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Cities Try New Approaches To Resurrect Downtowns

A Southeast Journal News Roundup

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Center cities.

Just the mention of the phrase can stir racial tensions, send developers into fits and paralyze politicians. Throughout the Southeast, officials are trying to deal with the now-ubiquitous problems of aging buildings, fleeing retailers and crime.

And in this age of suburban sprawl, now being hastened by technology that allows easy access to a "virtual office," some are beginning to wonder whether center cities even should be "saved" or whether they should be allowed to dissolve.

Yet, probably more energy goes into solving the problems of downtowns -- whether they are urban, suburban or small town -- than virtually any other issue facing the region and the country.

Why? "All communities need a means by which to define themselves," says Leonard Beckum, professor of public policy at Duke University in Durham, N.C. "You can't define them by the quality of a golf course or the quality of the homes. Center cities say who we are."

Thinking has changed dramatically in the past decade, experts say. "Over the years, cities across America have tended to focus on what to do with the main retail street" to lure back suburbanites, says Keith Debbage, urban economic geographer at the University of North Carolina at Greensboro. "But the reality is, for most American cities the retail... won't come back."

Instead, planners and city officials have begun to think of downtowns in a host of new ways: as places to live, as artist communities, as government centers.

Will it work? It's too early to know. But here's a look at six cities in transition:

Smyrna, GA.: Starting From Scratch

Six years ago, the mayor and City Council of this Atlanta suburb spent four hours walking through the heart of their city with an architect.

At the end of the trek, which took them past a battered Dairy Queen, an auto-repair shop and an abandoned bank building, the architect asked them which buildings they would most like to save. The answer: None.

So Smyrna set out to do something radical. The city decided it would build a downtown on the site of a 30-acre low-income apartment complex that had been condemned. "We wanted a focal point for our city, a legitimate downtown where people could meet," says Smyrna Mayor Max Bacon. "Five years, ago the closest thing we had to a meeting place was a Dairy Queen. It was embarrassing."

In fact, the city was little but suburban sprawl. In 1988, National Geographic magazine described Smyrna as a "redneck" road stop midway between Atlanta and Marietta. "I don't think anyone would call us that today," Mr. Bacon says.

Indeed. Where that apartment complex once stood, Smyrna has built its first real main street, a city-owned library, a new city hall, a police station and a giant community center.

"We figured if we made a commitment to be the anchor tenant of a new downtown, the retail and the housing would follow," says Mr. Bacon.

It seems to be working. The downtown's first privately developed office and retail space, a 27,000-square-foot building, should be completed this year. That has been so successful that Thomas Enterprises Inc., a Smyrna-based developer, is planning a building of similar size downtown. Meanwhile, a local real-estate firm is in the process of building 22 houses, packed together on the fringe of the new downtown. And city leaders hope some loft apartments will soon follow.

"What everyone really wanted was a downtown like the one where they grew up," says Michael Sizemore, the architect who designed the downtown. "They wanted their kids to be able to ride their bike to the corner drugstore for a Coke."

Still, Smyrna had to do some compromising. The main street may be quaint and pedestrian-friendly, but the first retailers moving into the downtown will have stores that face out on six-lane Atlanta Road, just like a traditional strip mall.

"Retailers decide where to locate based on how many people drive down the street," says Mr. Sizemore. "It was hard to get them to trust us that there would be enough pedestrian traffic."

And even with its initial successes, some remain skeptical about whether Smyrna's downtown can succeed. "It's an interesting idea to create a downtown out of thin air," says Steve French, a professor of city planning at the Georgia Institute of Technology. "But I wonder whether it will work. The day of the corner hardware store and the corner drugstore is probably gone forever."

--Greg Jaffe

Greensboro: Just Another Community

Greensboro is gearing up for another try.

After years of false starts trying to revitalize a downtown that boosters euphemistically dub "underutilized," the central North Carolina city thinks it finally has found the answer: Treat downtown as just another neighborhood, not much different from the other successful parts of town.

