



Downtown on the Upswing

Working together, government officials and businesses are utilizing careful planning and strategic vision to revitalize the nation's once-thriving town centers.

Cynthia Kincaid (Aug/Sep 07)

Kannapolis, North Carolina, a 100-year-old manufacturing community, was once sustained predominately through jobs from the nearby textile mill. When the mill closed, the resulting 5,000 lost jobs hit the area hard. Rather than giving up, city and business leaders have joined forces to redevelop the downtown and surrounding areas into something unique and sustainable for the community.

David Murdoch, chairperson and CEO of Dole Foods and former owner of Cannon Mills, bought 350 acres in downtown Kannapolis, which is near Charlotte, setting his vision on building a world-class research campus focused on food and nutrition. Many of the residents and stakeholders couldn't be happier.

"We have an opportunity to reach out to a region of the state particularly hard-hit by global competition for manufacturing and agriculture," says James Moeser, Ph.D., Chancellor of the University of North Carolina at Chapel Hill. "We want to leverage our considerable research strengths in obesity, nutrition, and disease prevention, creating jobs and improving the lives of all North Carolinians."

Other communities around the nation are also in the beginning or middle stages of recreating themselves through downtown revitalization - a process that can take years of effort and millions of dollars, but that, if done right, can result in meaningful progress.

Campus Retreat

The North Carolina Research Campus, based in Kannapolis, is a joint venture between Dole Foods, Castle and Cooke, Duke University, the City of Kannapolis, and the University of North Carolina system. The \$1.5 billion venture will include the Dole-North Carolina State Institute for Advanced Fruit and Vegetable Science, the University of North Carolina Center for Excellence in Nutrition, a state-of-the-art Dole Analytical Laboratory, and a high-tech incubator for startup firms. Additionally, Laboratory Corporation of America will also establish a major presence within the development. Duke University will locate its Institute for Translational Medicine to the campus and its scientists will run the core lab.

According to Mike Legg, city manager for Kannapolis, the research campus will generate \$1.3 billion worth of new investment and create 37,000 new jobs over the next 20 years. One million square feet of research space will be available for lease to companies wanting to be part of the research facility. In addition to the numerous universities and municipalities coming on board, the NorthEast Medical Center - a 457-bed, not-for-profit medical center in Concord - is expected to begin operations at the research campus in 2008 and will occupy a new dedicated healthcare building. Cabarrus Family Medicine, a multi-clinic group providing comprehensive family healthcare, is also expected to expand and play a role in the campus.

"We are excited about the possibility of creating an internationally recognized research institute that would contribute significantly to our understanding of how the foods we eat affect our overall health and longevity," says Steven H. Zeisel, M.D., Ph.D., director of the UNC Clinical Nutrition Research Center. "The location will allow us to collaborate with other partners who will locate research facilities here...to translate our research findings into practice."

Success and Market Demand

While revitalizations such as these can stimulate the economy and bring new jobs, money, and energy to blighted downtown areas, those considering such projects will need careful strategic planning and futuristic vision in place. "There are lots of people who have these ideas, but you have to look at it from a market demand point of view," says Steve Engel, president of Griffis/Blessing, a real estate services firm. "There has to be demand to consume the square footage that you build, and you need to understand your market - where it is and where it's heading."

Just such understanding has gone into a newly conceived revitalization in downtown Colorado Springs, Colorado, which is being developed in part by Griffis/Blessing. After a year of study and debate, the "Citygate" project is underway, located at the entrance to south downtown, at the crossroads of Highway 24 and Interstate 25. Developers hope to build on the area's already strong historic and geographic strengths. Scheduled for inclusion in the redevelopment are a new convention and visitors bureau, mid-rise office buildings, retail, restaurants, and residential housing. A build-out of 10 to 12 years is expected for completion.

"Citygate is just a phenomenal location," says Engel. "It's the southern gateway to downtown Colorado Springs and serves the whole western and southwestern trade areas for the community." So far, Las Cruces Properties has moved a portion of its business to Colorado Springs from Las Cruces, New Mexico, to be closer to Peterson Air Force Base. Major Medical Supply is also relocating its oxygen supply store to the area from Denver.

