

E. Case Study Analyses

Overview

The existence of the historic city and its business structure provide the backdrop for successful urban redevelopment. To learn the lessons from others' successes and mistakes gained in the process of central city redevelopment, the Market Team conducted case study analyses of six successful redevelopment efforts. The results of these analyses are discussed below.

The case studies were conducted in order to identify strategies and plans that have worked in other cities so as to provide input and direction for St. Louis' downtown redevelopment. Two types of case studies were conducted, profiling:

- Successful major downtown redevelopment efforts. Areas considered were Philadelphia, Baltimore, Dallas and San Antonio.
- Innovative and successful individual projects in an urban setting. The two areas of focus were arts and culture in Cleveland, Ohio and mixed use development in Indianapolis, Indiana.
- The most important conclusions of the case study analyses were that redevelopment success was achieved with the help of the following four crucial elements.
- Strong leadership, both civic and entrepreneurial.
- A strong theme, which connected the city's history and identity, and integrated it into the redevelopment project and its marketing.
- Large-scale catalyst projects.
- Connectedness or integrated design of various land uses which achieves a synergy.

The following are the conclusions of the specific case studies.

Philadelphia, Pennsylvania

Background

Philadelphia's redevelopment effort shows that a downtown can be revitalized based on strong leadership, heavy reliance on a historic image and a continued effort for the process to reinvent itself (e.g.: revitalization is an on-going process). The history of Philadelphia is much like that of many cities in the post world war era, where changes in production and transportation led to a flight of manufacturing jobs from the urban core, leading a decline in the downtown. As early as the 1960s, Philadelphia assumed a leadership role in rebuilding its downtown. Using the power of eminent domain, Philadelphia renovated hundreds of historic homes in Society Hill, reclaimed its waterfront, reinvested in mass transit and maintained healthy retail and office markets. Despite these efforts, by the 1980s **downtown** Philadelphia had declined. Streets were dirty and vacant looking, especially at night, and tourism to the city had significantly declined as well.

Leadership

In order to reinvigorate downtown, Philadelphia's civic leadership decided that it was crucial to become a "destination" city. Toward this end it was crucial that both



private and public interests work together, and that success be initiated through a major catalytic project. In the early 1990s, these factors came together with the creation of the Center City District and the construction of the Convention Center. Both of these projects were the result of cooperation between public and private leaders. Mayor Ed Rendell's can do attitude and salesman's persistence is generally regarded as instrumental to Philadelphia's revitalization efforts. Furthermore, without strong support from local business leaders, much of what has been accomplished would not have been possible.

Management

The Center City District (CCD) took charge of management. Its success resulted from the following actions.

- Municipal services alone were insufficient to make Center City a place that was clean, safe and attractive. To solve this problem local business leaders banded together and agreed to form a self taxing, downtown management district, which also has the ability to issue bonds. The Center City District brought mall management techniques to the public spaces of downtown.
- The budget pays for round-the-clock street cleaning and unarmed community service representatives who serve as the "eyes and ears" of the police as well as good will ambassadors who are knowledgeable about the city and its history. Results have been dramatic with major reductions in crime and an improved image for the downtown.
- CCD installs banners and maps, prepares guidelines for storefront and façade lighting, and conducts annual market studies of the downtown. Finally, using \$21 million tax exempt bond issue, CCD is implementing an aggressive streetscape improvement program, which includes new street lighting, sidewalks, directional signs, and landscaping.

Catalytic Projects

The Convention Center area incorporates a state-of-the-art convention hall with hotel quality finishes, plus additional meeting areas, an assembly hall, and a ballroom, all located in the renovated Reading Terminal Train Shed. Downstairs in the train shed, the century-old Reading Terminal Market was restored without eliminating the vibrant fresh food merchants integral to its character and history.

The Convention Center is also linked directly into 1,200 room Marriott Hotel, another successful catalytic project. The interconnected facilities added 1.3 million square feet of new non-residential space to the downtown and elevated Philadelphia as a national convention venue. It is important to note that Marriott funded the entire hotel with its own reserves, and purchased the land from the city, which had done the assemblage, and offered it at a reduced market rate. The rest of the project was developed with city and state funds, without any federal dollars. This level of private and public commitment was integral to the success of the project. Furthermore, integrating historical structures with new, ties this facility into the rich historic context of the city.

