



## The Future of Our Downtowns

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In the current climate of accelerated change and economic uncertainty, it is very difficult to accurately forecast the future prospects of downtowns throughout the U.S. Moreover, the signals concerning downtowns seem to point in several directions simultaneously.

Because this presentation was made several years ago, one might be tempted to think that it is out of date. However, it is still almost completely relevant today. In any event, it is one of the most comprehensive and best general statements on the future of downtowns and centers and includes some excellent suggestions regarding policies and tools that can be used to improve the prospects of both.

Nevertheless, I will attempt to interpret the implications of these signals as objectively as I can. First, I will review some basic background factors regarding the nature of downtowns and the key trends that have shaped their functions since World War II. I will then examine each of the major "recentralizing" forces at work today regarding their potential implications for both (1) the future viability of downtown, and (2) the role of I.D.E.A. executives in realizing this potential.

### The Basic Nature of Downtowns

The most striking characteristic of downtowns is their tremendous diversity. The cities or regions served by CBDs vary enormously in terms of both size and population. In addition, downtowns vary with regard to shape; degree of urban concentration or sprawl; internal modes of transportation; climate; building density; and extent of historical accumulation of facilities. Therefore, it is impossible to fit a single set of observations or perceptions to the many varied downtown situations that exist in the nation today. As a framework for analysis, however, we can examine downtowns in terms of the three primary functions that each performs. These functions are as follows:

- 1) providing jobs for local residents -- especially city residents;
- 2) providing an assessment base that supports local government services received by other parts of the city; and
- 3) acting as the focal point for many socioeconomic aspects of life in the general community.

The latter function is somewhat intangible, but I believe it is crucial in the life of every downtown.

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These primary functions can be categorized into more specialized functions generally associated with downtown. These include: the office service function; the mass-retail function; the convention/hotel function; the entertainment-recreation-cultural function; the institutional function {e.g., hospitals and universities}; the non-office governmental function {e.g., police and courts}; the transportation function; and the communication function.

Downtowns perform most of these specialized functions to a greater degree than any other location within their region, primarily because of their two central and unique attributes. The first distinctive characteristic of every CBD is its outstanding accessibility from all other parts of the metropolitan area. In most metropolitan areas, the downtown is still the single point most easily reached from all parts of the rest of the urbanized area, on the average. The second unique attribute involves the accumulation of certain types of "center-seeking" facilities and activities in and around the downtown. By "center-seeking" I mean facilities that benefit from high accessibility such as department stores, office and government buildings, courthouses, and entertainment and cultural facilities. This accumulation built up gradually during the many years the CBD served as the single dominant "central place" for the entire urbanized area around it. These two basic characteristics --unequaled accessibility and an unequaled agglomeration of certain types of facilities -- were the foundation for the major functions performed by downtowns before World War II.

## **The Effect of Decentralization on the Role of Downtown**

A number of profound developments have occurred since World War II that have had an enormous impact upon the functions of downtown. The single most important factor has been the immense expansion in ownership and use of automobiles and trucks by households, business firms, and other organizations and individuals throughout the U.S. The transition from dominance of movement by public transportation to that by cars and trucks has allowed many other spots in each metropolitan area to become almost equally accessible to the population. Downtowns, therefore, lost their unique advantage as the only place where many shoppers, workers, etc. could easily gather. Just a few of the many other "decentralizing" forces at work in the past quarter century are as follows:

Rapid growth and significant increase in the total size of the metropolitan area populations. Continued expansion of minority-group populations, mainly black, in central cities and around CBDs in particular.

Immense growth and increasing urbanization of suburbs, with a build-up there of nonresidential facilities of all-types in addition to housing.

Rather than discuss each of these decentralizing forces in greater detail, I will summarize their combined impact upon downtowns. First, the resulting "spread city" form of urban growth significantly weakened the role of downtown in American society. Essentially, downtown lost its dominant position as the "central area" of activity because of the huge build-up of residential, transient, commercial, and retail uses in outlying regions of each metropolitan area.

