

ENTERTAINMENT CORE REVITALIZATION PLAN

February 9, 1999



**ENTERTAINMENT
CORE
REVITALIZATION
PLAN**

Adopted by

REDEVELOPMENT BOARD

February 9, 1999



TEAM

Redevelopment Agency Board

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Pierre Hascheff
Tom Herndon
Dave Aiazzi
Bill Newberg
David Rigdon
Sherrie Doyle

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David Hollecker
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OUR VISION

To create a dynamic and diverse entertainment center for residents and visitors that is the economic and cultural heart of the Community.



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 - **The Entertainment Real Estate Report, December 1998, "Destination Downtown"**



I. SUMMARY OF PREVIOUS PLANNING DOCUMENTS

The common threads among the adopted planning documents include:

- Improve outdoor pedestrian environment
- Diversify the commercial and recreational opportunities
- Improve public transportation
- Museums, aquarium
- Special events, live theater
- Specialty retail space, restaurants
- Conference centers/Convention space
- Implement design and environmental standards
- Safe and clean
- Diversify uses of National Bowling Stadium



A. 1983 REDEVELOPMENT PLAN

The 1983 Plan included the following objectives for development in the Entertainment Core:

- Increase the range of experiences to be had in Downtown Reno, encouraging visitors to stay longer and residents to come downtown more often for more purposes.
- Improve outdoor pedestrian environment to enhance the experience of moving from place to place in the core and provide a setting for new outdoor activities.
- Improve the circulation patterns for vehicles.
- Diversify the commercial and recreational opportunities in downtown, especially by the addition of retail, food and other small scale outlets.
- Improve information and the sense of orientation in the downtown.
- Provide a new focus, both indoor and outdoor, in the heart of downtown which local residents and visitors are encouraged to share.
- Improve routes and curb facilities for public transportation.
- Make the area more exciting and attractive.
- Promote new, and replacement of deficient, public improvements to complement and invite private development, and which are modern and easy to maintain.

The Plan proposed five projects, two of which were in the Entertainment Core:

- Virginia Street Core: The Virginia Street Core Project focused on street improvements and modifications to enhance pedestrian access and limit vehicular traffic from Commercial Row to Court Street.
- Extended Core Improvements: The Extended Core Improvements focused north of the railroad tracks to I-80. Emphasis was given to orientation and signage, streetscapes, street improvements and parking lot screening.



B. 1990 REDEVELOPMENT PLAN AMENDMENT

The Plan Amendment changed from the project specificity focus of the 1983 Plan to allow for receptivity of new and innovative market driven actions. The Plan Amendment lists goals and objectives designed to accomplish the overall task of redevelopment. The following goals were added that affect the Entertainment Core:

- Encourage the elimination of environmental and physical manifestations of blight and deterioration of structures and improvements within the Area to improve the health, safety, and general welfare of residents and visitors alike.
- Preservation, through rehabilitation and retrofitting, among other means, of structures and locations which are held to be historically significant by reason of architectural, economic or social contributions to the growth of the City of Reno and the State of Nevada.
- The orderly and coordinated development and improvement of the Area in such a way as to maximize private and public sector cooperation, and to minimize impediments to economic stability and growth.
- Promote the establishment and implementation of design and environmental standards which assure coordinated development and provide for a high quality of life for residents, employees, visitors and businesses in the Area.
- Encourage the provision of sufficient office, retail and other business uses to enhance the Area's attractiveness and economic viability for private development.



C. THE BLUEPRINT - ADOPTED 1992

The key goals of the Blueprint Entertainment Core are:

- Promote the growth and continued viability of gaming and complementary tourist-oriented development in the core.
- Firmly establish Virginia Street as the central “activity spine” of the downtown and the primary gathering place for visitors and special events.
- Accommodate a wide variety of special events by increasing the variety and type of public spaces in the center of the core.
- Use the National Bowling Stadium to stimulate complementary entertainment and recreational use development in the entertainment core.
- *Major issues:* widen the tourism core by extending landscaping and sidewalk improvements east and west from the Virginia Street core, minimize the effects of the railroad on the downtown, expand the entertainment core by encouraging an active pedestrian zone along West Street including wider sidewalks, facade improvements and retail.



II. PHILOSOPHY

GENERAL

- Make downtown for locals (work, live & play downtown)
- Create family oriented destination areas
- Establish public relations program for downtown
- Make City services more user friendly
- Goodwill Ambassadors
- Ensure what we build and do is a draw for tourists.

AESTHETICS

- Create gateways to the Entertainment Core (I-80 and 4th Street)
- Narrow Virginia Street to provide wider sidewalks
- Active exterior appearance of buildings when vacant
- Preserve historic buildings
- Natural landscaping-trees
- Public art
- Safe, secure, with enhanced lighting
- Clean and well maintained

ECONOMIC DEVELOPMENT

- Expand pedestrian environment further than Virginia Street
- Focus on closed buildings first
- Build on our successes-live theater
- Work with existing businesses/properties
- Economic diversification-encourage all forms of entertainment
- Preserve areas that are already vital
- Multi-use of the Bowling Stadium
- Tear down buildings when functionally obsolete



PHILOSOPHY (continued)

LAND USE/ACTIVITIES

- Encourage downtown housing/lofts to economically support the area
- Mixed Use, including residential
- Create public gathering areas and pedestrian activity nodes with places to sit
- Create indoor and outdoor youth activity and recreational areas including skateboarding
- Increase special events
- Pedestrian Mall

TRANSPORTATION

- Information signage to distant public destinations
- Create way-finding system for downtown cultural, historic and entertainment activities
- Create a multi-modal transportation center
- Ample and convenient parking
- Computerized kiosk

RAILROAD CORRIDOR

- Where possible encourage developments over railroad
- Encourage landscaping, lighting and public art along the railroad corridor
- Use railroad as gateway to Sparks
- Framed arbor over railroad



III. COMMUNITY SUPPORTED AND ENCOURAGED DEVELOPMENTS

- Convention Center/Conference Facility/ International Trade Center
- Specialty Retail/Fashion Mall
- Restaurants; Themed, Cultural, Ethnic, Outdoor Dining
- Multi-purpose Sports Arena
- Multi-modal Facilities (trolley/light rail/monorail-available 24 hours)
- Live Theater
- Dance Halls/Music venues
- Museum/Aquarium
- Bookstore/Coffee Shops/Brew Pubs
- Amusement Park
- Indoor Skiing
- Visitor Information Center
- Grocery Store/"Dime" Store
- Farmers Market
- Street Theater
- Billiards and Pool
- Climbing Wall
- Year-round Ice Rink
- European Style Health Resort
- Residential Support Businesses
- Art Supply Mega-store
- Bicycle and Kayak Rentals
- Downtown Housing



IV. PROJECT CRITERIA BENEFITS/OBJECTIVES

In addition to the goals and objectives identified in the Redevelopment Plan, Blueprint Revitalization Strategy and other adopted or approved Agency documents, the following criteria will be used to measure the merits of a project and the incentive package provided. It should be noted that any project considered will not address all of the benefits listed but at least one of the key alphabetized benefits.

- A. Projects that increase the economic vitality of our tourism/gaming industry by:
- Attracting more visitors
 - Increasing the average stay of visitors
 - Brings visitors during off-peak seasons and/or mid-week
 - Increases visitor spending
 - Provides a “must see” attraction and/or diversifies the primary draw of our entertainment core beyond gaming
- B. Projects that enhance the atmosphere of our entertainment core by improving:
- Cleanliness
 - Health/safety
 - Appearance
 - Historic preservation
 - Supports our art and culture
- C. Projects that either enhance or take advantage of our railroad depression project and air rights associated therewith.
- D. Projects that enhance the value and attractiveness of the Redevelopment Area to local residents.
- E. Projects that increase our economic base through:
1. Property values
 2. Jobs



V. POSSIBLE INCENTIVES

- Coordination with other City agencies for the evaluation of sites and the processing of applications;
- Staff support for amendments to the Master Plan, rezoning, variances, and special use permits for the contemplated project as long as the project meets redevelopment objectives and is in conformance with the adopted Blueprint;
- Coordination and contribution of services for infrastructure and utilities;
- Pay part or all of impact fees and sewer hook-up fees;
- Cooperation and assistance in securing taxable or tax-exempt financing for a property;
- Grants of cash or real property;
- Assistance in seeking easements or abandonment of existing streets, alleys, easements, or right-of-way along railroad;
- Facade and streetscape improvement;
- Installation or relocation of infrastructure, streets, curbs, gutters, sewer lines, storm drains, etc;
- Increased property tax increment reinvested back into project;
- Equity participation in project for preferred return;
- Assistance in assembling site; use of eminent domain;
- Assistance in relocating property owners and tenants;
- Assistance in obtaining water rights;
- Assistance with remediation or correction of existing site conditions;
- Other assistance as may be deemed appropriate for the project.



VI. TIME FRAME

- **Adoption of Plan** **February 1999**
 - Board Adoption
 - Board Establishes Effective Development Policies and Incentives

- **Identify Property Owners/Developers Interested in Project** **August 1999**
 - Pre-qualify
 - Prior experience
 - Ability to finance
 - Quality of team (architect, engineer, etc.)