The success of the Convention Center has created more demand for hotels, which in turn, create more demand for restaurants, only to stimulate demand for condominiums, townhomes and apartments. Retail both feeds and draws from urban entertainment complexes. A lively entertainment scene creates happier

conventioners. This combination of events creates a vital streetscape, which justifies further public reinvestment in order to repeat the cycle of success.

Revitalization is Philadelphia's Ongoing Project

In Philadelphia, the momentum is not taken for granted. Penn's Landing is being built as a major entertainment center with an adjoining hotel, Independence Mall is being renovated, and a new performing arts center is scheduled to begin soon to be the cultural centerpiece of Philadelphia.

Philadelphia's comprehensive approach to planning and redevelopment aided by private leadership and investment, the support of local business foundations and strong civic leadership is reaping rewards. Downtown is now a vital and active place which boasts one of the most vibrant restaurant scenes in the United States, where over 40% of downtown workers walk to work, and in which Philadelphians region-wide take pride. Growth is now being recognized in households and business activity. Retail sales and hotel occupancy are also both up.

Baltimore, Maryland

Early Catalytic Projects

As the city grew outwards from its traditional center of the harbor, the downtown and waterfront of Baltimore took on an increasingly negative image. In 1964, the Charles Center, a catalytic mixed use project in the central business district, created the momentum for redevelopment of downtown and the Inner Harbor.

The Inner Harbor shoreline encompasses a large scale redevelopment project that has generated prosperity and economic recovery for this formerly industrial region of Baltimore. Initially the project was undertaken to create a playground for Baltimoreans, expand the tax base and promote business.

Leadership and Management

The city took the responsibility of assembling the industrial land along the waterfront, which would serve as the redevelopment property, and established two innovative organizations - the Charles-Center Inner Harbor Management Corporation (CCIHMC) and the Architectural Review Board. CCIHMC was a quasi-public agency, which merged the powers of the city with the flexibility of private business. CCIHMC was charged with:

- Coordination of city agencies;
- Supervision of design, planning and implementation;
- Recruitment of developers; and
- Promotion of business relocation.

The structure of the city-funded CCIHMC allowed the city to retain control over policy. It also provided an agency that could both represent the city in dealing with developers, and represent developers in dealings with the city.

All development, both public and private, is subject to approval of the Architectural Review Board. This board of well respected private citizens in the development community has been instrumental to the harbors' success, their effectiveness is reflected in the 14 national design awards the harbor project has earned throughout



its development. Furthermore, a board of regional Baltimore's 50 top CEO's convenes regularly to discuss and provide input into the planning and redevelopment of the Baltimore region.

Activities

The first assignment taken by the CCIHMC was to draw a master plan, which was implemented in gradual steps and allowed for flexibility. The master plan called for the creation of regional playground for Baltimorians, and to attain the highest possible standards of design for public facilities, so as to justify high quality privately financed land uses. To this end, the city turned the existing waterfront warehouse district into a large public amenity featuring a wharf, open parks, picnic areas, and promenade. Not much infrastructure was put into the promenade, as the area was designed to accommodate a variety of uses from festivals to sports play. The U.S. Frigate Constellation, first ship of the U.S. Navy, was also brought permanently to the harbor as visual focal point and symbol of the city's history.

An aggressive city program of activities was also undertaken that included national festivals put on by different ethnic neighborhoods, and offered free concerts, boat races, and parades. These activities met with success. However, suburban residents still maintained a negative image of the downtown and attendance was limited to city residents.

The week long docking of the tall ships in the mid-1980s, commemorating the Bicentennial changed this negative perception. Suburban residents, lured by the historical moment, came down to the waterfront to discover that their negative image of the downtown was no longer justified. The event was fundamental to the success of the project, as it increased regional awareness of the downtown and its ever improving infrastructure.

In addition to the regional playground theme, much development had taken place that impressed suburban residents. The World Trade Center, the Maryland Science Center and Convention Center were completed in the second half of the 1970's. With the addition of the Convention center, the Inner Harbor began to expand on its initial goals. Having become a successful regional playground, the CCIHMC now sought to make Baltimore a major tourist destination.

The Second Wave of Catalytic Projects

In 1980, the Rouse Company built Harbor Place, a two story market place that is thematically integrated into the wharf, through ship flags that surround the façade and a design that created a feel evocative of the bustling waterfront activity that lies at the roots of Baltimore's history. The following project characteristics made the project successful.