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Development of many large and small automobile-oriented retail shopping centers in suburban and other outlying locations competitive with the CBD, but better located to serve the growing suburban population, relegated downtown to just one of many competing nodes. Moreover, regional shopping centers have now grown to include office buildings, motels and hotels, and a variety of I entertainment and recreational facilities.

Many of these decentralizing trends, such as the immense growth of suburban populations, are irreversible. Thus, the loss of downtowns' relative dominance will remain a permanent fact in the makeup of our larger metropolitan areas.

As the dominance of each downtown has diminished, the functions it performs have become more specialized. Industrial, manufacturing, warehousing, and wholesales operations moved en masse from in and around the CBD to outlying locations along expressways or in suburban industrial parks. At the same time, most professions or activities that required continual face-to-face interaction among varied sets of people, and benefited from the economies of a large, assembled mass of office workers, were drawn to the downtown. Thus, the office space function, rooted in the need for face-to-face contact, has become the clearly dominant function with the greatest positive dynamism in most downtowns.

The majority of downtowns in our largest cities have become surrounded by relatively low-income populations, with high fractions of minority-group households. Because they have less access to modern outlying shopping centers, they heavily patronize downtown facilities. Consequently, many CBDs are becoming dominated mainly by minority-group members after 5 p. m. and on weekends. This is causing a large-scale withdrawal of white patronage during those hours. However, predominance of low-income, minority households does not exist in the vast majority of medium-sized and smaller CBDs.

The countercyclical flow of money back into real estate lending channels in the late 1960's and early 70s caused a huge surge in private and public investment in new downtown properties, especially office space. During the real estate "super-boom" from 1971 through 1973, millions of square feet of new office space were constructed in major CBDs across the nation, particularly in certain national or regional capital" cities. As a result, office space in most downtowns today is heavily overbuilt. In spite of the resulting short-run problems, this surplus of office space will aid downtowns over the long-term by helping attract and retain large office-space users.

## **The Recent Rise of "Recentralizing" Forces**

Now that we have reviewed how the role of downtown has been radically altered over the past quarter century, let us examine more recent trends that many believe may lead to a major revitalization of downtowns in general. I am referring to four critical developments that may have a recentralizing impact upon metropolitan growth patterns.

The first major force is the so-called energy crisis. The rising costs of energy and energy-related services, coupled with occasional shortages of energy supplies, have the potential to alter future patterns of urban growth significantly. Real Estate Research Corporation's recent study for HUD, EPA, and CEQ entitled *The Costs of Sprawl* clearly indicates that substantial savings in

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energy can be achieved by shifting from low-density sprawl development to more compact high-density development patterns; .The study revealed that accommodating future growth in high density buildings (30 housing units per acre rather than 3) can save up to 40% in energy costs. This savings is the result mainly of both reduced automobile travel and reduced space heating and cooling requirements due to common walls.

Moreover, many observers are predicting a massive shift from automobile transportation to mass transit because of high gasoline prices and energy conservation. They foresee a more highly- urbanized, in-city development based on extensive use of mass transit. This highly rapid- transit-oriented world would strengthen downtowns by stimulating high-density development there and around transit stations, similar to what has happened in Toronto and Montreal. At least that is what many people are saying.

Another recentralizing force is increasing capital competition and the resulting high costs of capital. Money will not be as lavishly available as during the tremendous flood of capital that occurred in the real estate "super-boom" period of the late 1960's and early 1970's. There will be intense competition for capital in the U.S. to meet a variety of needs, such as energy production, creation of modern industrial plants and equipment and new pollution controls. This strong competitive demand for capital will keep long-term interest rates relatively high -- as they are now --and that is not favorable to new real estate development.