- **Development Contract for One Catalytic Project** **January 2000**
 - Negotiate DDA or OPA
 - Work with Developer to Secure Financing
 - Work with developer to Secure Tenants
 - Work with Developer on Land Use Design and Permitting
 - Coordinate with Area Agencies through Construction Document Plan Checks
 - Assist During Construction to Coordinate with Surrounding Property Owners

- **Complete First Project** **July 2001**



VII. DEFINITIONS

The following definitions are included to develop consensus on the terms used in this document.

Agency - the Redevelopment Agency of the City of Reno, Nevada, and its staff, agents and representatives.

Area - the Downtown Redevelopment Area, as described in Section XV Legal Documentation of the Redevelopment Plan.

City - the City of Reno, Nevada, and its duly elected Mayor and City Council, and its staff, agents and representatives.

Cultural Facility - museums (historic, educational, and art), performing art facilities, aquariums, libraries and other similar facilities.

Mixed-Use - a variety of uses including retail, office, and housing.

Project - a specific undertaking (which may or may not involve real property) within the Area.

Redevelopment - development that involves demolition of existing structures.

Restaurants - upscale and themed restaurants that offer patrons an entertaining feature while dining. Examples: Crazy Horse Saloon, Hard Rock Cafe, Country Star.

Retail - specialty shops including a mix of major retailers and smaller specialty shops. Examples: Nike Town, Virgin Records Mega Stores and galleries, bookstores, fresh vegetables, bakeries, etc.

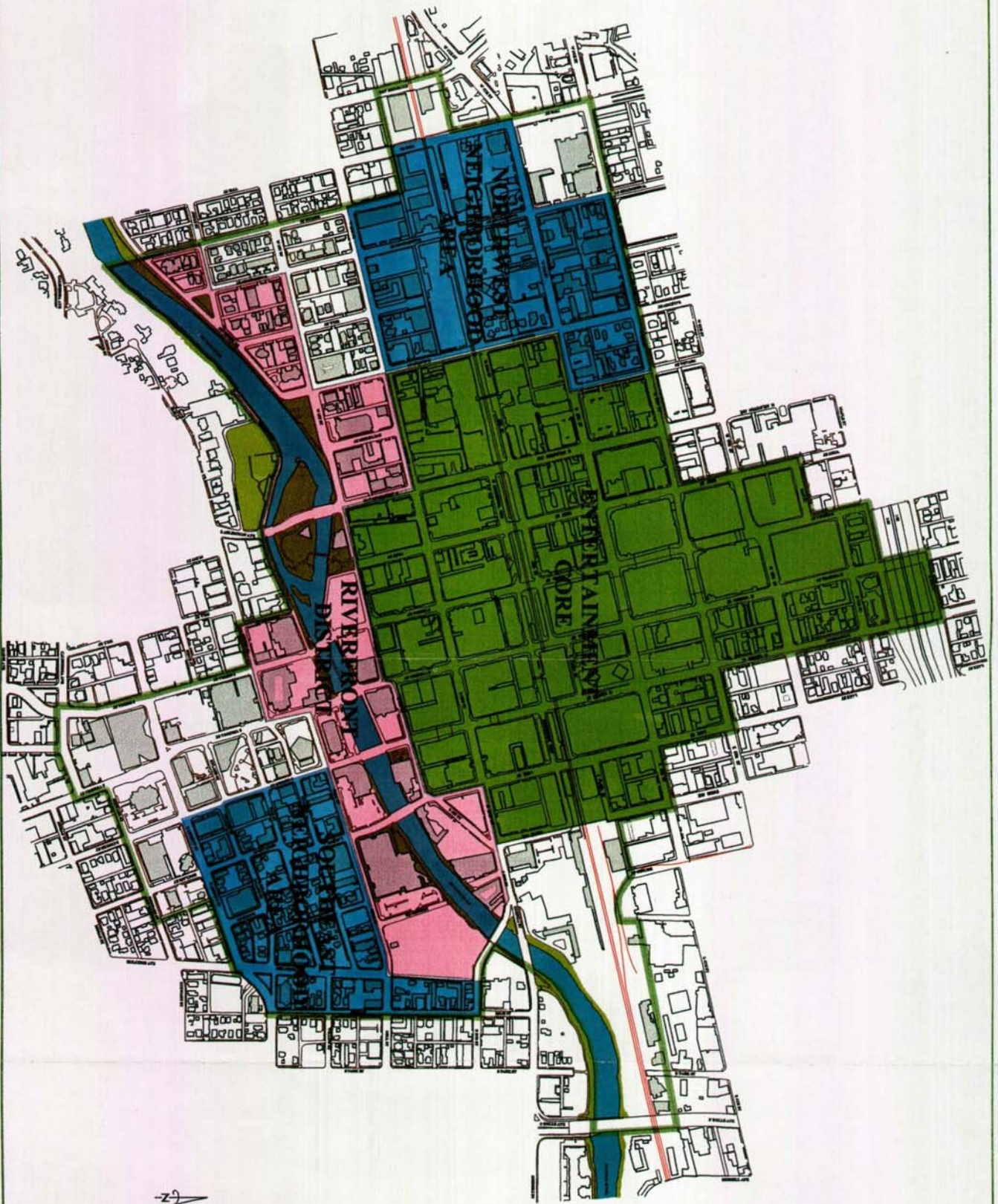
Revitalization - development that could involve rehabilitation or demolition of existing structures.



VIII. ATTACHMENTS

- Attachment 1 Redevelopment Area Map
- Attachment 2 Entertainment Core Area Map
- Attachment 3 Entertainment Core Land Use Map
- Attachment 4 Entertainment Core Zoning Map
- Attachment 5 Entertainment Core Assessed Value Map
- Attachment 6 Entertainment Core Parking Map
- Attachment 7 Entertainment Core Hotel/Motel Map
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The City
of
Reno

Redevelopment
Agency



- ENTERTAINMENT CORE
- NEIGHBORHOOD INFILLING
- ATTACHMENT

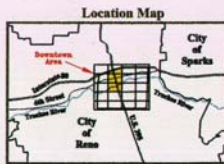
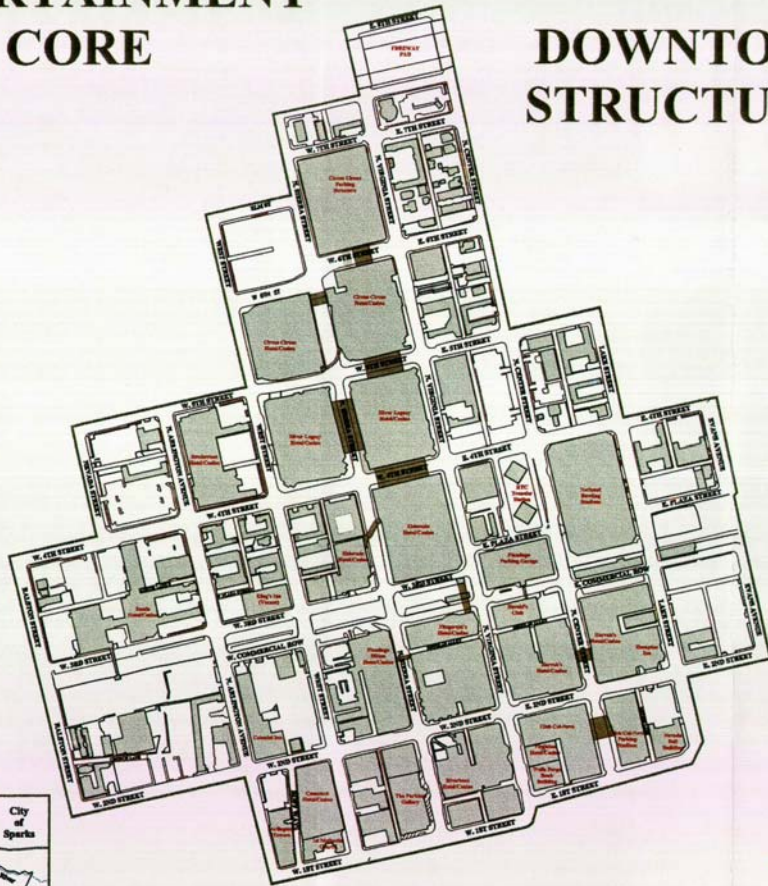