"People like to go into environments that are warm and fuzzy and consumer-friendly," says Jimmy Black, a principal at the commercial real-estate firm Weaver, Grubar and Black who is leading a downtown-redevelopment group. "Our charge is to come up with the amenities that will make our [downtown] community as desirable as the suburbs."

Lest that plain-vanilla vision anger purists, rest easy that Greensboro isn't ignoring its history or its corporate core. A \$9 million project is under way to commemorate the 1960 Woolworth sit-in, a central point of the civil-rights movement. And the hulking headquarters of insurer Jefferson-Pilot Corp. provides an anchor for plenty of weekday comings and goings.

But after dark and on weekends, downtown Greensboro looks like a ghost town. Few restaurants beckon. No central park is much of a lure. And, although much of the limited downtown housing has been rented, walkers are scarce.

Earlier efforts to rebuild downtown largely have failed. "It's not that there weren't well-meaning people," says David Copenhaver, vice president for economic development at the Greensboro Area Chamber of Commerce. "But there has never been a full-fledged organization devoted to it."

So, in 1995, the chamber and Mr. Black pulled together a task force of disparate groups, from local preservationists to a downtown merchants' association. That panel began studying about a dozen downtown success stories, including Roanoke, Va., and Greenville, S.C., to see how they succeeded.

There were, they decided, several common threads to victory: a well-funded organization interested in the center city; a full-time paid professional to run that group; support (but not control) by the local government; and adequate financing. Now, the group hopes to incorporate this week as Downtown Greensboro Inc., armed with \$300,000 in seed capital expected to last two years.

Over the next decade, planners hope to reinvigorate downtown with a public park, housing, entertainment venues, ample small businesses and such specialty retailers as antique stores. It will become, they hope, a nice place to live and work. "It's not rocket-science kind of stuff," says Mr. Copenhaver. "It's the same thing that a lot of small towns do."

Mr. Black sees it as a way to realize urban dreams. "We all grew up wanting to be in New York or San Francisco," he says. "But we can't all be there, so we're creating our own little Greenwich Villages."

--Kevin G. Salwen

Atlanta: Hoping for Critical Mass

The Southeast's biggest and most ambitious city wants its downtown flooded with people. So far, though, there has been only a trickle.

Atlanta has certainly succeeded as a tourist town, hosting the Olympics, the Super Bowl, the World Series and a string of big-time conventions. But tourist dollars only go so far into making the center city thrive.

So, community leaders have pushed developers and rehabbers to bring housing downtown on the theory that it will fuel other growth. But progress has been limited: Only about 6,000 residential apartments now exist in the central district.

And the experience of City Plaza, a new government-subsidized development across from City Hall, suggests even that may be too many. Only 20% of the project's apartments -- which lease for as little as \$695 a month and offer 24-hour security and in-apartment washers and dryers -- have been rented since marketing began in February, says a building manager.

Management hopes to have the complex fully rented by January, but most leased units have gone to low-income, subsidized tenants. The building's much-ballyhooed Kroger supermarket -- the first major market downtown -- survives on serving packaged lunches to employees at the neighborhood's government complexes.

As a result, Equitable Real Estate Investment Management Inc. isn't encouraging clients to sink their money into this city's struggling center city -- despite owning property there itself. Instead, the nation's biggest commercial real-estate adviser suggests plunking down up to 40% more to buy property further north, nearer its own headquarters in Buckhead.

The sad reality thus far, Equitable officials say, is that Atlanta's core lacks the shops, restaurants and residents that make most such investments viable. "The profit potential just wouldn't warrant the risk" of most deals, says Ray H. D'Ardenne, Equitable's executive vice president in charge of acquisitions nationwide.

Want to invest downtown? Mr. D'Ardenne recommends looking at San Francisco, Boston, Chicago and New York. Those are downtown markets that Equitable has dubbed "24-hour cities," where real estate brings returns around the clock, rather than 9-to-5.

That's painful advice for professionals who devote their waking hours to attracting businesses to downtown Atlanta.