Higher interest rates will make new housing more expensive and will increase the costs of all forms of capital required for future urban growth. The resulting pressure to economize on capital investment in new construction will reinforce the need for more compact high-density development. RERC's study of The Costs of Sprawl indicated that total capital savings of up to 50% could be achieved by accommodating growth in high-density buildings (walk-up or medium rise apartments) rather than at very low densities (single-family detached homes) Such a slowdown in the pace of new construction will also create pressures to use the existing housing inventory more intensively. Consequently, greater emphasis will be placed on the rehabilitation of older buildings in established neighborhoods, including older in-city areas near downtown. The third major recentralizing force consists of our slower population growth rate and the recent trend toward more small, adult-oriented households. The continuing slowdown in national population growth is caused by lower fertility rates (which, in turn, result from greater use of both contraceptives and abortions, since there are more women in the child-bearing ages than ever before in the U.S.). In spite of this slower population growth, household formation is actually proceeding at record rates. Most of the newly-formed households contain only one or two persons. Moreover, these smaller households are primarily adult oriented; so their selection of living accommodations is based solely on adult needs. From 1970 to 1973, 82 percent of the net gain in the number of U.S. households consisted of one- and two-person households --most of whom are in this category. These households include young married people living away from their parents, married couples with no children or very young children, older singles, empty nesters and senior citizens. This group is increasing quite rapidly in spite of the slowdown in total population growth.

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Adult-oriented households are more attracted by urban lifestyles than child-oriented households, who favor the suburban lifestyles that dominated U.S. housing market growth in the 1950's and early 1960's.

Adult-oriented households can use smaller units and are more amenable to high densities and high-rise buildings; they are less concerned about schools and neighborhood conditions and more interested in urban-oriented recreation and entertainment.

The fourth trend, suburban resistance to further urban growth, will increase the pressure upon older existing areas to accommodate these added households. Attempts by local government to slow down or stop growth completely have drastically curtailed the pace of new development in many areas. Controlled-growth devices will contribute increasingly to the difficulty and non-profitability of new development, especially in outlying suburban areas where development has remained profitable up to now. These obstacles will raise costs of new development, prevent the creation of low-cost housing, and slow the overall rate of the new construction.

This reduced rate of peripheral growth, plus an increase in the rate of household formations, will create a "back pressure" on central-city and older suburban housing markets, raising rents and values there and stimulating opportunities for rehabilitation. Increased demand for properties in these areas will create many opportunities for remodeling and redevelopment of existing structures in established older neighborhoods, as well as for investment in new structures there.

## **The Likely Impacts of "Recentralizing Forces**

Many enthusiasts for urban living have fantasized that these "recentralizing" forces will stimulate a major rejuvenation of older in-city areas. In contrast, I do not believe the combined effects of these forces will bring about any "automatic" renaissance of downtowns.

Instead, I believe the following shifts in urban growth patterns will occur.

First, the shift toward more pervasive use of public transit will gain strength, but the energy shortage will not result in a dramatic change toward a totally rapid-transit-oriented world. More metropolitan areas will adopt regional transportation authorities to coordinate all mass transit. Central-city bus lines will be extended outward, and commuter buses will be given exclusive lanes on major expressways, such as those linking Washington and Virginia suburbs. New fixed-rail transit systems are already being developed or seriously considered in such regional cities as San Francisco, Atlanta, Miami, and Washington.

Nevertheless, the nation will remain predominantly reliant upon cars and trucks for intra-metropolitan movements of goods and people for many years to come. The private automobile provides too many advantages over public transportation --speed, flexibility, privacy, comfort, and social status. Hence, we will cope with higher gasoline prices mainly by using smaller cars with smaller engines, rather than by traveling less or greatly altering our "spread-city pattern of development.

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Second, the pressure to shift towards higher density living will alter, to some degree, future development patterns. Emphasis upon higher density, multi-family and smaller-size units in housing production, along with a minor contraction of our spread-city pattern because of higher gasoline costs, will reduce the rate of land absorption and the pace of suburban sprawl. In turn, this slower spreading out of urban growth will intensify the pressure to upgrade the older central-city housing stock rather than let it decay. However, this "back pressure" on the existing inventory will not be felt in inner-city ghettos.

Opportunities for rehabilitation will exist primarily in well-established, well-maintained older residential neighborhoods. The demand for housing as well as for commercial and industrial space will be felt mainly in those parts of central cities already considered "desirable."