City of Reno
Redevelopment Agency
Downtown
Redevelopment District

DRAWING: rddistrict

ENTERTAINMENT CORE

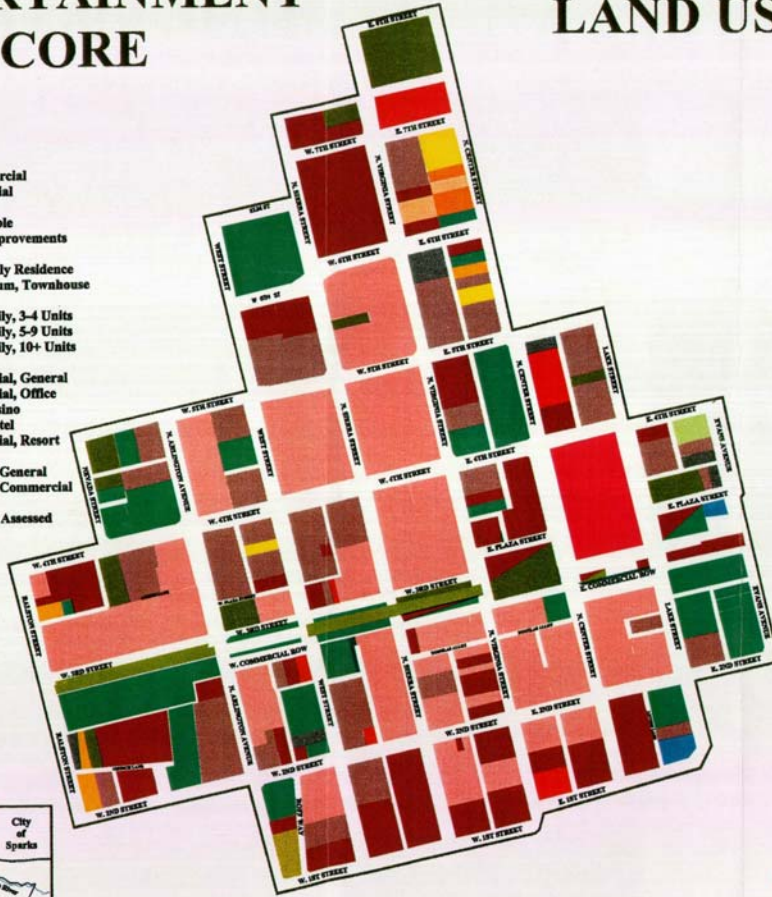
DOWNTOWN STRUCTURES



ENTERTAINMENT CORE



LAND USE

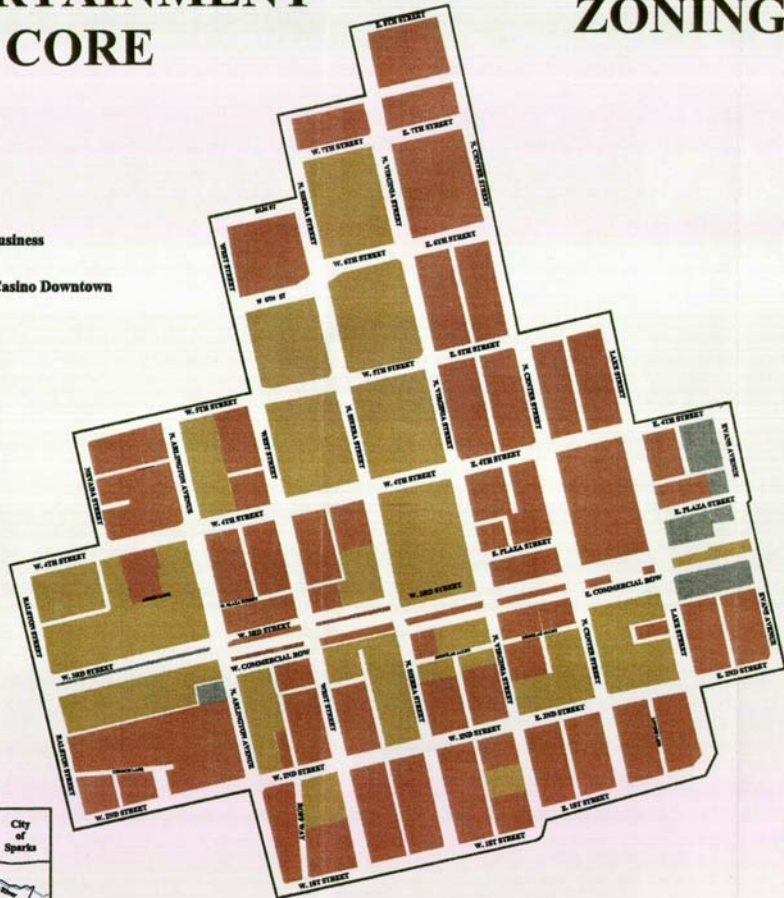
- 010 Vacant
- 014 Vacant, Commercial
- 015 Vacant, Industrial
- 016 Misc, Splinter
- 017 Misc, Unbuildable
- 018 Misc, Minor Improvements
- 020 Res, Single Family Residence
- 021 Res, Condominium, Townhouse
- 032 Res, Multi-Family, 3-4 Units
- 033 Res, Multi-Family, 5-9 Units
- 034 Res, Multi-Family, 10+ Units
- 040 Com, Commercial, General
- 041 Com, Commercial, Office
- 042 Com, Hotel, Casino
- 043 Com, Hotel, Motel
- 044 Com, Commercial, Resort
- 050 Ind, Industrial, General
- 051 Ind, Industrial, Commercial
- 070 Misc, Centrally Assessed



ENTERTAINMENT CORE

ZONING

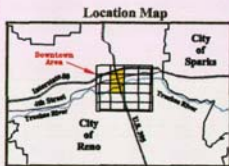
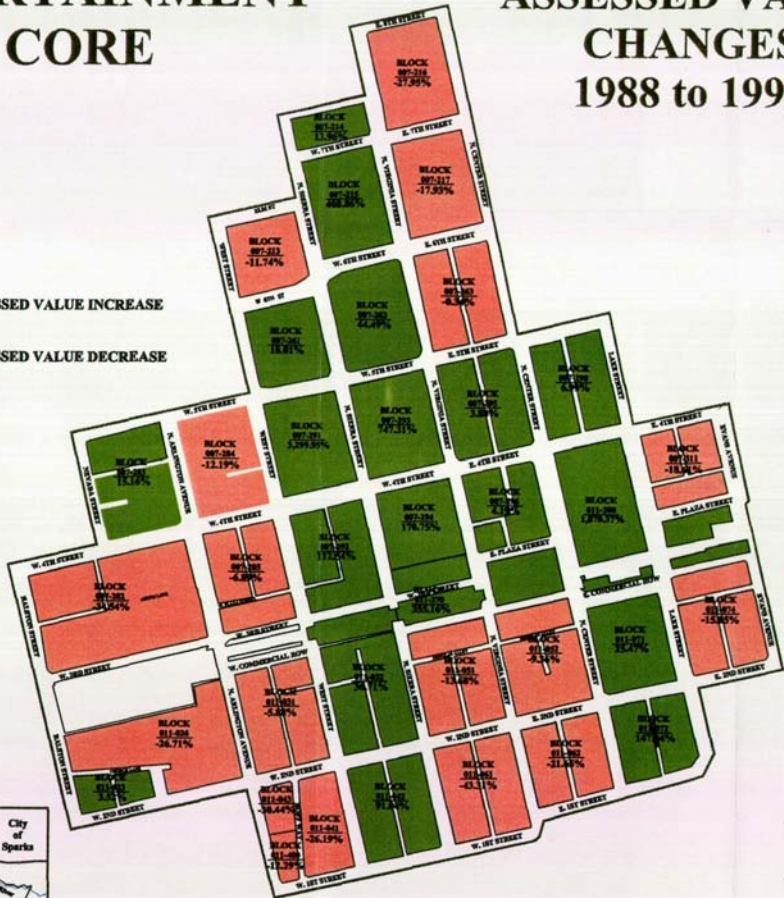
-  CB Central Business
-  HCD Hotel Casino Downtown
-  I Industrial



