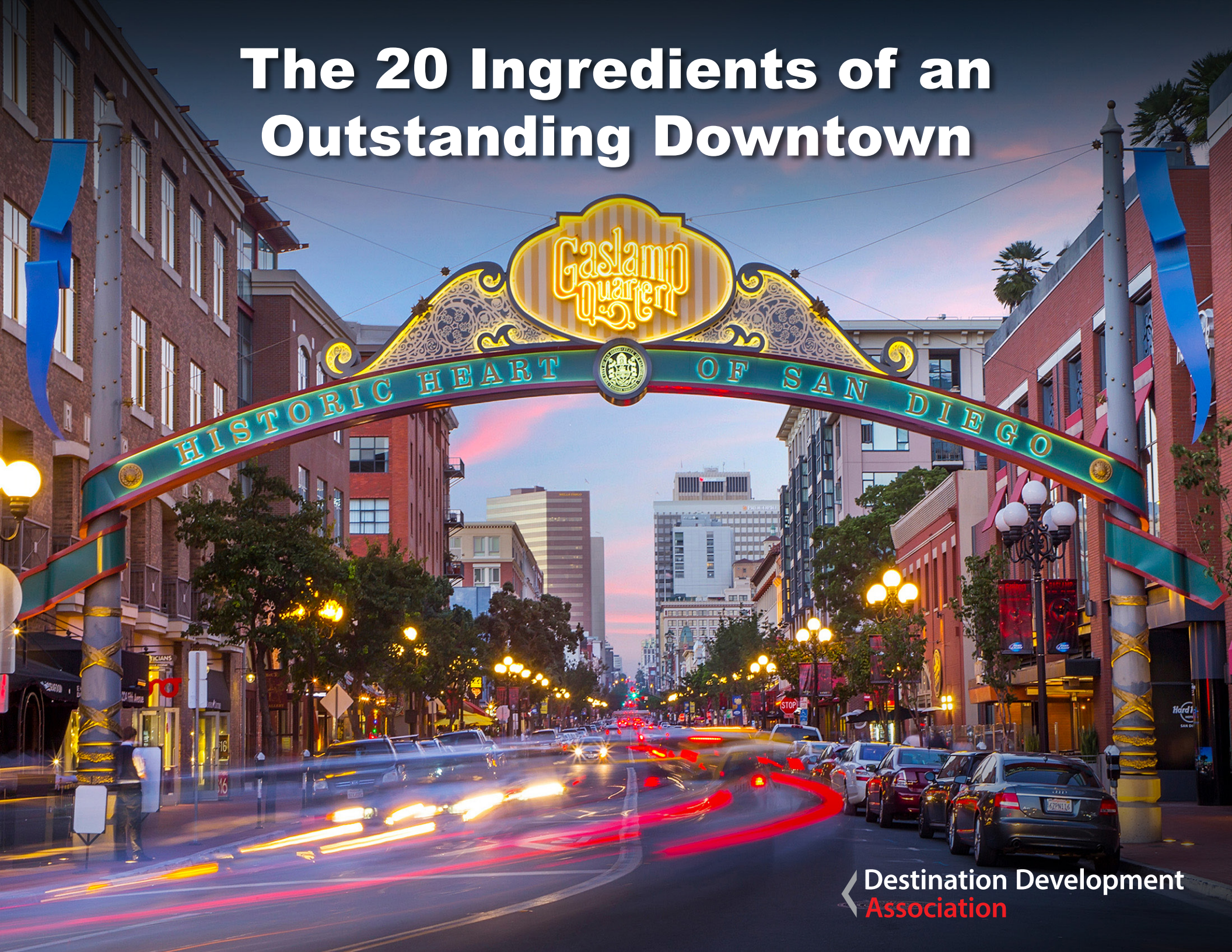
The 20 Ingredients of an Outstanding Downtown



Destination Development Association

Where did this come from?

For more than 30 years the DDI team has worked around the world helping communities become outstanding destinations for investment, new business opportunities, and as a place to live and visit. Coming from the tourism industry, we discovered an interesting fact: The number one activity of visitors in the world is shopping, dining and entertainment in a pedestrian-friendly, intimate setting – your downtowns. This is where 80% of all non-lodging tourism spending takes place. That's right: 80%.