- Harbor Place sits at the crossroads between the central business district and the waterfront, knitting the two areas together. This was achieved through an open design, which limits the use of walls on both sides, so as to draw people from the business district to the waterfront.
- The building is only two stories high, thus preserving views from the downtown of the Frigate Constellation and the harbor.
- Special consideration was also given to tenant selection.



- Low rent areas were preserved in the middle of the market so that a variety of food purveyors and pushcarts could afford to set up shop, contributing to the vibrant marketplace feel.
- An entrepreneur program was established which recruits and aids minority shop keepers.
- Passageways were made narrow to bring people closer together, generating an increased sense of energy in the structure.

A new Hyatt Hotel added further to the success of Inner Harbor in 1981. The Hyatt, like Harbor Place, was designed to be knit into existing land uses. The Hyatt was physically connected to the convention center, creating a synergy that made the harbor a major convention destination and spurred the creation of additional convention space.

Other projects that continued the momentum of earlier projects and solidified Baltimore's place as a major destination were the National Aquarium and Camden Yards, the Baltimore Orioles' baseball field that integrated offices, a hotel and retail functions. The project has become the standard by which downtown stadiums have been measured.

Dramatic result has also been seen in the areas surrounding the Inner Harbor. Over 1,000 residential units have been renovated or constructed, including historic townhouse and high end condominiums, and more than 3,000,000 square feet of office space have been added since the inception of redevelopment efforts.

The Inner Harbor is now a bustling center of commerce for locals and tourists. Baltimoreans are now proud of their downtown and millions of tourists visit it every year. Dramatic gains in tax revenue have been realized by the city, and sales at Harbor Place are double that of a typical mall.

Lessons learned from the Inner Harbor redevelopment project are many, including the following.

- The importance of combined and sustained support from both public and private sectors can not be overstated.
- The Waterfront masterplan, while flexible, provided enduring vision for the project's two decade development.
- The quasi-public boards of the CCIHMC and the Architectural Review Board were crucial in that they provided city-supported yet autonomous agencies dedicated to the project regardless of the political establishment in place.
- Continuing addition of projects over time helps to sustain the vitality and visibility of the downtown.
- Aggressive public activity projects promote the utilization of public and private facilities.
- Different land uses in the harbor are integrated in historical theme as well as functionally knitted together. This integration creates a synergy that has been crucial to the success of the area.



Dallas, Texas

Background

Downtown Dallas has become a major financial center and commercial hub by the early 1930s, but by the 1970s and 1980s, residential and commercial growth moved to the suburbs. Recently, Dallas has made a comeback based on catalytic projects, renovation of the city's infrastructure and extensive residential development.

Leadership

Integral to Dallas' comeback has been a strong pro-growth partnership between City Hall and the business community. While City Hall has invested over \$200 million in infrastructure and downtown improvements, a large number of public sector projects have been led by the business community.

The results achieved in Dallas are the result of can-do leadership from the public and private sectors. The entrepreneurs who believed in the city's objectives, and backed their belief up with investment, were decisive in Downtown Dallas' turn around.

Catalytic Projects

In 1994, Dallas doubled the size of Convention Center and added a heliport that produced a 60% increase in convention attendance making Dallas the second biggest Convention City in the United States. Currently, about \$4 million convention attendees visit Dallas annually.

Other projects that paved the way for extensive residential development included the following.

- The Downtown Arts District witnessed a \$30 million expansion of the Dallas Museum of Art, which boosted attendance by 40%.
- Beginning in 1975, the city undertook several bond initiatives to raise money for public improvements of the West End, a rundown warehouse district. The investment has paid enormous dividends. Currently, over 100 retail shops and more than 65 nightclubs and restaurants are located in the district. The district attracts 6.5 million people a year and produces well over a \$100 million in annual retail sales.
- The Farmers' Market is an open air produce distribution center. Through an \$18 million public/private partnership, the market was transformed into a lively weekend retail destination featuring food and landscape products.

Public Works Provide Connectedness

The city has also undertaken several public works projects. Former parking lots have been transformed into parks and sculptures and fountains have been added that were funded by both private and public dollars. The sculptures, often evocative of the cowboys, and the Wild West, help to create a cultural identity for the downtown. A downtown Improvement district was also created that undertook landscape improvements along the city's Main Street so as to insure Nieman Marcus remained in the area.