ENTERTAINMENT CORE

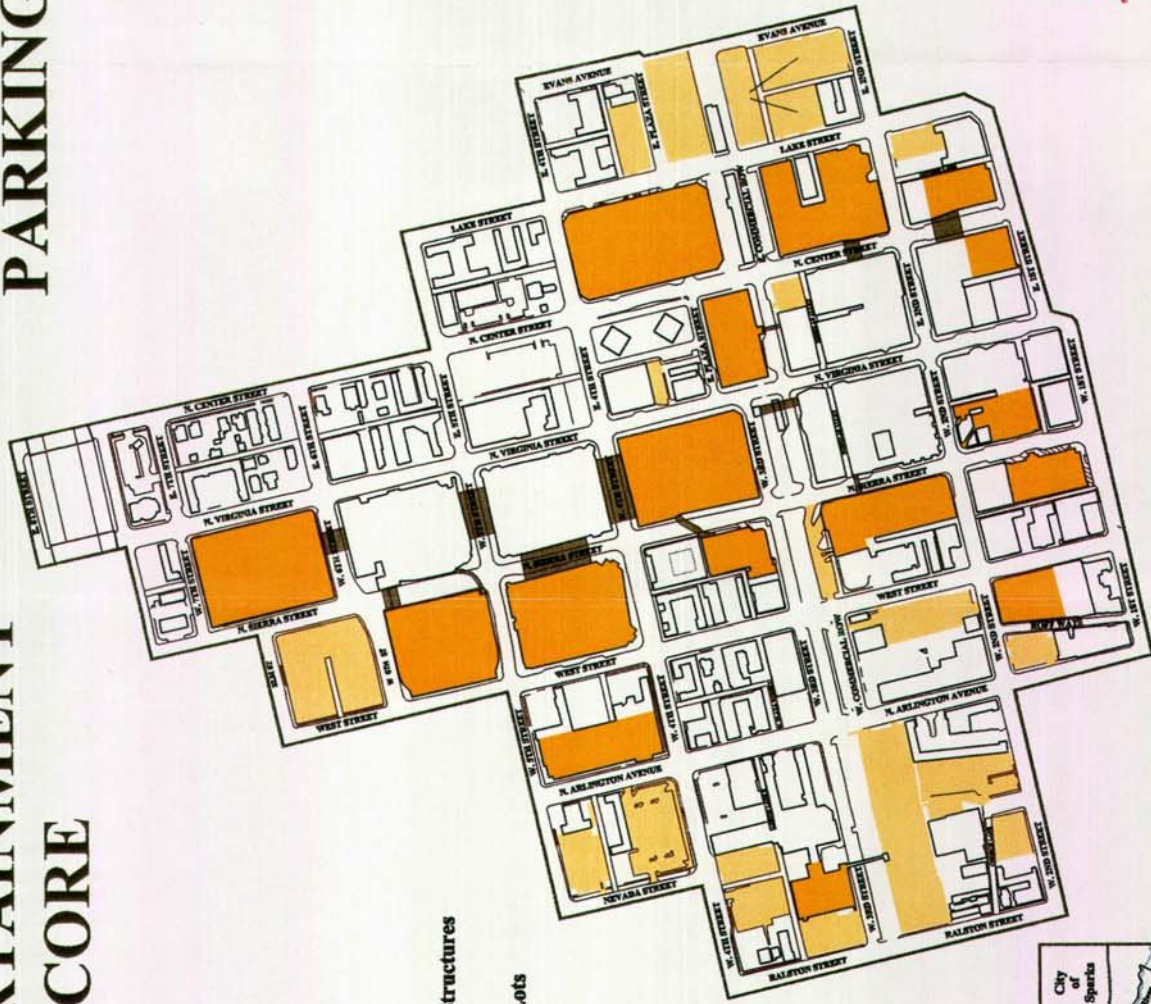
ASSESSED VALUE CHANGES 1988 to 1998

ASSESSED VALUE INCREASE
 ASSESSED VALUE DECREASE



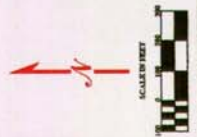
ENTERTAINMENT CORE

PARKING



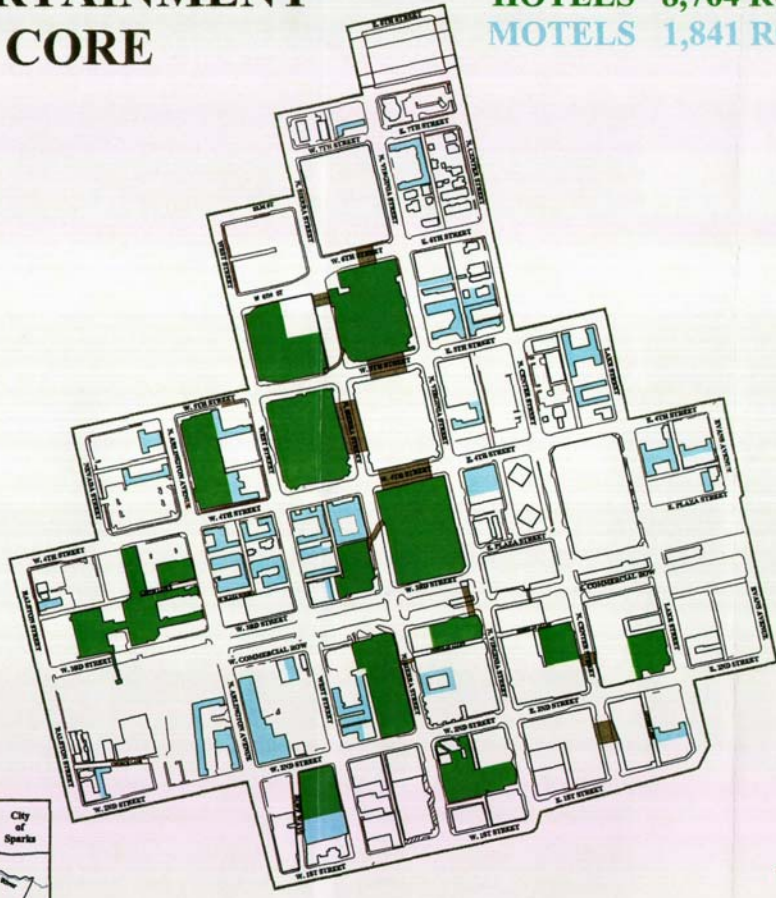
**12,236
SPACES** Parking Structures

**1,788
SPACES** Parking Lots



ENTERTAINMENT CORE

HOTELS 8,764 ROOMS
MOTELS 1,841 ROOMS





Blending in Downtown: The Pennsylvania Convention Center



Official Statement of Special Award

"The Pennsylvania Convention Center has energized its downtown neighborhood and brought Philadelphia back as a major player in the tourism and hospitality market. A central downtown location and a design that opens to the street and blends with its surroundings distinguish this from most other major convention centers. More than a successful convention center, it is also a premier civic space, a destination in its own right."



The Pennsylvania Convention Center in Philadelphia, financed with \$42 million in city funds, \$185 million in state contributions, and \$285 million in revenue bonds secured by a hotel-room tax, has proven itself a successful generator of economic growth, sparking the development of more than 3,000 hotel rooms and associated retail facilities. Instead of being located in an isolated or peripheral area of the city, as are many convention centers, Philadelphia's facility was developed on a blighted four-block downtown site, two blocks from city hall and bordering the city's historic Chinatown.

The convention center not only includes a new main exhibition building but also incorporates the renovated 1893 Reading Terminal train shed, market, and headhouse landmark buildings. The center's exhibition building houses 440,000 square feet of exhibit space and 90,000 square feet of meeting rooms. Its second story spans 12th Street, a major north/south arterial, with 315,000 square feet of contiguous but divisible exhibit space that leads to the track level of the train shed, which crosses Arch Street. The vaulted roof of the main building recalls that of the renovated train shed, which is the only free-span, arched train shed still standing in the United States. The shed houses a 33,000-square-foot ballroom; a vaulted, 55,000-square-foot grand hall; and another 30,000 square feet of meeting rooms. A 28-bay loading dock accessible from a ramp built on an old track right-of-way keeps truck traffic off the city's streets.

Adjacent to the train shed, the ornate, Renaissance-style Reading Terminal Headhouse is being renovated into a retail/commercial center and hotel. The headhouse also serves as the new entrance to the convention center and links it to a 1,200-room hotel; the Gallery, Philadelphia's largest mall; regional rail lines that extend to Philadelphia International Airport; and Southeastern Public Transportation Authority (SEPTA) Market East, one of the downtown public transportation hubs. The refurbished Reading Terminal Market, which features ethnic foods and a large farmers' market, is on the street level under the train shed.

Unlike most convention centers, which tend to be hulks whose architecture does not fit in with that of the rest of the city, the exhibition building's articulated facades are composed of materials commonly used in historic buildings in Philadelphia. Details include distinctive entry portals, clerestories, canopies, and bow windows that echo the pattern of historic facades throughout the city. The bow windows and glass-enclosed stair towers at both ends and above the central intersection help create a relationship between the building and the street. Interior

and exterior lighting provides lumination for those in the building as well as passersby outside and fosters a sense of vitality and security on the street. Patterned brick sidewalks, landscaping, and retail shops along the convention center's 11th Street concourse facing Chinatown also help sustain street life. The convention center promotes the work of many Pennsylvania artists, exhibiting more than 100 works in its public spaces, including an abstract sculpture that hangs from the ceiling of the 90-foot-high grand hall. It also operates a ten-year, \$10 million program for education and training in the hospitality industry in three area public schools, one parochial school, and a nonprofit community organization.

The new convention center has been called a catalyst for positive change in center city Philadelphia not only because it has created a new, architecturally appealing public space but also because it has preserved and restored historic buildings and given them a new function. More important, the center as a whole has helped create new life in what was a faltering area of the city.

The Philadelphia Convention Center was the recipient of the 1997 Special Award. ULI's Awards for Excellence program honors up to 11 outstanding projects each year. The awards recognize the full development process and are presented to the development projects, with project developers accepting on behalf of their projects. For more information about the awards program, contact Michael Baker at 202-624-7040.

Project Data

Location: Philadelphia

Developer/Owner:

Pennsylvania Convention Center

Authority:

Architect:

Thompson, Ventulett, Stainback
& Associates, Inc.