Is it any wonder that Disney has built Downtown Disney right next to its theme parks? It's to capture that visitor spending. Understanding this changed our business – we realized that downtowns are critically important to any tourism program and that downtown and destination marketing organizations should be joined at the hip.

Digging a little further, we found a couple more interesting facts:

1. If you don't hang out in your own downtown, neither will visitors. Visitors go where residents go. If that's somewhere besides downtown, that's where visitors will go as well.

2. Overnight visitors spend the night where there are things to do after 6:00 pm. In fact, 70% of all consumer retail spending, including that of visitors, now takes place during the evening hours. Are you open?

But even with this information, a big question loomed: What does it take to create a downtown where visitors AND locals would spend time and money? We decided to find out.

We developed a list of criteria that included nearly 80 items: from store hours, to parking limits, to business mix, wayfinding signage and marketing programs.

We then surveyed 400 successful downtowns and downtown districts (big and small) throughout the U.S., Canada, and Western Europe. Using the 80-item list we found the 20 most common ingredients that led to their success.

Few downtowns had all 20 ingredients, but those with 17 or more got an "A" from our research and were clearly successful destinations. Many had 15 or 16 and those earned a "B," and those with 13 or 14 earned a "C." After working with nearly a thousand communities and surveying hundreds of others, we found that more than 600 of those did not meet the qualifications to earn a "C," and were not nearly as successful.

Additional criteria to determine success was then included:

- The downtowns or districts had to have at least a 97% or higher occupancy rate in the core district or area being surveyed.

- The lease rates had to be "market rate" or higher compared to similar cities and towns in the state, province, or region.

- The turnover had to be less than 5% per year. Revolving door downtowns are not sustainable in the long run.

- They downtowns or districts are seen as the lifeblood of the community. Full of activity and life.

There are 19,500 cities and towns in the U.S., and of those, 18,500 have populations of less than 40,000 residents. In Canada there are more than 8,000 cities, towns and villages, of which more than 7,500 have smaller populations. And the majority of these cities and towns have struggling downtowns. We are in an age when people want to spend time in vibrant downtowns more than ever before. Yet because many downtowns have property owners who do not work together with a common vision, many of whom are absentee owners, or they have regulations that stifle successful retail or other dysfunctional qualities, developers are now building new "downtowns" – lifestyle retail centers. These are designed to mimic the traditional downtown of yesteryear. Virtually all of them use these same 20 ingredients to ensure their success.

As you go through the 20 Ingredients of an Outstanding Downtown, see how your downtown or district stacks up. If you have 13 or more of these ingredients, wonderful! Please let us know! We are always updating our research, looking for great case histories, and would love to share your story with others.

For those of you working hard to turn your downtown into an outstanding destination, we hope these ingredients can become your "Action Plan" so that your community can enjoy the benefits of an enjoyable, economically healthy and vibrant downtown. We would love to add your community to our list of Outstanding Downtowns.

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The Property Owners List

1. They all begin with a plan

Successful communities start with a plan. Bring together your partners and stakeholders, and work together so that everyone's efforts are towards common goals and a defined direction.

- Every community has different features, so each community needs its own special Branding, Development & Marketing Action Plan.
- Identify what sets your community apart from everyone else. Make that the focus of your executive summary and your detailed vision statement. That will be your strongest sales tool.
- Your Action Plan needs to include your brand and brand promise, product development plan, and marketing plan.
- Your Action Plan needs to be a detailed "to-do list."

2. They defined a strong brand and retail focus

Branding is perhaps the most misunderstood concept in the world, yet here we are smack dab in the middle of the "Era of the Brand." Outstanding destinations have a strong brand and a successful, vibrant retail core.

- Brands are perceptions
- Brands are built on product
- Brands are earned: Good or Bad
- Brands are built using public relations and word of mouth
- Brands must be experiential
- Branding is the art of differentiation
- Jettison the generic

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3. They orchestrated recruitment of "critical mass" or "clustering."

