

Downtowns Grow One Step at a Time

by Roberta Brandes Gratz

In a two-block section of East Main Street in Columbus, Ohio, signs are evident of a modest but growing downtown rebirth. Here, a small developer is attracting new local businesses, one by one, building by building. Some of the buildings are new, some old. The old ones are a hodgepodge of commercial and industrial buildings of a once thriving downtown economy, faded from the memory of most Columbus residents. Some of the new buildings – modern and modest in scale – exhibit ingenious advances in environmental design, saving tenants considerable dollars in utility costs.

Only small and modest-size things are happening here – but over time, big change is occurring.

The New York Times published a story last July about the continuing decay of downtown Columbus “even as vibrant development grows on its fringe,” a story that could be written about many American downtowns of every size. The story noted that the city had a new big plan for downtown revival including grand visions to “reconnect” the downtown and generous new financial incentives for developers, none of whom were jumping at the opportunity.

“A coffee shop in the heart of the city is called ‘Insomnia,’” the article began. “A sign on the door says it closes at 5 p.m., but that is not true. It never even opens.”

Columbus is a prime example of a city that viewed more parking as a solution for downtown rebirth. While tearing down block after urban block for parking, the substance of what makes a fully functioning downtown was ignored. Now Columbus has more parking than reasons to park. Downtown has a number of important activity-generating attractions. Missing, however, is the urban fabric – that hard-to-define mix of small and large uses and buildings – that comprise an authentic place. The center of downtown has the

State Capitol, the fabulously restored and expanded historic Columbus Theater, gleaming office towers and, unfortunately, the anti-urban, fortress-like, mall ironically named City Center. City life, however, is not apparent.

But less than a 10-minute walk from this lifeless core, the tiny Bread & Better bakery/restaurant, located in the corner of a former car dealership, has a regular overflowing breakfast and lunch business and a packed crowd for Thursday's Soul Food Day. The Indian Oven Restaurant across the street fills its hundred tables with diners from distant city neighborhoods. A locally owned street-front pharmacy serves growing foot traffic and clients of its neighbor, a medical services building across the street. A retail sign maker recently moved into a converted welding shop. Several architectural and legal firms fill new and converted spaces.

The owner of Bread & Better, Karen Whitson, and the car dealer-turned-developer of this Downtown South District, Dan Schmidt, are just the kind of local entrepreneurs bringing life back to scattered downtowns across the country. These small entrepreneurs, needing only modest financial assistance, have been the catalysts for the incremental rebirth of local economies, often leading to larger revivals. They stand in stark contrast to the budget-busting big development projects – expensive stadiums, convention centers, aquariums – each promoted as a magic bullet. More often than not, however, these magic bullets miss the target of genuine revival.

Small entrepreneurs, not more parking or big, expensive visitor-dependent attractions, are the key to any downtown rebirth. Without them, local economic regeneration does not happen. With them, renewed local appeal, street life, and economic activity is probable, though not guaranteed.¹ Look at the roots of any downtown regeneration success – from SoHo to Pioneer Square, from Michigan's

Holland to New York's Corning – and the same process is evident.

“A lot of little developments link together over time and breed bigger things,” says Schmidt. “No arena that raises the profile of the city builds the urban fabric.”

This goes to the heart of the real issue of downtown rebirth. Part I of these two articles (in *PCJ* #48, Fall 2002) focused on the constant refrain in ailing downtowns of all sizes that “what we need is more parking,” the perceived, but rarely real, issue. The second most common refrain is: “What we need is The Gap.” The retail salvation that rarely exists.

Behind this Gap longing is “mall envy.” So much downtown money is spent on marketing and demographic studies aimed at luring the department store anchor or chain store, like the Gap. People become disillusioned when their dreams of a return to the days of glory do not materialize. The biggest mistake a downtown can make in a rejuvenation effort is to try to compete with the mall on mall terms. Downtown must be a place people come to instead of the mall precisely because it offers a different experience.

Listen to how Dan Schmidt got Downtown South just east of Columbus' downtown core off the ground. An accidental and untrained planner/developer, Schmidt took over the family car dealership 25 years ago, soon after he graduated Nashville's Vanderbilt College, “a great

¹ This is not to say that public investment, in forms ranging from infrastructure improvements such as sidewalks and street lighting to small-business loans, are not important. Indeed, public investments can be critical to the success of small downtown businesses. However, there is a fundamental difference between massive single-project investments, and public investments designed to support the efforts of small, locally-based, entrepreneurs. The growth of small entrepreneurs is what often leads to the larger, more noticeable investments. A much more detailed look at ways in which communities can help nurture small businesses is included in my book, *Cities Back from the Edge: New Life for Downtowns* (John Wiley & Sons, 1998)



Two recent additions to Columbus, Ohio's, Downtown South district.



urban campus" that, along with other places, opened his eyes to "authentic urbanism." Schmidt sold that car dealership, emptying the East Main Street property. This stretch of East Main, he says, used to be a vibrant retail hub. Schmidt maintains another car dealership in a Columbus suburb but is "passionate about downtown." He started acquiring additional property (now totaling four square blocks on 12 acres) and tore down some bars and rooming houses, but kept the commercial and industrial potential. He "master planned" the area by "asking what is missing" and aimed "to get what we can at street front."