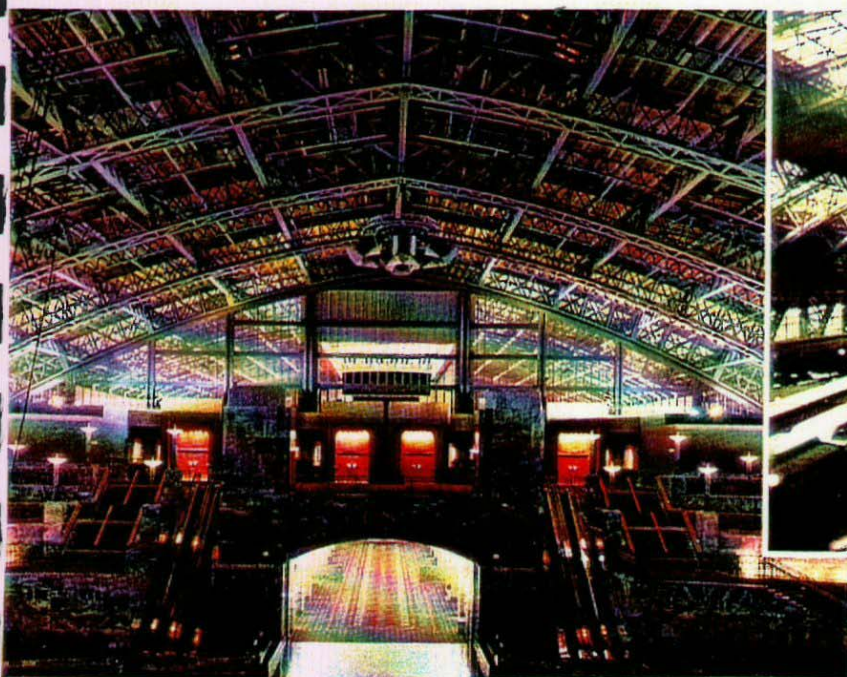
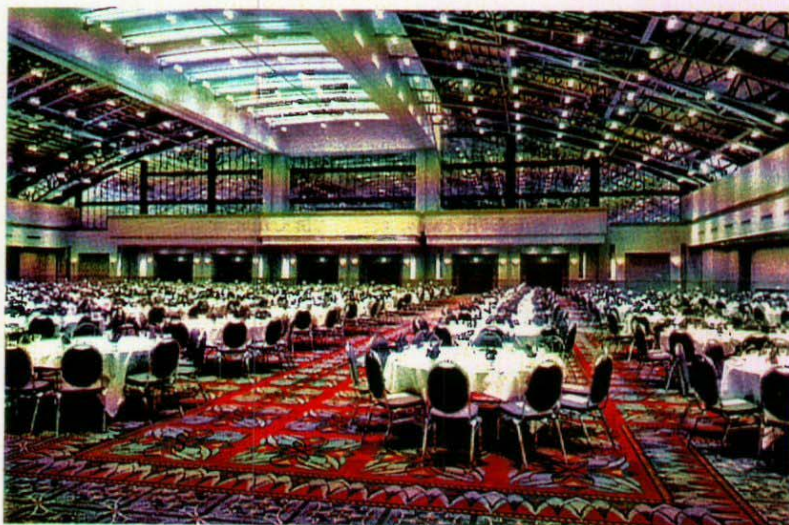
Associated Architect:

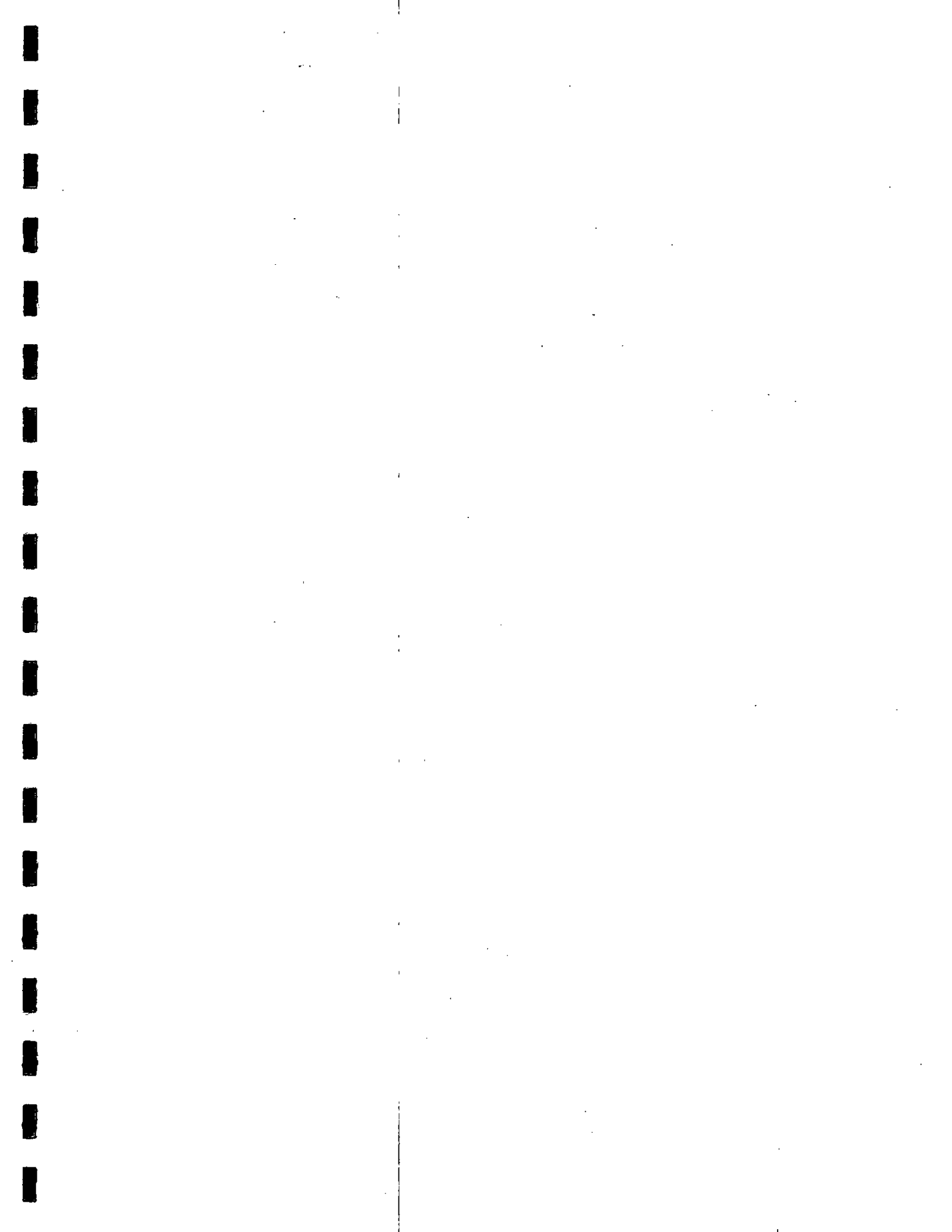
Vitetta Group

Size: 1.37 million gross
square feet

Completed:

1993 (exhibit building) and
1994 (train shed)





Stabilizing the Urban Core

WILLIAM H. HUDNUT III

“Don’t compete.”

With those startling words, host Brent Coles, mayor of Boise, Idaho, kicked off the fifth ULI Mayors’ Forum early this past summer. Attended by six mayors and 15 other participants, the forum focused on a topic that seemed apt for the fast-growing Northwest: “Bringing Community Back to the City: Keeping Downtown Competitive in a Growing Region.” The topic continued a general theme ULI has been discussing over the past two to three years—urban/suburban competitiveness.

After an evening of discussion with the Treasure Valley Partnership (see box on the facing page), Coles, who is in line to become president of the United States Conference of Mayors in 2000, began the session by discussing ways in which the urban core can be stabilized as the vast majority of Americans continue to move to the suburbs for jobs and housing. He recounted the work of a predecessor, who, convinced that “downtown Boise should be an enclosed mall,” had eight square blocks leveled to make way for it. But, Coles continued, the market was beckoning retailers elsewhere and he was elected on the platform of listening to the market—in this case, locating the mall in the suburbs—and focusing public and private resources on building mixed-use development downtown. Brad Segal, president of Denver-based Progressive Urban Management Associates, echoed his statements: “A lot of cities and downtowns are seduced by the urban design or land use plan. It really comes down to an understanding of the marketplace and what downtown’s niche is. Do strategic planning, but make sure it’s market based.”

Coles recounted how public policy decisions were made to build a convention center and a plaza called the Grove in downtown Boise with the assistance of a \$20 million urban development action grant. Plaza bricks were sold to individual citizens for \$10 apiece to give the people a sense of ownership in downtown. The state assisted in the creation of a tax increment financing district. Strong working relationships were cultivated between government agencies and the private sector. Financial institutions stayed and expanded. Specialty retail was brought in. A nearby high school was kept open. Residential neighborhoods were reinforced near downtown through city investments in infrastructure. “We pledged to keep all the buildings we had control over,” related Coles. “We had torn down enough. We made these structures a part of the mix for the viability and the uniqueness of down-

town." Gradually, downtown Boise turned around. Concluded Coles: "Don't try to compete with suburban shopping centers. Don't duplicate them. Be unique and people will come."

The ensuing discussion revolved around the need for public and private sector collaboration to ensure that downtowns build on their strengths, plan growth carefully, strive to enhance value, and plan in a metropolitan context.

Be What You Are

The message was clear: downtowns should not try to offer people what the suburbs do. They should be themselves. They should build on their own strengths, find their own niche, emphasize their uniqueness, and concentrate on what they have to offer in contrast to the limitless low-density sprawl and haphazard growth that characterize much development on the periphery of U.S. cities.

