

Up With Downtown

by Jack McCall

The blossoming of large national discount retailers has resulted in far reaching changes in the way we buy and sell merchandise. In the process, we have changed the way our cities and small towns look and function. The impact is probably easiest to see in the downtowns of small and medium sized towns. Traditional Main Street businesses struggle or quit while vacant business buildings watch the stream of cars hurrying to the discount stores. Some communities have given up hope for the central business district, demolishing beautiful old buildings, and creating ugly gaps in the smile of the city.

The loss of the downtown business district has deep implications for the quality and nature of life in our communities. Downtowns are our cities and towns' cornerstones. They define who we are as a community. Without strong, distinctive downtowns, only the words on the city limits signs will tell us apart.

It doesn't have to be that way. The survival of downtown should be the concern of all residents, not just the people making a living by owning stores or working in them. Communities working together can reinvigorate downtown. Retailers can prosper in the shadow of large retailing

giants and expanding telemarketers. However, it requires a new way of looking at the world and at the customer.

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Recovery can begin by creating a broadly based organization, including representatives from a variety of groups. Its first task might be to assess the current situation, in order to learn what kind of stores and services customers want in their home town. This can be done through a simple questionnaire devised by local people.

Communities also need to understand why people shop at the discounters. It may be a surprise to learn that price is not always the most important consideration. Merchandise selection and availability, and customer service, will often be as important. While local merchants can't hope to compete by having more merchandise selection than the discounters, they can find the gaps in the discounters' inventories and exploit these opportunities. Effective competition must be based on having a very specific selection which meets the needs of customers.

No one owns the customer. Customer loyalty has taken its place in the Nostalgia Hall of Fame. Sometimes the customer gets blamed for the changes taking place, and is called disloyal for shopping at the discount merchandiser. The truth is that

retailers just rent customers one day at a time. The rent they pay is in convenience, merchandise selection, matching their operation to customer needs, and real service. Customers will shop locally, but getting them to do that requires a number of important changes.

Customers should be given good reasons to shop with home town merchants. Some groups wage "Shop At Home" campaigns hoping to create enough guilt to overcome the temptation to shop at the discount store or the mall. Surveys often indicate that service is a very important factor. National retailers have liberal return policies and often expand the guarantees of merchandise. Local merchants talk about service, but too often customers are made to feel that it is their fault if something must be returned, or they must wait a long time to get a replacement. The customer must be right one hundred percent of the time. Downtown merchants should also expand or shift their hours of service. Staying open past 5 p.m., and on weekends, is important in an era of two wage-earner families.

Also, start looking at the discount store as a friend. We can't make them go away, and there is probably little we can do to affect the way they do business. But discount stores bring a precious gift to our towns — customers. Look at that as a resource.

Don't forget to celebrate downtown. Work to create festivals and celebrations located in the downtown area. Bring people downtown to hear the message that it is alive and well. This will also give merchants a chance to show off their goods and services.

Many communities have been successful in restoring their downtowns as vital social and business centers. It is important that we not allow the valuable cultural, visual, and economic environment that our downtowns represent to fade away. ♦



On-Line Comment

It is important to keep in mind that downtown is not merely a collection of retail shops. A successful downtown serves a 'mixed-use' function. It is the center of government, commerce, entertainment, recreation, worship, etc. for the community. If we want our downtowns to survive, we must encourage as wide a range of activity downtown as possible. This is the single biggest draw to downtown — its diversity.

— Thomas C. Dow, Lawrence, Kansas.



One Big Mayo Combo

“Like a lot of California cities, Santa Clara razed its central district during the redevelopment boom of the 1960s, replacing it with a shopping mall. Now, many regret that move and are pushing to turn back the clock by building a new commercial core with the look and feel of a traditional downtown. ...

[City officials] speak of a desire to create a distinct sense of place that will restore Santa Clara’s geographic identity ... These days, the only true landmarks are freeway signs, notes Planning Commissioner John McLemore. ‘It’s all one big mayonnaise combo. City upon city, you can’t tell the difference.’ “

From an article in the San Jose Mercury by Tom Schmitz (May 1996).



Downtown is People

“Many downtowns still have the storefront buildings that once housed residents above and could again, but too often this potential remains ignored. There really was a timeless logic to the historical pattern of development that produced a street-level store with residents above. ...

The downtown resident is one of the most valuable and unappreciated assets cities have lost during decades of decline. A permanent consumer/user force to support the stores, work in the offices, ... to populate the street, to make life interesting — this is what any downtown needs.”

From The Living City by Roberta Brandes Gratz (1989), 223.

▶ *Jack McCall is a retired community development specialist living in Chillicothe, Missouri. He is the author of The Small Town Survival Guide: Help for Changing the Economic Future of Your Town. This is one of a series of columns by Jack McCall on strategies for strengthening community economic development.*



Playing Fair

by Kennedy Lawson Smith

When a new discount or shopping mall comes to town, local government usually pays a heavy price in one way or another. In some instances, the city may pay to build roads or extend utility lines to the development site — at a hefty price. In other cases, it may finance bonds or agree to pay other financing costs. Occasionally, local government even pays developers of new commercial sites a fee to encourage them to select the community. In virtually all instances, the local government eventually ends up footing the bill for extending municipal services, such as police protection, to the new site.

Ultimately, new commercial development outside the community’s existing areas of commercial concentration is fiscally self-defeating for local government unless the commercial growth is paralleled by substantial growth in population. The costs of extending infrastructure and services, providing financing or offering outright development concessions are rarely paid back by new sales and property tax revenues. Conserving and investing in *existing* resources are better fiscal policies.

To that end, insist that the city or county play fairly with the downtown and existing neighborhood business districts when making decisions about new commercial development. If a developer proposes a new commercial site, local government should commission an impartial analysis of the new development’s economic impact on existing commercial areas over an extended period of time. And, local government should invest *at least* as much downtown as it will be spending to accommodate the developer of new commercial properties. The funds committed to this investment might be raised through implementation of a development impact fee, tax-increment financing or an outright ongoing contribution to downtown revitalization efforts.

Kennedy Lawson Smith is Director of the National Main Street Center. Her comments are reprinted with permission from the April 1994 issue of “Main Street News.”