Dallas Area Rapid Transit System (DART) links all of this together with six stops that facilitate easy transport between the hotels, offices, the Convention Center, and the West End.

Focus on Residential Development

In 1991, virtually no residential units existed downtown, now approximately 7,500 units have been built or planned in downtown and the immediately adjacent areas. In order to achieve these results, the City of Dallas offered government subsidies and tax abatements to developers who built residential product in the city. Some old manufacturing buildings were converted and many new projects were built.

Lessons Learned

- City incentives can be the catalyst for successful downtown residential development.
- The various redevelopment zones in the downtown must be integrated to provide connectedness. DART achieved that end.
- Cultural attractions are a good means to bringing customers downtown.
- A vibrant district can be created through the conversion of old warehouse stock to mixed retail uses.

San Antonio, Texas

Background

The revitalization of downtown San Antonio dates back to the 1930s with the creation of River Walk, the beautifully landscaped public park that straddles the San Antonio River. For several decades, however, the park was a crime ridden area, with little to no development along its banks.

San Antonio has been on a 20 year road to revitalization. In the 1950s the city was congested with retail shoppers. In 1961, in order to solve this problem, with city encouragement, the Rouse Company opened San Antonio's first suburban mall to immediate success. The success of the mall was so great that it drew retail away from downtown and, by the end of the 1970s, downtown retail was practically non-existent. No comprehensive plan was ever undertaken but, looking back, it appears that there has been a long-term informal strategy of eliminating congestion by eliminating resident serving retail and a focus on tourist activity.

Catalytic Projects

In 1968, San Antonio held a world's fair to celebrate its 250th birthday. Ninety-two acres were cleared for the fair grounds, which were anchored by the convention center, a theater and the arena. The entire fairgrounds were linked directly to River Walk and the downtown core by a landscaped river channel added for the event.

The fair was the catalyst for long awaited development along River Walk. After the fair, the convention center complex was expanded and numerous hotels and restaurants began to sprout up. Buildings oriented their entrances along the riverside. Balconies and patios for restaurants began to line the increasingly crowded walkways. All this development was built to suit historical design standards consistent with the existing architecture, as the area was a local historic district. The result was a community that felt authentic and unified.



Despite the burgeoning hotel district/ River Walk area, the rest of downtown continued its decline. Recognizing the momentum generated by the fair, business and private leaders stepped in to maintain it. In so doing, they recognized that the rebirth of surrounding areas could best be attained by connecting new development both structurally and thematically to existing successful areas.

The first major project to do this was the 633-room Hyatt Regency Hotel. Passing through the hotel lobby was the Paseo Del Alamo, a pedestrian thoroughfare that connected River Walk with the Alamo. The passage way created new retail opportunities as well as remaining historically consistent with the area. The passage way symbolically recreated the old irrigation ditches that had shaped much of San Antonians early history. Federal, city, private and non-profit dollars combined to make this project a success.

The next major project was River Center, a shopping mall and attached Marriott Hotel. Obstacles to this project were numerous, such as the relocation of historic luxury hotel. However, close public/private cooperation prevailed as the city, federal government, Marriott hotels, Edward J. DeBartolo Corporation, and local private investors combined to insure the project's success. River Center brought retail back to downtown and is one of San Antonio's premiere public spaces, while remaining integrated into the historic context of River Walk. Bridges and walkways cross River Walk making traffic flow from the park to the mall fluid and natural.

Other public/ private ventures followed including a project which combined historic theater restoration, new apartments, office space for arts organizations, and private dinner club. The Alamodome was also built which; through earlier effort to integrate land uses, and is connected via pedestrian path, to the Convention Center and hotel district. Again, public/ private cooperation insured the success of these projects.

San Antonio continues to expand on its growth. As new retail, housing and cultural projects are cropping up at increasing distances from the River Walk core. Class A office space occupancy is now above 90%.

Lessons Learned

San Antonio's history indicates that public infrastructure alone is insufficient to spur development. Sometimes a major event, such as the worlds fair can be the crucial catalyst for redevelopment. Once momentum has been gained, it is crucial that public and private agencies build on that momentum through cooperation and mutual support. Finally, the success of downtown could not have been achieved without the concerted efforts to integrate the land uses both functionally and thematically.