Bob Jacobs, mayor of Olympia, Washington, added a slightly different twist. In his opinion, city governments should "do what they do well . . . public safety . . .

parks . . . trails . . . city services" and "then have the patience to let the private sector realize the value that's there and undertake development within the zoning that has been laid out." Believing more in the stick than the carrot, Jacobs suggested implementing a two-tier property tax system, "like they have in Pennsylvania," which taxes the land instead of the development and thus drives up the cost of holding raw land, which in turn "forces people to use it." Not a fan of public/private partnerships, Jacobs said: "I think we're too impatient with the pace of private investment, and I think we're too anxious to get in with public money where it doesn't belong." Some disagreed with his contention that the public should provide "zero" incentives to the private sector, but his basic point was well taken: the main job of city governments is to mind the store and deliver public services that provide the context within which development can flourish.

Plan Well

Everyone agreed that downtown revitalization needs to be carefully and collaboratively planned. It will not hap-

The Treasure Valley Partnership

(Editor's Note: The Mayors' Forum began with a dinner at Hidden Springs, Idaho, a new community outside Boise being developed by Frank Martin, president of the Hidden Springs Community.) Members of the Treasure Valley Partnership also attended the meeting and described their regional collaboration in some detail.

The Boise metropolitan statistical area (MSA) was the fourth-fastest-growing region in the United States between 1990 and 1997. While this growth has had its benefits, including stabilizing what had once been a "boom/bust" economy, it also has created all of the detrimental side effects associated with sprawl. There were several early efforts to address growth issues, but none offered any kind of real strategy for managing the region's continued explosive growth. In 1995, the Boise Futures Foundation invited a ULI advisory services panel to make recommendations. The panel found that, among other things, the region lacked dynamic political leadership.

It is not surprising that the politicians had no real answers. Although Idaho cities have a strong mayor form of government, most of the mayors in the communities around Boise serve only on a part-time basis, and they were not equipped to deal with the complex and highly politicized problems growth was creating. Recognizing a critical need to build capacity among his colleagues, Boise's mayor, Brent Coles, drew upon his experience with the Mayors' Institute for City Design program funded by the National Endowment for the Arts to create a local "institute" for elected officials in his own region. Participating in the two-day session were nine elected officials representing seven cities and two counties, along with a team of national experts in specific fields related to the region's growth. Discussions were at times heated, but they also were candid, informative, and insightful. At the end there was clear consensus that the participants wanted to build on their new-found relationship to form an ongoing partnership to collaboratively guide the region through the difficult

challenges ahead. This decision was recorded in the Treasure Valley Partnership Agreement, which established the framework for the effort through eight guiding principles and four major goals.

Since the institute, the partnership has continued to meet monthly. Its members feel that it has enabled them to resolve many types of issues, including annexation, infrastructure provision, emergency medical response, regional transit, and recreational resources. Staffs of the nine participating jurisdictions also are working together much more effectively. One major project currently underway is to create a single land use map that reflects the comprehensive plans of the seven cities and two counties included in the partnership. When the map is complete, members will be better able to understand how their current comprehensive plans may be contributing to unwanted sprawl and to look for ways to revise the plans to establish a more compact and efficient regional land use pattern.—**Dena Belzer**, principal, Strategic Economics, Berkeley, California, and the facilitator of the Treasure Valley Partnership who served as moderator of the partnership's recent discussion



Brent Coles
Mayor
Boise, Idaho



Brad Segal
President
Progressive Urban
Management Associates
Denver, Colorado



Bob Jacobs
Mayor
Olympia, Washington



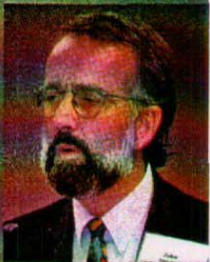
John Talbott
Mayor
Spokane, Washington



David Griego
Chair, Planning
Commission
Las Vegas,
Nevada



Lewis K. Billings
Mayor
Provo, Utah



John Parr
Principal
Center for Regional and
Neighborhood Action
Denver, Colorado



David Petersen
Managing Director
Pricewaterhouse-
Coopers, LLP
Tampa, Florida

pen by accident. Mayor John Talbott of Spokane, Washington, said the way to attract new business to the downtown core is to “become a quality place to live” and went on to state that “downtown needs to become an expanded mixed-use community.” He explained that his city is going through a downtown envisioning process to determine its future direction. Such a collaborative approach to decision making is in keeping with current trends across the United States to involve the grass roots in community discussions about the future—except perhaps in Las Vegas, where “gaining consensus is like herding cats . . . a concept that doesn’t work,” according to David Griego, chair of the Las Vegas planning commission. As Provo, Utah, Mayor Lewis K. Billings put it, “I believe in the power of people. When you bring the people together and give them a chance to establish a plan, good things happen . . . If you don’t have a plan based on citizen buy in and a collective vision, it won’t propel you through all the nonsense of the elected officials and their agendas, which come and go.” Added keynote speaker John Parr, principal in the Denver-based Center for Regional and Neighborhood Action: “You have to develop the plan locally. It has to be done for the region by the people that live there—local officials, activists, and business leaders make it happen.”

Billings went on to describe how a mall was built north of Provo in 1972, “and within two years, downtown was devastated.” Visioning sessions were held with the assistance of a national planning firm to “mold together what we thought the downtown ought to be.” The resulting plan guided the renewal of downtown Provo—which now finds itself sandwiched between two malls, one on the north and another on the south—with the suggestion to “forget about retail. It will totally evaporate except for specialty retail that supports the important uses of downtown as a center for government, finance, and other services.” Though not mayor at the time, Billings was part of the process to implement the plan by building one-quarter million square feet of Class A office space downtown. The theory was that ancillary services—restaurants, niche retail, small shops, a theater—would follow the market and materialize as a new critical mass was created. It worked. “We met that target and the downtown came back to life,” he said. Downtown Provo now includes a Marriott hotel; a convention center; a large furniture store to replace Sears, which left for the southside mall; state and county office buildings; corporate centers; and, just announced, a new consolidated courts building that will

serve as a magnet to attract those in the legal profession to locate downtown. Billings says the plan not only brought many stakeholders to the table in the kind of bottom-up strategizing that characterizes much of late 20th-century community leadership, but it also gave the city a solid mooring as generations of political leadership came and went.

Add Value

David Petersen, managing director of development advisory services for PricewaterhouseCoopers in Tampa, Florida, observed that the key question was “can you retain the monopoly that makes the central core area offer unique value to visitors, or do you have to raffle those things off? If the center city is unique because it has the theater, the city hall, the courthouse, the convention center, the arena, can you keep these downtown in the future or do you have to decant them to the smaller communities in order to keep regional harmony?” He suggested that what makes downtown unique and stable is whether it has “one-of-a-kind, region-serving institutions and amenities that include specialty retail shops.” Petersen agreed with Coles that the viability of the center city is not contingent on the suburbs, concluding that “there’s really no relationship between whether you have a suburban mall and a strong center city.”

Building on that idea, Parr asked the mayors about activities and facilities that would enhance their downtown’s unique value. The following are elements of what Parr called “the paradigm of the 21st-century downtown”; the last one speaks for itself.

1. At least one professional sports franchise.
2. Some type of higher-education institution that serves the downtown.
3. At least two museums.
4. A public library.
5. Four new restaurants in the last two years.
6. An increase in residential units in the last five years.
7. A performing arts center.
8. A concentration of government offices.
9. A large public park.
10. A large medical facility.
11. At least three special events/festivals.
12. A large department store. (“If you have this, what’s wrong with you?”)

If downtowns feature the first eleven, their viability is much more certain because such “value enhancers” reduce the market risk for private developers, Parr explained. He also described a new redevelopment in Den-

ver's Central Platte Valley that is expected to add value to downtown as it replaces a shopworn railroad yard. (See box below.)

Dena Belzer, principal of Strategic Economics in Berkeley, California, said city governments should look at value enhancers they could put in place—such as streetscape improvements, public parks, streamlined building codes, and strong schools—“to make downtown feel like it's worthy of investment.” With reference to retailing, she agreed that large department stores are not the answer. Pointing to the example of Charleston, South Carolina, where a new Saks Fifth Avenue recently has been built, she pointed out that the city's success was nonetheless due to “the one-of-a-kind specialty retail that is linked with the unique cultural and dining experiences you can get” in downtown Charleston.

John Stainback, national director of public/private development for E&Y Kenneth Leventhal Real Estate Group in Los Angeles, extolled the virtue of the public and private sectors working together to add value. He had the following suggestions for private investors:

- maximize the use of underused, government-owned land;
- explore alternative sources of financing when structuring a deal, such as private equity, conventional debt, soft second mortgages, and federal, state and local programs;
- enhance credit through mechanisms such as tax increment financing (TIF), taxable debt secured and paid from selected taxes generated by the project, and loan or occupancy guarantees provided by the public entity;

■ discover techniques for reducing development costs, such as tax abatement or government construction of the infrastructure, and for enhancing cash flow by purchasing energy at wholesale prices or negotiating reduced fees with the operator; and

■ consider investment, development, and operational incentives such as state or local development bonds, government loans, and property tax abatements or job creation tax credits.