Successful downtowns need to have a critical mass of like businesses. This would include a minimum in three lineal blocks:

- **Ten places that sell food:** soda fountain, coffee shop, bistro, café, sit-down restaurant, wine store, deli, confectionery.
- **Ten destination retail shops:** galleries, antiques (not second hand stores), collectibles, books, clothing, home accents, outfitters, brand-specific businesses, garden specialties, kitchen stores, cigars, etc.
- **Ten places open after 6:00 pm:** entertainment, theater (movies, performing arts), bars & bistros, specialty shops, dining, open air markets, etc.

4. They each have "anchor tenants"

An anchor tenant is your primary lure – what makes you worth a special trip.

Like every mall, every town relies on anchor businesses to attract customers, and all the other businesses benefit.

To be a successful community, you must have at least one or two anchor businesses, ones that people would drive an hour – or more – to visit.

Always promote your anchor tenants – your primary lures. Create a "best of" brochure for your community that highlights your very best attractions and businesses.

5. Lease agreements included defined operating hours and days

- 70% of all consumer spending (both locals and visitors) takes place after 6:00 pm.
  Are you open?
- People spend the night where there are things to do after 6:00 pm. Visitors don't like sitting in a hotel room after dinner watching TV.
- Conferences and conventions are booked around things to do AFTER the meetings adjourn that day.
- The majority of the businesses must be open after 6:00, not just a few. If half the stores in the mall closed at 6:00 rather than 9:00, would you go to the mall after 6:00?
- Start by staying open on Friday and Saturdays until 7:00 pm the first year, then add Thursday, then Wednesday.
- Bring nighttime music and entertainment downtown to provide incentives for people to go.

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6. People living and/or staying downtown

- The reinvention of downtowns also includes residential upper-story development: condos, loft apartments, downtown hotels and a business mix to support them.
- Residential drives retail. What comes first? A downtown that people will want to live in. This includes businesses open AFTER 6:00, entertainment, all in a pedestrian-friendly, attractive downtown setting – a "Third Place:" the place we want to live and hang out.
- Hotel development downtown is another great mix that provides "new" customers nearly every day. Hotel development helps restaurants and destination retail shops flourish.

7. Pioneers with patient money were convinced to invest

- Every downtown revitalization effort requires property owners with patient money, the will to "make a difference" and the ability to think long-term.
- Reduce rental rates until you develop the critical mass so that key merchants can stay alive until you become a destination downtown.
- Incentives need to happen from the property owners in terms of rent abatements, reduced lease rates, and a focus on the tenant mix: the critical mass.
- It takes one-third of the property owners, working together, to "reinvent" downtown in terms of business mix, curb appeal, upper story living units, etc.
- Every downtown effort requires tireless pioneers and those who will champion the cause. Enthusiasm in contagious and is an essential ingredient for every revitalization effort.

8. They started with just one or two blocks - a "demonstration project"

Begin revitalization in a very small area – concentrate your efforts so they make a big impact fast – just one or two blocks.

Where to start? Where the property owners are most willing to help with the efforts.

Concentrate the focus of creating critical mass in those blocks. Work with property owners on lease agreements, choice of tenants, facades, beautification.

Timeline: Three years. The rest of downtown will see the results and follow along – driven by the market.

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The Public Sector List

9. Solving the parking dilemma

- Two-hour parking in a pedestrian-friendly downtown restricts spending.
- If you insist on two-hour parking, then identify WHERE the all-day or extended hour parking is located.
- It doesn't have to be free, but needs to be reasonable.
- Consider incentive parking programs:
  - Spend $20 or more and get the parking free
  - Have local banks and businesses "sponsor" free-parking days or evenings
  - Reduce the parking fees the longer they park downtown
- Angle-in parking generates increased sales over parallel parking. Additionally you'll get a third more spaces in the same area.

10. Public washrooms

- The number one reason passers-by stop in a town is to use restroom facilities.
- Restrooms should be in the heart of spending districts. Once visitors get out of the car, you have a four-times greater chance of getting them to spend money.
- Make sure they are open 24-hours a day

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11. Development of gathering places

- Turn parks into plazas. Common ingredients include:
- Permanent home for an outdoor open market with permanent structures. Open air (Farmers) markets should be placed in the heart of spending districts.
- Interactive water features
- Multiple stages
- Pocket parks or small venue plazas
- Amphitheaters
- Trees and raised planters
- Public art
- Night lighting and walking areas
- Music

12. Creation of good first impressions: Community Gateways

- Look at all gateway signage: does it reflect well on downtown?
- Always place your gateway signs where you make the first, best impression.
- Signage at city limits should be directional signage to key downtown districts. For instance "Downtown Anywhere – 1 mile."
- Place gateways at your downtown or district entrances. These can span the street, include decorative crosswalks, pole banners and other identifiers creating a "sense of arrival."