Cleveland, Ohio

Focus: Arts & Culture as Catalysts

In the last 30 years, Cleveland has undergone a transformation from “Mistake on the Lake” to “Miracle on the Lake”. In the period from 1985 to 1995, over \$4 billion worth of development took place in downtown Cleveland. As in the case of other cities’ revitalization discussed above, government, led by the city’s pro-business mayor, George Voinich, and business leaders from Cleveland’s 26 Fortune 500 companies combined in a public/private partnership has produced dramatic results. The purpose of the analysis of Cleveland was not to examine all the factors of its success, rather to focus on a major project that had a profound influence on the city. One of the crucial catalyst projects for downtown’s rebirth has been the Playhouse Center Square project.

Playhouse Center Square is a \$40 million renovation of three historic vaudeville theaters (Ohio, State and Palace Theaters) that is the centerpiece of Playhouse Square district’s renewal. In order to facilitate its development, the city created the Playhouse Center Square Association; a non-profit group dedicated to the three theaters’ renewal.

At first, financing for the project was considered too high risk. Undaunted, the city leadership, Playhouse Square Association, Economic Development Administration and private developers sought avenues of funding for six years. Through these groups’ unwavering persistence, funding was sourced and the project moved forward. Slightly more than half of the money came in the form of federal Urban Development Action Grants and the remaining funds from corporations, individuals and foundations.

In addition to the Playhouse Square association, there is also a non-profit body that works as a developer on behalf of the Playhouse Square District. Earnings are donated to the Playhouse Square Association so as to allow it to subsidize unprofitable plays. The success of this unique arrangement provides a possible model for other cities to emulate as they pursue cultural vitality in their downtowns.

Playhouse Center Square has been the centerpiece of widespread district renewal. With attendance exceeding one million per year, the restoration of two more theaters is underway. The theaters have proven to be regional draw, bringing visitors out of the suburbs and into the city. Furthermore, the center has been a catalyst for over \$100 million in private investment in the district. Property values have increased by 65% and rents are increasing.

Indianapolis, Indiana

Focus: Mixed Use

The Circle Center Mall is a mixed use center with shops unique to Indianapolis, a cinema, restaurants and nightclubs. Architecturally, the mall has several unique characteristics that distinguish it from a typical suburban mall. Eleven historical buildings and facades are incorporated into the exterior design and new facades were constructed with materials that complement the surrounding cityscape. Furthermore, underpasses and bridges — including the Artsgarden, a 12,500 square foot barrel vaulted structure that serves as performance and exhibition



space for the Indianapolis arts community — connect the center to adjacent hotels, office buildings, the convention center, and the RCA Dome. Functionally and thematically, the center is integrated into the fabric of the city, simultaneously beautifying downtown and adding to the vitality of retail.

The project is the result of an ongoing concerted effort on the part of the business community, working in tandem with the city government. Conceived in the 1980s, the center was more than ten years in the making. Financing was the long running obstacle to development, due to the recession of the early nineties and the reluctance of traditional lenders to invest in a downtown project.

The following three steps were integral to the completion of the financing package.

- First, the city undertook a tax increment bond initiative which raised 60% of \$307.5 million cost of the project.
- The City then turned to the Corporate Community Council, a civic organization of some of Indianapolis' largest businesses. The result of this appeal was the creation of the Circle Center Development Company (CCDC), initially an amalgam of 12 and then later 20 organizations that agreed to contribute funding to the project. Some of these organizations viewed their participation as essentially a charitable donation while others looked to the project as a portfolio investment.
- The final piece of the investment package came from the United Bank of Switzerland and the Hypobank in the form of construction loan.

A unique approach was taken to marketing the mall. Nearly half of the shops were new to the Indianapolis area. Recognizing the heavily competitive suburban market, the developer, The Simon Property Group, sought out shops, which would have a true regional draw by virtue of their uniqueness. Interconnectedness of the property to the city, coupled with the destination entertainment component of the center lent the center the 24-hour feel, helping to further distinguish it from suburban malls.

Circle Center Mall was an immediate success. Shops previously underrepresented in the Indianapolis area drew patrons to the project. Since the project's opening, convention bookings and hotel occupancy has increased, new development has been stimulated and existing development bolstered.

Reasons for Circle Center's success are the following.

- The effort to connect the mall to the city and its history has reaped rewards by making the center a more inviting and memorable destination;
- The marketing effort, emphasizing the uniqueness of the product helped to differentiate the product from suburban competitors thus producing a regional draw; and
- Finally, the continued advocacy of the city and the involved support of the Indianapolis business community without whom Circle Center would not work.