Ron Nahas, partner of Rafanelli and Nahas in Orinda, California, focused on “raising the residual value of a building as it is.” Observing that some of the tax incentives for historic preservation and for other things, like “the apartment business,” in the early 1980s were “frankly, too generous, and . . . generated projects that really didn't make economic sense,” Nahas suggested that more flexibility in building codes would make it easier to attract downtown private sector investment, which frequently is scared off by excessively stringent requirements. He asserted that “only government money has courage . . . Private money is a coward.” If the public sector paves the way with its own investment, he said, “you will begin to attract some of this cowardly money to do the things that you want it to do.”

Not that historic preservation should be ignored. Myles Rademan, director of public affairs and Olympic services at Park City Municipal Corporation in Utah, said it played a significant role in the revival of that old



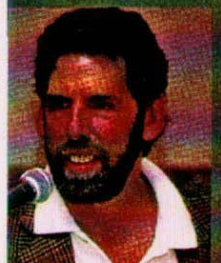
Dena Belzer
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Orinda, California



Myles Rademan
Director of Public
Affairs and Olympic
Services
Park City Municipal
Corporation
Park City, Utah

Denver's Central Platte Valley Redevelopment

Downtown Denver, Colorado, like many downtowns in the United States, is bordered on one side by railroad yards. By the 1970s, the Central Platte Valley (CPV), once a vital transportation and commerce hub, was a desolate no man's land separating downtown from the Platte River. Today, a new hub of activity is forming where switching yards and loading docks once reigned and where more recently tumbleweeds were the most common sight.

Undertaking the transformation in progress today was not easy. Since the 1970s, numerous plans—under three different mayors—were drawn up for the 500 acres. As with so many brownfield infill projects, there was no progress—until business, government, and nonprofit forces coalesced.

Business came with Trillium Corporation of Bellingham, Washington, which bought 165 acres in 1991. The company's vision is to extend the downtown street grid into the CPV. The plan calls for a mixed-use development of 6.2 million square feet. In addition to offices, shops, hotels, and restaurants, there will be housing for 3,000 people to join the rapidly increasing downtown residential population.

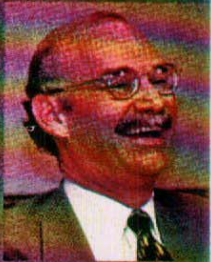
Nonprofits and government joined in 1995 with the creation of the South Platte Commission, which works with more than 30 partners ranging from the Sierra Club and the Audubon Club to the Denver public schools and the Downtown Denver Business Partnership. In the CPV, several new parks, ranging from the 25-acre, active-use Commons to the 1.5-mile-long Riverside Park, will connect the Central Platte Valley

and the rest of downtown to the river. To continue the transformation, Union Station in lower downtown is targeted to become the center of the region's growing multi-modal transportation system.

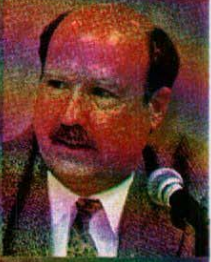
The result of these collaborations has been described as the transformation of an urban eyesore into a dramatic addition to downtown Denver's mix of offices, residences, and cultural, sports, and entertainment facilities. The CPV projects have increased downtown's 24-hour-a-day character and are projected to expand its population by 25 percent. The metamorphosis of Denver's CPV has shown that public/private/nonprofit partnerships can be used to create active and financially viable urban development.—**John Parr**, a principal with the Denver-based nonprofit Center for Regional and Neighborhood Action



Gregory R. Anderson
Mayor
Pocatello, Idaho



Christopher Duerksen
Managing Director
Clarion Associates
Denver, Colorado



Mark Hinshaw
Director of Urban Design
LMN Architects
Seattle, Washington



Linda Milam
Mayor
Idaho Falls, Idaho

silver-mining town, which has become a popular resort, experiencing what he called “the tragedy of success . . . where half the people have three houses and no jobs and the other half have three jobs and no houses.” Rademan described an old mine that has been transformed into a tourist attraction: “Talk about recycling something historic. Getting people into small cages with water dripping on them and then dropping them 1,700 feet into the ground is not something that most towns would think of doing. But now we actually charge money to do it, and the tourists are paying.”

Griego brought the house down when he wryly commented: “As for historic preservation, we like to blow things up down there.” Pocatello, Idaho, Mayor Gregory R. Anderson linked preservation with the enhancement of downtown’s character and uniqueness. He described an old Carnegie library that was preserved and connected with a new library to create one large complex and pointed to the establishment of the Pocatello Neighborhood Housing Services to work with neighborhood residents to preserve and protect the housing stock. Unfortunately, he said, an art deco theater that was restored to serve as a focal point for downtown entertainment burned to the ground, and the city has not been able to raise the funds to replace it. But other preservation projects, such as the renovation of the high school’s 2,200-seat auditorium and of a nearby building as office and apartment space, have not only protected valuable building stock in the old town area but also enhanced economic opportunity as well.

Christopher Duerksen, managing director of Denver-based Clarion Associates, recommended that cities establish “conservation districts,” a refinement of the historic preservation concept that steers a middle course between doing nothing and going “the whole nine yards” with a full-blown historic preservation commission. Standards regulating height, scale, windows, setbacks, and colors are established by local zoning ordinances, he noted. But city staff, not a commission, which can be afflicted with the “nit-picking syndrome,” see how a building fits into a neighborhood and administer the regulations.

This more moderate approach couples historic preservation with reinvestment and development objectives. Seattle architect Mark Hinshaw, director of urban design at LMN Architects, pointed to Seattle, where these twin objectives are being pursued by Historic Seattle, a preservation and development authority. He also described how the conservation district concept works in Bozeman, Montana: “They’ve changed their zoning

in the residential districts surrounding downtown to say, ‘Okay. You homeowners who have these older places, fix up the main house and put a cottage unit behind it that fits the character of the neighborhood.’ You get this wonderful blend of reinvestment, preservation, and affordable housing, all with private sector money.”

Idaho Falls Mayor Linda Milam offered other specific suggestions about adding value to the downtown:

- having city, county, state, and federal governments maintain a downtown presence instead of building facilities and infrastructure farther out;
- having the city purchase old buildings and retrofit them for new uses;
- resurfacing streets and cleaning alleys regularly;
- connecting downtown businesses and public buildings through a fiber-optic network;
- planting and maintaining trees and flower beds and boxes in front of homes and businesses and along curbs and boulevards;
- establishing police bike patrols;
- using abandoned property for free parking;
- working with businesses, professional firms, specialty retailers, restaurants, bakeries, coffee shops, and nonprofits, but not department stores, to locate downtown;
- mounting an aggressive campaign to advertise vacant space;
- creating a business improvement district (BID) and downtown development corporation as a vehicle for low-interest loans to “those who are restoring downtown buildings;”
- using an art guild to paint murals on alley walls and pictures in vacant windows;
- capitalizing on potential anchors such as three empty buildings in Idaho Falls that have been transformed into offices for the arts council, the opera, and the symphony, complete with art galleries and classrooms; and
- developing greenbelts and greenways to provide pedestrian access to downtown.

Segal pointed out three characteristics of “successful downtown business development programs”: proceeding incrementally, hitting singles instead of trying to hit a home run; taking an organic approach that builds on “the assets that you already have”; and employing an entrepreneurial model of management. He spoke of the necessity of holding “the tools in one tool box.” His point was that too often communities do not coordinate their use of incentives and regulations. “They’re spread all over the room.” What needs to be done, he said, is to leverage them more effectively by

adopting a "holding-company approach to downtown management" in which a single entity is created to promote urban reinvestment, as has been done in Denver, Portland, and Billings, Montana, among others.

Hinshaw connected added value with the "sheer demographics that are sweeping the country like we've not seen in decades, absolutely fabulous drivers for downtowns." He mentioned "the three S groups": singles who want lively places that offer artistic, cultural, and recreational attractions; single parents who are looking for daycare, safe streets, and affordable housing and who in all probability work downtown; and seniors who have grown tired of suburban living and want "virtually all of those things." Only downtowns, contended Hinshaw, can appeal to these three groups.

Keep the Regional Context in Mind

The central city does not exist in a vacuum, and part of making it livable and attractive is to see it in its regional context without pitting it against its suburbs.

Boise's chief of comprehensive planning, Hal Simmons, asserted that downtown is "a very important marketing tool for the whole region. Business leaders regardless of their geographical community need to recognize in their regional dialogue that the downtown of their area is really what sells their whole region."

Pointing out how Boise has "a marvelous downtown, and yet the job growth here is taking place in Boise Research Park out on the periphery in the suburbs," Nahas added: "The health of the downtown is dependent upon the competitiveness of the suburbs." Speaking of Spokane, which he has studied extensively, Petersen discussed its demonstrated ability "to expand and sustain its downtown because it values downtown's unique contributions to the economic health and image of the metro area." Talbott added: We need to make downtown "a place for Spokane and its regional people to come and enjoy."

Margaret Mullen, former executive director of the Downtown Phoenix Partnership, noted that it took several years to build regional support for downtown Phoenix. The 13 surrounding cities needed to understand that "they could not bring economic development to their communities if downtown Phoenix did not have incredible museums, incredible arts and cultural facilities, a fabulous convention center, and the best sports facilities in the state." She said the key challenge is to make downtown "everybody's neighborhood," so that everyone perceives its positive impact on economic de-

velopment and quality of life throughout the region. In Phoenix, noted Mullen, beautification of the downtown streetscapes, development of the Arizona Museum of Science and Technology, completion of the Orpheum Theater, a new hotel, renovation of the Civic Plaza deck, and an overall neighborhood revitalization program were seen as the top priorities in achieving progress toward a strategic vision of what downtown should become in relationship to the surrounding region.