Above all, that means neighborhoods relatively free from crime and vandalism. In short, this upgrading pressure will work the greatest transformation in older neighborhoods on the verge of deterioration, but still dominated by middle-class households. The rising cost of single-family housing in relation to consumer incomes, plus the continued shift to smaller households, will also cause a movement towards smaller and higher density multi-family housing units. But it will not cause any profound change in future urbanization patterns away from relatively low-density towards very high density nodes as the dominant form of growth. New growth at the suburban fringe will eventually have to be more compact and at higher densities.

Many suburban communities may ultimately be forced to relax their zoning codes to allow for construction of multi-family cluster housing and smaller size building lots for individual homes. However, we will still pay for lower densities --even though they cost more --because we prefer a relatively low-density residential style. In fact, the energy costs of mobility comprise a relatively small part of the nation's total budget, and probably less than 10% of the average family's annual spending. Therefore, even much higher gasoline prices will not produce radical changes in urban development immediately.

## **Making Downtowns More Lively**

The positive impact of each of these recentralizing trends will not, as a matter of course, be experienced by all downtowns. Therefore, community leaders should not rely on any across-the-board, "automatic" resurgence of CBDs. Rather, the extent to which these positive trends influence each downtown will depend upon the individual situation there --both the existing positive opportunities for growth and redevelopment, and the negative factors at work in the CBD. Each I.D.E.A. executive therefore has a more important role to perform than ever before in actualizing the potential opportunities for downtown revitalization. Essentially, he or she must assume responsibility for creating the appropriate setting to take full advantage of these recentralizing forces.

It therefore becomes crucial to examine some of the policies that might be considered for revitalization. For one thing, I believe the I.D.E.A. can greatly assist individual members in their respective cities by developing a relatively simple but standardized system of collecting and analyzing basic information concerning key trends affecting the downtown. Accurate information on existing conditions, opportunities, problems, and trends should be readily available in usable

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form by local decision makers. Such a standardized system can permit an objective analysis of key problems, needs, and obstacles, and a realistic assessment of potential opportunities and resources.

More substantively, the efforts of downtown promoters should be guided primarily by the principle "make it lively." The underlying objective should be to make downtown a place "where the action is" if not for 24 hours a day, at least throughout the working day. Many activities designed to promote action and interest in the CBD are not expensive, though they do not immediately add to profits either.

Nevertheless, over the long run, they can serve to keep existing businesses, to attract office firms back to the CBD, and to help make downtown competitive with outlying action centers, especially regional shopping malls. The latter now provide a wide range of entertainment facilities, such as theaters and restaurants, as well as bowling alleys, skating rinks, and nightclubs. To be competitive, downtown must offer a similar lively and diversified "people-oriented" environment.

Examples of relatively inexpensive tactics to create an "action" environment range from plazas and street vendors to super-graphics and free bus service. All of these tactics can help to make downtown an interesting and pleasant experience, thereby greatly enhancing its drawing power. Downtown plazas, whether created in the interior of institutional buildings or out-of-doors, can be especially strategic spots for creating a lively atmosphere. In fact, one of the major shortcomings of most downtown areas is that there is no place for leisure activities and entertainment. A plaza in the CBD, if properly designed, could accommodate hundreds or thousands of people within this type of setting.

The First National Bank plaza in Chicago is an excellent example. It provides a comfortable and stimulating setting for both downtown shoppers and the Loop-area workforce. It has been used for a variety of activities, such as art shows, local craft shows, musical presentations, outdoor fashion shows, sports exhibitions, and informal theater productions. It is also used as a meeting and leisure spot on a day-today basis. The First National plaza has been extremely successful not only in drawing crowds everyday throughout the summer, but also as a major catalyst of retail activity on the blocks surrounding the bank.

There are many other innovative yet inexpensive ways to create interest and activity in the downtown. In San Francisco and Boston, for example, a lively "people-oriented" environment is created through the use of street vendors selling everything from popcorn and hotdogs to jewelry and leather goods.

Super-graphics have also proven a viable means of creating a more interesting downtown atmosphere. Super-graphics are large-scale paintings on the surface of older buildings. They can help create interest and novelty at low cost, and have already proven successful in Cincinnati and several other cities.

