development tools. *(continued)*

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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.



Community Development Corporations *(continued from cover)*

Denver Civic Ventures (DCV), a non-profit subsidiary of the Downtown Denver Partnership, provides a good working model of a downtown CDC. In its 18 years of existence, DCV has fulfilled a number of community development roles in response to changes in the Denver market. In the mid-1980s, DCV was a fund raiser for a \$1 million-plus downtown plan. In the late 1980s it created a business support office to guide revitalization in the Lower Downtown warehouse district and a subsidiary multi-bank CDC to provide small business loans. In the early 1990s, DCV focused on housing development by supporting a variety of private, public and non-profit housing developers. At one point, the organization acquired and pre-developed a mixed-use property, parlaying a \$1 million-plus development fee into an endowment for the organization. In the late 1990s, DCV was once again a planner, helping to create a vision for downtown Denver's abandoned railyards that today is being realized with new housing and office development.

In recent years, P.U.M.A. has assisted several communities in forming downtown CDCs to respond to a variety of local challenges and opportunities.

Examples include:

- **Springfield, Mo.**, created a multi-bank CDC to provide loans and equity to small businesses in the center city. The CDC, which includes participation from nine banks, has made 10 loans totaling more than \$320,000. **Stockton, Calif.**, is currently exploring the creation of a similar multi-bank CDC.
- **Anchorage, Alaska**, is creating a downtown CDC to take an active role in implementing a new downtown development plan. A similar CDC was created following the completion of a market-based downtown plan in **Lincoln, Neb.**
- **Phoenix, Ariz.**, is creating a CDC to respond to community development issues that are not within the mission and/or boundaries of its existing business improvement district.
- A CDC has been recommended to aid development in a burgeoning arts district in **North Hollywood, Calif.** The CDC is viewed as a mechanism to support and preserve local theater companies and other independent businesses by acquiring buildings before speculation increases values.



CCRA Sets Fall Conference

The Colorado Community Revitalization Association has announced that it will sponsor its annual conference in Boulder on September 6 and 7. "Bolder Approaches" is the theme of the confab that will feature a variety of speakers and workshops intended to advance the development of Colorado downtowns, Main Streets and Heritage Areas. Contact Barb Silverman at 303-628-5567 for more information.

For more information on downtown CDCs, contact Brad Segal at 303-628-5554 or via email at pumaman@ix.netcom.com.

Be on the **lookout** for these friendly faces in Indianapolis, Ind., and Orlando, Fla.:



Brad Segal
(pumaman@ix.netcom.com)

President of P.U.M.A. and a board member of the International Downtown Association, Brad will be leading a presentation on the "ABCs of BIDs" at the National Main Street National Town Meeting in Indianapolis (April 1-4). Brad will also be attending the International Downtown Association Spring Workshop in Orlando (April 21-23).



Anna Jones
(pumajones@ix.netcom.com)

Congratulations to P.U.M.A. associate Anna Jones who gave birth to her second son, Calum, on January 27. Celebrating the diverse heritage of his mom and dad, Calum means "to be affectionate" in Sinhala and "peaceful" in Gaelic. We wish Anna, Calum, brother Max and father Asanga the best and look forward to Anna's return to P.U.M.A. in the spring.



Pamela Phox
(pumaphox@ix.netcom.com)

P.U.M.A. welcomes the addition of associate Pamela Phox to our team. Pamela is a market analyst who, for the past eight years, created and managed the market research program of the Downtown Denver Partnership. This program, which includes a wide variety of real estate and economic data disseminated in verbal, written, graphic and digital formats, is viewed as the premier model for downtown management organizations throughout the nation. Please call Pamela to welcome her at 303-628-5575.

P.U.M.A. PALS



In each issue of **Progressive Urban Management**, we highlight partners and clients who have been influential in our success: Jennifer Eitemiller has been P.U.M.A.'s graphic artist since our launch in 1993. For P.U.M.A., Jennifer has designed our logo, promotional materials and client graphics, including newsletters, maps and reports. Jennifer's distinctive style has also influenced our partners (California BID Network), organizations (Colorado Community Revitalization Association) and community (Downtown Denver Partnership). Not only does Jennifer offer exceptional talent, but she also brings a soothing style into a world full of frantic deadlines. Contact Jennifer at 303-832-1176.



A business improvement district (BID) is not always the best answer for advancing the management and marketing of a downtown. **Arvada, Colo.**, recently evaluated the feasibility for forming a BID to help improve its Olde Town business district. Olde Town is in the midst of a transition, as arts and entertainment uses displace a traditional mix of antiques and "hobby" retailers. An extensive survey of Olde Town property and business owners revealed split support for a BID. To avoid conflict and encourage the district to evolve, a new non-profit membership organization has been created to direct Olde Town marketing programs. The organization has met 40 percent of its annual business membership goal in the first month of 2001. The BID option will be reevaluated in three to five years. For more information, contact Tim Steinhaus, director of the Arvada Urban Renewal Authority at 303-431-3025.

"If at first you don't succeed, try, try again" is the mantra of downtown supporters in **Wichita, Kan.** A plan for a downtown BID was first created for Wichita in 1997. Despite petition support from more than 60 percent of downtown property owners, Wichita's city council voted against forming the BID citing concerns with the mandatory nature of the BID tax and hopes that support for a voluntary assessment would emerge. After the subsequent collapse of the downtown association, Wichita's mayor asked BID supporters to resubmit the plan. P.U.M.A. assisted downtown boosters in a four-week process to simplify and revise the BID plan and it is expected to be approved by the Wichita City Council in late February. The new downtown BID will raise more than \$400,000 annually for a variety of economic development and marketing programs. Contact Harvey Sorenson, chairman of the Downtown Development Corporation at 316-267-6371.