Engel is quick to point out that the redevelopment is occurring because of careful planning and forethought. "We are not doing this on a hope and a prayer," he says. "Our market demand is there. In fact, our market studies show that the market demand is more than we can build there."

This need for market demand, and the ability to prove the economic viability of such revitalizations, is crucial. Employers large and small need to envision how such redevelopments can translate into well-paying jobs and decent housing for workers well before the first shovel of dirt is turned. Done correctly, downtown revitalization can help the wealth spread across all sectors.

New Sectors and Existing Residents

Another boon for those who plan and correctly execute downtown redevelopment is the addition of new businesses and new residents into the community. "Pure life science, biotech, and pharmaceutical companies have not really been attracted to the Charlotte region in the past," says Legg. "[The research campus] changes all of that in a big way. Now there is a reason for them to be in the Charlotte area, because there is such a unique collaboration of universities."

Downtown Memphis, Tennessee, has seen its share of revitalization and development, with still much more to be done. Having numerous historic buildings in need of redevelopment, many developers took a hard look at the economic viability of revitalizing downtown, after much of the retail in the area moved to adjacent malls.

"We had all of these warehouses downtown that were no longer being used as warehouses," says Tony Bologna, owner of Bologna Consultants, a Memphis-based construction consulting firm. With a desire to lure more residents and companies downtown, Memphis started converting the

abandoned warehouse and office buildings into apartments in 1980. From there, they built houses and office buildings on Mud Island, a park-like area located off of downtown. Much of the housing was targeted for people already working in the downtown area.

What has made the current downtown redevelopment in Memphis successful is the city's unique location as a gateway for business and manufacturing distribution. "With Federal Express, the railroads, and all the barge traffic that goes through here, we are a major distribution center," says Bologna. In addition, the area has St. Jude's Children's Research Hospital, as well as numerous government agencies to provide good jobs. "We were also able to entice AutoZone to move its corporate headquarters downtown," he says. "They took an old warehouse building, renovated it, and built a brand-new office building for their headquarters."

The revitalization of downtown Memphis has worked. More people are living and spending time in the area. "We have a lot of things going on downtown: theaters, festivals, and sports," says Bologna. "People have now adapted to urban living as a way of life."

So successful are some of these downtown remakes, that many cities around the country are entering into the fray with large and small projects:

- In downtown San Diego, a 34-story office tower, with a focus on environmentally-friendly design, is currently being proposed. In fact, the building is striving to be Leadership in Energy and Environmental Design-certified by the U.S. Green Building Council. Irvine Co., a Newport Beach developer, anticipates design approval in summer of 2007 and groundbreaking by mid-2008.
- In northern California, downtown Napa has seven major private developments in various stages of construction including, an Oxbow

Public Market and Annex, a Westin Verasa hotel, residential construction, and restaurants.

- More than \$2 billion in private and public investment has been utilized or is planned for downtown redevelopment in Scottsdale, Arizona, during the next five years. Some of this money has already resulted in projects that include mixed-use office space in Stetson Plaza, the Portales Corporate Center, the Hotel Valley Ho, and Waterview hotel and residential complex.

- In the late 1980s, the city of Joliet, Illinois, created a Joliet City Center Development Plan to revitalize its downtown core. Many aspects of the plan have been completed, including the Harrah's Casino Pavilion and Hotel, the Freedom Court building, and expansion of the Joliet Public Library. More than \$128 million in property valuation has been added to the downtown area.

Creating a Substantial Foundation

According to Legg, to succeed in a downtown redevelopment requires "something substantial that moves downtown and creates well-paying jobs. And you have to create higher density residential sections that draw people downtown after hours and on weekends." Bologna agrees and adds to the mix good corporate citizenship and developers with deep enough pockets to roll with the lean years. "You've got to have developers and clients who are not looking for a quick buck, who are looking to stay the course, and who can keep the vision they started out with," he says.

Ultimately, says Legg, successfully revamping a downtown area requires a combination of vision and action. "You've got to get aggressive, take risks, and make it happen," he says. "Most things usually fail because of a lack of vision. Once you get past that, then you can start working on the details."