It is also crucial to develop a diversity of uses at the street level. This can be achieved by incorporating various stores within office centers. Boutiques and small specialty shops as well

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as restaurants can all be built into office building lobbies, many of which now consist solely of an immense expanse of wasted space. Many financial institutions also take up too much visually "dead" space at the street level, rather than providing a lively network of colorful shops that significantly add to the attractiveness of downtown.

Downtown hotels also provide fertile ground as "action centers. Most CBD hotel lobbies are already full of action during much of the day and night. They can also be made to serve as the focal point for plaza-like activity. The right array of facilities can turn CBD hotels into vital activity centers that serve to stimulate both weekend and "after-5" patronage of the downtown area. Improved communications and movement systems that link the many parts of a downtown into a closer and more convenient complex will also be important in strengthening the position of downtowns. Better internal movement systems are necessary to increase the feelings of security in downtowns and thereby make them competitive with new outlying malls. This will require creation of more internal transport systems within the downtown, or linkages with other near-by nodes, as well as free bus service or other forms of high-intensity service. In Seattle, for example, the monorail has helped considerably to add excitement, and the free bus-service has made downtown a more convenient place to patronize. Second-level walkways in downtown Minneapolis are another outstanding example of such improved means of movement. These walkways are tied together in a giant recently built indoor plaza attached to the IDS Building in the CBD.

### **Alternative Ways to Approach Creating a Downtown Residential Base**

The need to create residential communities near or within downtown has been discussed frequently. To sustain the "captive purchasing power" required to keep their major facilities prosperous, CBD retailers need a nearby population that will patronize them in the evenings and on the weekends, as well as during weekday office hours. In fact, the biggest competitive advantage that outlying regional shopping centers have over downtown is a large, nearby residential population with relatively high incomes. There are four potential ways to build up downtown housing: two involve housing inside downtown, and two involve housing nearby or on the periphery of the downtown.

Creating a residential base in the downtown itself would require primarily new construction, since very little housing exists there now. New construction could take the form of "pure housing structures, such as a residential complex comprised solely of apartments. Or it could involve introducing new housing inside downtown through mixed-use projects. The John Hancock Building in Chicago and Colony Square in Atlanta are both examples of how in-city housing can't be achieved through a multi-use building or set of buildings tied together. Creation of more residential space downtowns would require constructing either new "pure" housing facilities, or rehabilitating existing structures within older nearby residential neighborhoods. Although there are several potential approaches to the build up of residential space in or near CBD, certain key obstacles make each alternative infeasible to some degree. At present, land values in proximity to the core areas of downtown are well above those necessary to make residential development financially viable. It would be impossible for apartments to operate successfully at rents normally associated with downtown office space. So land owners hold out for office uses to gain the theoretical benefits of higher rents.

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Mixed-use developments are feasible, but only on a very small scale. Multiple-use projects can generate some added downtown activity, but they will not significantly bolster the CBD's retail sales volume. Moreover, multi-use complexes, like most new construction, are not economically feasible under present market and cost conditions.

In contrast, housing near downtowns --within one block or half a mile or more away offers a much better opportunity for bolstering the downtown-using population. Land on the periphery of downtown both costs less and affords much larger sites for either new construction or rehabilitation than land within downtown. In this regard, we believe rehabilitation, upgrading, and remodeling of existing older properties in established older neighborhoods on the downtown periphery are going to become more important. Downtown promoters should take advantage of this trend with in areas near the downtown. However, the soaring costs of new construction make it economically mandatory that all new units be only high-income housing, even if aided by major public subsidies.

In short, it is going to be very difficult to create the much needed peripheral housing support for downtowns. The growth of residential populations so necessary to generate a new market for downtown retail operations will only be possible in a very few of our larger cities.

Nevertheless, RERC studies have revealed that a declining downtown retail district does not necessarily weaken a downtown's attraction for office users. When such decline occurs, however, the office-space district can best remain viable if (1) it is spatially separated, to some degree, from the deteriorating retail area, and (2) strategic action and promotional efforts are undertaken to keep the office-space center an attractive and lively area.