Schmidt started making presentations about the area, including one at the Metropolitan Club two years ago at which home-based caterer Karen Whitson said to

him afterwards, "I belong in that development." He reached out to potential tenants, including the local pharmacist and the Bangladeshi-owner of the Indian Oven which existed in a 10-table space in a house on the Ohio State University campus.

"Instead of marketing the area," Schmidt says, "I invested with the owner in a quality design for the restaurant. Ethnic food is a destination today. I wanted the foot traffic and new customers to create the excitement and attention."

Schmidt had an impossible time dealing with bureaucracy to get banners under a city program so he did it on his own, bringing instant additional recognition. Now, some of the businesses want his banner in front of their place and offer to pay for it. He planned residential development "after things got started" and has a 60-unit residential project ready to go.

Intuitively, Schmidt seems to know all he needs to know. He has no ambition for The Gap but he would like a high quality grocer, but recognizes that won't happen until more density exists. Density is critical for any downtown success, but few recognize both its importance and need to be street-oriented.

For a high-end national retailer to find a downtown location appealing, an existing market must be evident. In other words, a critical mass of successful businesses must already be in place. This occurs when the first steps involve local residents who care about and believe in their community, and local entrepreneurs who take advantage of underused, cheap space to experiment and start something new and innovative.

Neither corporate chains nor large developers are risk takers. Only small entrepreneurs, with their modest visions and expectations, are natural risk takers. They can and should be encouraged. When they succeed, business by business, building by building – and when this momentum becomes evident – then sud-

denly the bigger businesses and developers sit up and take notice. Ironically, that is also when the primary local concern becomes the threat of national retailers moving in and putting the little guys out of business.²

Karen Whitson and her Bread & Better exemplifies the innovative spirit local entrepreneurs bring. Whitson was running a successful part-time catering business from her home for two years, while holding a fulltime job she didn't love. Her first choice to locate the restaurant of her dreams was a promised new development further out of downtown's center, near a suburb. But after hearing Schmidt describe his plans for the Downtown South district, she realized that was where her business belonged.

A \$7,500 micro-enterprise loan had previously helped get her home-based catering business off the ground, providing the funds for license fees, a used van, insurance, and restaurant association membership. Whitson's track record with her home business helped her secure a modest Small Business Administration loan for the restaurant, even though she says the SBA process is "painful," overly intimidating, and arduous for any new entrepreneur. A city loan program for "emerging businesses" did not cover renovation costs, so she turned to her mother to close the financial gap. After nine months of growing success, she added jazz in the evening to her Fall menu, seeking to take full advantage of her 50-seat patio.

The "what is missing" strategy was the heart of the downtown revival in Mansfield, Ohio, a city of 50,000 in the north-central part of the state. John Fernyak, a downtown property owner, embarrassed by the deterioration of his birthplace, started buying and renovating the wonderful remaining old, but empty, Main Street buildings. He hired Katherine Glover, an energetic young woman, to help find businesses to fill the renovated stores. Glover

continued on page 6

² Many national retailers require huge spaces, the kind that swallow up the smaller, local stores. To protect against this, many downtowns now limit the square footage (i.e. 30,000 square feet) that any one store may have at street level. Big stores can still expand to the second floor in some places, but can't supplant a whole block of smaller spaces into which a diversified assortment of businesses would go.

Downtowns Grow One Step At a Time...

continued from page 5

met with every local group possible to find out what people wanted downtown. Local restaurants, pubs, bookstores, and a bakery were high on the list of what people wanted to see downtown.

Glover found such businesses and persuaded them to open in downtown Mansfield. This provided the critical mass, the momentum, needed to attract other businesses.³

So the real challenge, the challenge to make downtown the appealing place worth trying to find a place to park, is encouraging the birth and growth of local businesses. Suffice it to say, this is the most difficult issue to get planners and local officials to think about in new ways. For too many years, too much money and energy has been expended on trying to lure the big established business to move

³ A more detailed account of what happened in Mansfield can be found in *Cities Back from the Edge*, cited in footnote 1.

into town with hundreds of promised jobs. It has added up to an enormous blind spot.

With considerably less public investment, but considerably more creativity, local businesses can be created, nurtured, and helped to grow. This will yield more jobs, diversity, originality, and stability than what comes with depending on one big, dominating employer. We all know how layoffs (or worse, relocation) of such a dominant business can send a community reeling for years.

New enterprises in so many downtowns are providing the financial boost that economic development experts have been trying to achieve for years. The success here is based on giving birth to new businesses instead of trying to lure mature ones from outside the local economy at great expense. They are the untapped potential of downtown revitalization and growth, and remind us of how cities and their vibrant economic life started in the first place. ♦

Roberta Brandes Gratz is an urban critic, lecturer on development issues, and author of *Cities Back From the Edge: New Life for Downtown* and *The Living City: Thinking Small in a Big Way*, both published by John Wiley & Sons. For more on strengthening our downtowns, see Gratz's previous article for the PCJ, "We Don't Have Enough Parking!" in PCJ #48.



PLANNING ABC'S ▶

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