AIRPLANE READING

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

UrbanLand, October 2000

California Slumming

By Anthony Downs

The relentless influx of poor immigrants to California is creating a wide array of infrastructure problems - not the least of which is lack of affordable housing. And these problems won't be fixed anytime soon. The author contends that until California's growth policies are addressed on a regional, rather than a local level, there won't be any positive changes in California's growth trends. This compelling article addresses some of the complex ramifications of rapid, unchecked growth and the ineffectiveness of parochial policy-making.

Main Street News, June 2000

Facilitating Meetings

By Melody Kellogg & Stephanie Redman

We've all been there too many times: The meeting that is going nowhere, dominated by somebody who seems to just love to hear himself talk (why else would he be going on about

oranges when this meeting is about apples?), is running 45 minutes over the scheduled time, your stomach's growling, and the most frustrating part is the facilitator can't or won't take charge! This article gives some practical and sound advice on how to run a productive and successful meeting - the key to success? A good facilitator!

Planning, October 2000

For The Greater Good

By Jonathan Walters

Eminent Domain - or the right of the government to appropriate private property to serve a public need - has always been a highly controversial idea. Not surprisingly, municipalities and big developers who can use it to their advantage think it's an indispensable tool in urban redevelopment - while preservationists say it aids for-profit development to the exclusion of other civic considerations. This article explores some of the pros and cons of eminent domain and provides some interesting examples of when it works and when it doesn't.

UNIQUE HISTORIC DISTRICT APPROVED FOR DOWNTOWN DENVER

For more than 10 years, first as a staff member of the Downtown Denver Partnership and later as a trustee for Historic Denver, Denver's preservation advocacy organization, Brad Segal has been involved in the effort to create a comprehensive approach for saving historic commercial buildings in the heart of Denver's central business district. The task has been particularly challenging since the buildings are located in the midst of a zoning district that allows for the highest density development between St. Louis and San Francisco.

The opportunity to create the district was set by the convergence of two trends in the late 1990s - the market-driven restoration of nearly 40 historic buildings and city council frustration with preservationist efforts to protect buildings on a case-by-case basis. Historic Denver led an ad hoc coalition of preservationists, property owners, developers and community leaders through a three-year process to form the district. The resulting Downtown Denver Historic District is unique since it includes only contributing historic buildings and offers owners of historic properties an escalating property tax rebate from the City of Denver. Out of 42 affected building owners, only one protested at the proposal's city council hearing and the district was established by a unanimous vote. For more information, contact Brad at 303-628-5554 or Kathleen Brooker, president of Historic Denver, at 303-534-5288.



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Come visit our revamped website at www.pumaworldhq.com. The new "Downloads" option allows you to access all kinds of neat P.U.M.A. stuff, including newsletters, firm propaganda, resumes, logos and pics of your favorite pumaphiles!

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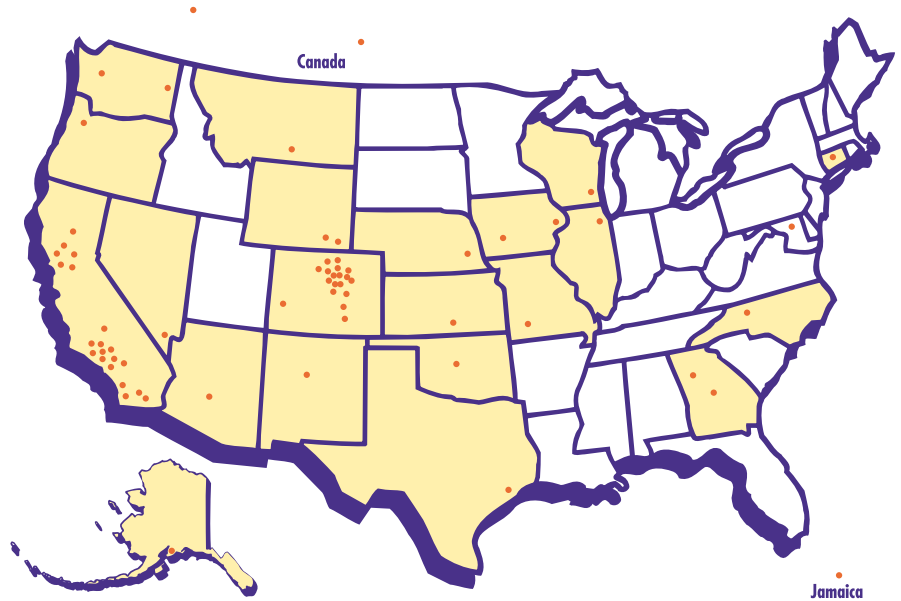
■ DYNAMITE MARKET DYNAMICS

The addition of Pamela Phox at P.U.M.A. strengthens our in-house capacity to provide sophisticated market research and analysis as part of our downtown and community development services. In the near term, we aim to build upon several of our most exciting products, including:

- Market-Based Downtown Plans, our unique planning approach that merges a keen understanding of the marketplace and organizational development to create a business district niche strategy and the tools to implement it.
- Project Feasibility Analysis for community development projects through traditional market analysis, identification of opportunities that are unique to urban and ethnic markets, and leveraging of innovative public and private financing.

To explore how our small firm can now help create big results in your downtown, Main Street or neighborhood business district, call Brad at 303-628-5554 or visit www.pumaworldhq.com.

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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 85 clients in 21 states, the District of Columbia, Canada and Jamaica. Clients include downtown management organizations, local governments, community development corporations and private firms.

Specialties include:

- Forming, expanding or renewing business improvement districts
- Strategic planning for downtown management organizations
- Creating market-based downtown plans
- Undertaking market research, business planning and project feasibility analysis

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