## **The Need For Strong Public and Private Sector Cooperation**

The strength of both public and private sector commitments, and the quality of local leadership in organizing these two types of actors, will greatly affect the degree to which the potentials for downtown revitalization are realized. There is ample evidence in cities throughout the U.S. that limited, fragmented attempts to improve center cities result more in frustration than lasting accomplishments. Success will come only from a long-term, well-financed, concerted effort.

At the outset, it is essential to "get everyone into the act." That means key people from city government, local merchants, the citizenry at large, office building owners, industrial firms, savings and loans associations, insurance companies, local banks, mortgage firms, and development organizations. The greater the variety of people concerned and directly involved in downtown programs, the more effective leadership can become. This diversity of commitment from every segment of the downtown community can significantly increase the chances for a reasonably coordinated action and planning program.

Younger executives should be drawn into the game as well, rather than limiting involvement to just the older established business community -- "the ruling wise men with grey hair." After all, the younger factions of the business community will be tomorrow's leaders, and helping them develop a sense of involvement and commitment is very important.

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Private participation is especially crucial, because local governments do not have enough money to upgrade downtowns, even with the aid of federal funds. Urban renewal has been closed out, and revenue sharing monies are clearly inadequate as an independent source of capital.

Unlike urban renewal, which was concentrated downtown, Community Development Block Grant funds can be spent anywhere in the city -- and they will be. This dispersion of funds greatly intensified the need for private capital. In fact, the amount of federal funding available for the entire Community Development program is totally inadequate for meaningful improvements in even a small fraction of the nation's eligible areas. Therefore, attracting sufficient sums of private capital will be the most critical aspect of any downtown improvement program. Over half the money to finance a downtown revitalization strategy will have to come from private sources. Hence, to achieve downtown program goals, community leaders will have to utilize every available tool to induce private redevelopment.

Various tactics such as the creation of downtown area taxing districts, downtown development or parking authorities, and tax abatement financing can all be used to stimulate private participation in the improvement of downtown.

For example, the state of Missouri has passed legislation allowing cities to grant eminent domain powers to limited-dividend corporations, thus providing a necessary aid in land assembly for redevelopment. Other parts of this law allow tax abatements for the redevelopment corporation for 25 years following development.

Another law allows the establishment of special business districts with the authority to impose assessments against properties to pay for common improvements upon approval by a majority of the property owners involved. Although the local government foregoes some taxes, tax abatement has proven very successful in Missouri's 353 Tax Abatement program as a catalyst for private investment and development activity. As a temporary measure, tax abatement becomes a substantial front-end inducement to the developer, while at the same time meeting the city's longer-term goals of increasing the viability and tax base of the downtown. A new hotel or key office project built with tax abatement can spark a downtown revival or stimulate additional private redevelopment activity in the surrounding area. New projects can also lead to new jobs, hotel tax revenues, income tax revenues, etc.

### **Some Obstacles to Creating a Unified Downtown Program**

Downtown land ownership is mainly private and is extremely fragmented, with a multitude of private owners in possession of small parcels. Since each private owner seeks to maximize the selling price of his or her land, developers are forced to move toward cheaper "fringe-area" land. That creates a centrifugal force spreading new developments away from the CBD center. Thus, the fragmentation of downtown land works directly against efforts to concentrate new development in the heart of the CBD. Overcoming this obstacle is the most important and difficult challenge confronting downtown promoters.

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Moreover, the present nature of land ownership in the downtown area tends to cause an artificial escalation of land prices, making it difficult to build housing right in the heart of downtown or even quite close to the heart. This is because fragmentation motivates each land holder to seek the highest possible selling price and reject any uses that will generate relatively low values. Each owner believes he or she can eventually sell his or her land for the high price generated by an office sky-scraper. This fallacy of speculative pricing is fostered by the appraisal profession. Appraisers, as a rule, mainly utilize the "comparable sales" approach in evaluating downtown land parcels. But most comparable sales involve the few sites on which office development actually occurs; so their prices do not reflect the sites in downtown considered as a whole. Consequently, artificially high prices are set for all sites in the downtown area, even though a downtown can support only a few office buildings in relation to its total area.