Duerksen pointed out that words like regionalism and downtown do not always resonate with people, unless they are "thoughtful leaders who realize intuitively that downtown is the key to their region." He discussed "stealth regionalism." Duerksen voiced the oft-heard private sector complaint about four-hour meetings with public officials who only talk theory and suggested doing a project like a regional greenway or trail system that would involve the private sector—a project "we can all sink our teeth into. Don't call it regionalism, and when it's done, everyone will say, 'Gee, we did something together.'" The same idea, he pointed out, could be applied to the urban core—"stealth downtownism."

Summarizing the discussions at the end of the forum, Marta Goldsmith, ULI's vice president of land use policy, mentioned the need to educate the press and use it as "an important vehicle for building consensus on regional cooperation." She suggested a defining event that would bring people from across the region together and start them thinking in terms of regional cooperation. Goldsmith's vision of downtown was as "a gathering place"—plazas, parks, entertainment districts, restaurants, fountains. She spoke of walking through the Grove in downtown Boise and seeing a group of four-year-olds cavorting around a fountain. Music was playing in the background as a radio station prepared for an evening festival, while beer carts were being assembled for the same purpose. "I was reminded," related Goldsmith, "how important it is to create gathering places in downtowns." ■

WILLIAM H. HUDNUT III, ULI'S SENIOR RESIDENT FELLOW FOR PUBLIC POLICY DEVELOPMENT, IS A FORMER MAYOR OF INDIANAPOLIS. FOR REPORTS ON THE FIRST FOUR ULI MAYORS' FORUMS, SEE "URBAN IS 'IN,'" JULY 1998; "DOWNTOWN: STILL THE HEART AND SOUL OF A REGION," FEBRUARY 1998; "MAYORS' FORUM," JUNE 1997; AND "BRINGING COMMUNITY BACK TO THE CITY," MARCH 1997.



Hal Simmons
Chief of Comprehensive
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Boise, Idaho



Margaret Mullen
Former Executive
Director
Downtown Phoenix
Partnership
Phoenix, Arizona



Marta Goldsmith
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Public Policy
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T H E

ENTERTAINMENT

REAL ESTATE REPORT

The Authoritative Source for Out-Of-Home Entertainment Projects, People & Ideas

December 1998 • Vol IV Issue 12

The Year in Review

'98—The Year Entertainment Became Mainstream

As we close out the year we can't help but take a look back at 1998's highlights. The year could be summed up as the year Entertainment became mainstream. As more and more centers opened up with record crowds, "Doubting Thomas" were quieted. The numbers did justify the means. Entertainment centers do make economic sense.

However, '98 also begins to show signs that certain markets are on the verge of being over-entertained. Specifically, Southern California, with over 24 new retail entertainment centers under construction or already operational within 50 miles of each other, industry observers are beginning to question at what point will there be too much. In fact, just this month Forest City Development walked away from the SportsTown Anaheim project (see our story page 8), leaving the city holding the bag.

Nonetheless, other markets remain under-entertained and consumers are anxiously awaiting their grand openings. The Denver Pavillons, which opened last month, had record crowds and local newspapers and community leaders gave the project a big thumbs up. Yes, entertainment/retail centers have indeed become mainstream and are no longer viewed as a "fad".

Consumers are seeking quality of life experiences rather than the quantity of goods. To help explain this phenomena,

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Destination Downtown!

The Urban Renaissance

As history writes itself, the 90s will mark the resurgence of downtown USA. Historians may very well point to the success of New York's Time Square as the beginning of the urban renaissance. Today, across the country cities are in the process of reinventing themselves. The key economic drivers are entertainment, shopping, dining, sports and culture.

According to a recent study by the prestigious Brookings Institute, all but one downtown expect to see their populations grow by 2010. Experts point to declining crime rates, cleaned-up waterfronts, sports stadiums, more shopping and entertainment options, and a growing number of urban residents as keys to the urban renaissance. "Older Americans, empty nesters, and young couples who are having children later in life are all growing segments of the population and they are very interested in the convenience and amenities of urban life," states Bruce Katz, director at the Brookings Institute. Empty nesters will be a growing number of the population since more than 40 million boomers will be 50-60 years old by the year 2010 with another 35 million following thereafter.

Of course not all empty nesters are going to make the move back to downtowns. Other catalysts to spur downtown growth will come from tourism and cultural attractions. US cities are steep in heritage and culture—unlike their suburban counterparts. According

Continued on page 7

Lodgertainment Trend Begins to Bear Fruit

In our January '98 issue we suggested that the industry would witness more hotels attaching themselves to the entertainment mix. Although we witnessed some false starts i.e. Planet Hollywood and Aladdin, as recently as this month a series of news announcements cropped up that seem to confirm our prediction. Despite, the fact the hotel industry in general is experiencing overbuilding, consolidation and fierce competition according to Mark Lomano of Smith Travel Advisors, "the over industry continues to remain profitable despite these factors since they have become operationally far more efficient."

The recent surge of urban and suburban entertainment centers throughout the country as created a need for a new breed of tourist.... the shopping tourist. Many of the large retail developers are hiring full-time tourism marketing directors. This

Continued on page 2

DESTINATION DOWNTOWN

THE URBAN RENAISSANCE

Destination Downtown

Continued from page 1

to a recent study from the Travel Industry Association of America, in the past year, 25% of US adults took a trip that included an historic place, museum, cultural event or festival. "Tourists no longer want to get away from it all...they want to get into it all," states John Ecklein, president of ECI, which basically means that tourists are looking for something that is unique and cannot be experienced in their hometown.

Another key to successful urban redevelopment is a growing residential base. Chicago, one of the cities at the forefront of this urban renewal, is expecting to see its residential population increase by 32%, or 153,000, living downtown by 2010. The need for convenient services to attract and keep downtown dwellers happy is apparent. Rite Aid Corp., the 4,000 store drugstore chain, recently announced its plans to invest \$230 million in developing, relocating and remodeling 125 stores in depressed urban areas throughout the country. According to the Boston Consulting Group, supermarkets in half a dozen cities showed inner city stores generated 40% higher sales per sq. ft. than the regional average. According to Kenneth Lombard, president of Magic Johnson Theaters, "Frankly, the inner cities represent the biggest upside of any investment opportunity in the country."

The Cultural/Heritage Tourist

TIA Travelscope ® Survey—August 1997

- In the Past Year, 65.9 million, 25% of US adults, took a trip that included an historic place, museum, cultural event or festival
- Spent \$615 per trip (vs. \$425 for all travelers)
- Average length of trip was 4.7 nights (vs. 3.3 for all)
- 56% stayed in hotels/motels/B&B (vs. 42% for all)
- 45% shop (vs. 33% for all)

During the past year, the pages of this newsletter has previewed many of these exciting downtown developments. In all cases entertainment has been the key force to turning cities around. Best of all - it is working! Cities badly in need of economic vital-

ity are turning to entertainment venues to bring the consumer home. To further prove our point here's a run down of some key urban developments taking place.

DOWNTOWN DC SETS THE PACE

The redevelopment of our Nation's capital is perhaps the most symbolic of what is taking place around the country. It all started with Abe Pollin's MCI Center and since then, more is in the planning. Nearly a dozen major private construction projects are under way in the area roughly bordered by Sixth and 15th streets and New York, Massachusetts and Pennsylvania avenues, a neighborhood anchored by the White House to the west and the MCI Center to the east.

Although it can not be seen today, within the next 4-5 years much of the neighborhood will transform into stores, restaurants, movie theaters, apartments and office buildings. In just the past month, both Landmark Theaters and AMC have signed leases to rent space in this area. Landmark Theaters plans an eight-screen art theater in an office building at 555 11th St., and AMC with a 22-screen multiplex at a planned entertainment complex on Seventh St.

One of the most prominent parcels yet to be developed and for sale, is the old Woodward & Lothrop building on the block bounded by F & G streets. The Washington Opera recently backed out of a plan to turn the building into an opera house, and has put it up for sale. The building is zoned for retail, arts and entertainment. Another site up for grabs is the aged Dept. of Employment Services building at Sixth and Pennsylvania.

Although Downtown DC is coming back, it hasn't been without its controversy. Due to conflicts of what should be done with the downtown area, Thomas Downs stepped down from his post as administrator of the Downtown Alliance. The key factor to his resignation was the need for more residential development.

According to JoAnn Neuhaus, director of the Pennsylvania Quarter Neighborhood Association, "within that 4-to-5 year framework, if we want downtown to be vibrant, we have to figure out ways to include those major attractions that aren't as economic, like the arts and housing."

However, the nation's capital is becoming a destination downtown and the wheels are well in motion for its continued success. "We have a new downtown. If you look where we were 10 years ago, the make-over is substantial," said Terry Lynch, executive director of the Downtown Cluster of Congregations one of the most vocal downtown activists. He points to the MCI Center and the restaurants that have opened as signs of a growing, healthy urban renaissance.