13. Design, fabrication & installation of a wayfinding system

- Wayfinding should be decorative to fit the brand.
- It should include both vehicular wayfinding as well as pedestrian wayfinding signage.
- Never put more than five items on any one sign.
- Use 1" tall letters for every 12' of viewing distance.
- Use "identifier" kiosks or maps to showcase district boundaries and key amenities and/or attractions.
- Every community should develop and implement a signage plan and program: wayfinding, gateways and entries, billboards and marketing displays, amenity identifiers. Nationally, less than 5% of visitors stop at visitor information centers – IF they can find that.
- Wayfinding also educates local front-line employees of what you have to offer and where it's located.

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The Merchants List

14. A good first impression: downtown or district gateways

- Downtown gateways create a "sense of place" and arrival. They can also promote a sense of group pride among the merchants downtown, helping to foster group cooperation with beautification and marketing.
- They should always be attractive and reflect the ambiance of the town, promoting a feeling that you have arrived at a special destination.
- Decorative crosswalks are an excellent way to separate the district and increase pedestrian safety at the same time

15. 20/20 signage: retail signage rules & regulations

- Develop perpendicular or "blade signs" in core downtown districts.
- Typical guidelines: no lower than 7', no higher than 9', no wider than 42". Keep them consistent in height and width so you don't create sign clutter.
- Create a merchant-driven signage review committee. This would include retail signage, the use of sandwich boards, extension of window displays into exterior spaces.
- Businesses need to promote, on signage, their key "lure" more than the name of the business.
- Get rid of the "Closed" signs and instead use "We'll be open" signs.
- Never use "restrooms are for customers only" or "no public restrooms" signage. Instead, tell customers WHERE they can find restrooms.

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16. Sidewalk cafes and intimate surroundings

The biggest trend in successful downtowns is the creation of intimate surroundings:

- Narrower streets
- Wider sidewalks
- Street trees every 30' to 35'
- Buffers between sidewalks and traffic or parking
- Decorative crosswalks
- Decorative night-lighting
- Architectural lighting

Other common ingredients include:

- Water features
- Sidewalk cafes and exterior dining

17. They invested heavily in retail beautification

- Extension of window displays to exterior spaces, NOT outdoor merchandising. Folding tables, boxes of goods, shopping carts piled with goods, are NOT good examples of curb appeal and should be discouraged or not allowed.
- The most important element of curb appeal is the softening of the transition of building facades and the sidewalk, not curbside street trees and landscaping.
- Besides word of mouth, shoppers typically have only curb appeal to help determine whether or not a shop is worth visiting. Curb appeal can account for 70% of new visitor sales at restaurants, retail shops, and hotels and lodging.

18. They provide activities and entertainment: bring downtown to life!

Bring downtown to life!

- Open air markets should operate for at least three days a week, during at least a 24 week season (depending on location).
- Invite street musicians and street artisans on weekends.
- Recruit outside events into plaza areas.

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19. They gave downtown districts a name

Give downtown a name. This will make it a destination, as opposed to just a place. It will also get downtown on highway signage.

Popular downtown district names include:

- Pearl District in Portland, Oregon
- Bricktown in Oklahoma City, Oklahoma
- Gastown in Vancouver, British Columbia
- Pioneer Square in Seattle, Washington
- Gaslamp Quarter in San Diego, California
- Baker Street in Nelson, British Columbia
- The Rail District in Snoqualmie, Washington
- Bourbon Street, The French Quarter in New Orleans, Louisiana

20. The marketing is experiential: focus on activities, not buildings

- Perceptions create a brand in multiple ways:
  - Visual cues
  - The people and attitudes
  - Word of mouth
  - Publicity, social media, peer reviews
- Always sell a feeling: not buildings and the physical environment
- Visitors are far more interested in the things to do than in the location
- Develop an activities guide that promotes what there is to do in your community

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