In large subdivisions, New Cities or Planned Unit Developments (PUDs) where one owner controls the entire area, the approach to development is more rational. The owner of a PUD, for example, is willing to locate specific uses where they are functionally most efficient, even if some are low-value uses such as a park or playground. If one person owned the entire downtown, that owner could afford to take a similar functional approach to development, allowing housing as well as office space to be built on his or her land, in recognition that office space could not possibly absorb all the land. Of course, downtown promoters cannot fully duplicate this planning flexibility without some unified form of land ownership or management yet that is not practical in most downtown areas.

Nevertheless, we can try to create a reasonably coordinated plan to ensure the most efficient and functional possible use of the land. In this regard, the need to create housing and residential communities near or within downtowns may require new institutional arrangements for the ownership or management of fragmented private land parcels. I believe it will prove essential to devise a means of managing downtowns many separate parcels in a unified way, without actually placing them under public ownership.

We need some daring thinking and innovative approaches in order to remove some of the adverse effects of excessive speculative values of downtown land. One approach, for example, might be to zone all downtown land for housing. Then the right to use a certain amount of space for office or commercial use could be auctioned off on an annual basis by the city zoning authority. Since urban renewal is no longer in effect, we might also try to create new methods of "pooling" ownership in order to achieve a more coordinated and functional approach to land allocation. These are just a few admittedly wild ideas, but a great deal of ingenuity will be needed to make downtown more competitive with large unified outlying parcels.

Such ingenuity and initiative will spring from a broader spirit of dedication to maintaining the life of the overall community. Such dedication and spirit --which really determine what each community can accomplish --are directly related to how the various elements of leadership, and especially business, government and the professions, cooperate to tackle common problems and tasks. Are the leaders of the community organized? Do they regularly and freely communicate and work together, as in Chicago, or do they remain isolated and indifferent, or even hostile, as in New York?

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I believe that downtown unity can even have a positive impact on the life of the entire community. A strong downtown can play a dual role in encouraging cohesion among city leaders. First, it spatially brings them closer together, and, second, it provides a set of shared experiences and problems, and a common set of issues and tasks.

### Conclusion

In conclusion, the revitalization of downtowns in our center cities over the next decade will pose a considerable challenge to the abilities, energies, and imagination of downtown association executives and local government leaders. On the one hand, I reject the overly pessimistic view that all cities are on an inevitable course of decline and decay, although many negative forces still affect our CBDs. On the other hand, I equally disagree with the naive optimists that believe the need to conserve energy, coupled with the anti-growth movement and other "recentralizing" trends, will produce an "automatic renaissance" for every downtown. Rather, future downtown programs will experience mixed success and failure, depending upon the quality of local leadership, the degree of commitment by the city, and the availability of funds.

Thus, what happens to each downtown will depend upon how thoughtfully each community analyzes its opportunities and how energetically it pursues them. United and forward-looking promotion and action programs need to be designed. In them, the roles for both government and private interest must be identified and structured to reinforce one another. Certain elements will be essential, including (1) the development of a consensus as to present conditions, future prospects, and the goals and objectives to be sought; and (2) commitment of public and private leaders to work in concert and provide the substantial financial and management resources required.

In recent years, the federal government has tossed the ball of urban leadership to local governments through its revenue sharing and block grant programs. Those programs will require considerable sums of private capital and initiative to produce meaningful results. Federal and local government monies are clearly not sufficient to sustain downtowns, nor to serve as an adequate resource for community redevelopment. In fact, the amount of federal funding available for the entire Community Development program is totally inadequate for meaningful improvements in even a small fraction of the nation's eligible urban areas.

Therefore, available federal funds must be used mainly as leverage to attract much larger amounts of private capital. And such capital must be accompanied by intense private concern about downtowns and willingness to work hard to maximize their roles in the community.

Downtown association executives cannot work miracles. Nevertheless, the key to their success will lie in the degree to which they can convert the tremendous challenge of downtown revitalization into strategic and viable action programs.

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