"We need people living here, to have life on the street after five o'clock so you can support the retail," says Ronni French, executive director of the Atlanta Downtown Partnership, a nonprofit redevelopment agency.

--Christina Binkley

Newberry, S.C.: The Art of a Renaissance

Newberry was dying. As its mainstay textile and timber jobs disappeared, the young and middle-aged moved away, leaving this town of 11,000 with the state's oldest population.

And nowhere did the outlook seem bleaker than in the eight-block downtown, particularly after the Belk department store closed last year. "Downtown wasn't dead, but it was on the gurney headed toward the morgue," says J. Thomas Johnson, president of Newberry Federal Savings Bank and chairman of the local chamber of commerce.

But James Wiseman, one of nine dentists left in town, believed Newberry still had a pulse: an imposing French Gothic "opera house" that had variously served as city hall, firehouse, jail, movie theater and general community gathering place since 1882.

A reborn opera house, Dr. Wiseman believed, would transform Newberry into an arts hotbed. And that, in turn, would revitalize the city.

At first, many locals were dubious. Like the rest of Newberry, the opera house was hardly a picture of health. The last movie shown was "The Outlaw" in 1952, and the whole structure barely escaped demolition in 1975 when city officials complained they needed more modern offices.

But over the past three years, Dr. Wiseman has turned skeptics into believers with a combination of big-time fund raising and small-town showmanship. He assembled 15 local "movers and shakers" to create the Newberry Opera House Foundation, then recruited a seasoned arts administrator from New England who persuaded him to raise his sights from a \$1 million "glorified community theater" to a \$3.8 million showplace capable of drawing 50,000 visitors a year.

So far, \$2.5 million has been raised. Mr. Johnson's bank provided a key breakthrough by selling its downtown headquarters to the city at a cut-rate price, allowing city offices to move and free up the opera house for a complete makeover. (Newberry Federal built a new headquarters near downtown and kept a downtown branch.) To give residents a glimpse of his vision, Dr. Wiseman worked for three Sundays helping city crews rip up the asphalt that covered the original brick streets downtown.

Even though construction at the opera house doesn't start until next month -- with loans from six banks -- other downtown ventures already have sprouted to prepare for its late-1997 debut. Two restaurants have opened in the past month, and a third is under construction. Two largely vacant blocks are being renovated for an art gallery, coffeehouse, shops and upstairs apartments.

Industry is coming, too: In May, Trucast Ltd. announced it would build a \$5 million engine-parts plant employing 70. One of the deal-clinchers for the subsidiary of Britain's Vickers PLC, according to Mr. Johnson: a tour of the opera house and the downtown redevelopment it sparked.

"We had something most other small towns unfortunately don't have -- a gem that hadn't been destroyed," says Dr. Wiseman. "Right now we're polishing it."

--Ken Gepfert

Greeneville, Tenn.: Back to the Future

This weekend, Greeneville pauses to celebrate how far it has come. Then it will get back to work on its strategy of resuscitating what it has.

The special occasion is the grand opening of the General Morgan Inn and Conference Center, a 52-room hotel that sits almost exactly at the center of this city of 15,000 in the northeast corner of Tennessee. Rooms come with all the delicate touches and modern conveniences: soft bathrobes, thick sheets and two phone lines so guests can gab and use a laptop computer at the same time.

The \$12.5 million project, which also includes restaurants, shops and a 30-foot-long bar, gives downtown a whole new look. But it really isn't so new: Instead of building from scratch, Greeneville renovated four hotels built during the heyday of railroads but abandoned by all but pigeons by the late 1980s.

"We created a project using resources that were dormant and valueless," says Gregg Jones, president of Morgan Square Inc., the nonprofit developer of the complex, and a longtime resident of Greeneville.

The reborn hotel already has sparked a redevelopment boom in the historic downtown, site of Civil War monuments to both Confederate and Union soldiers and near the former home of President Andrew Johnson. In anticipation of the opening, other building owners have either renovated or sold to new owners. Even the old department store, left empty when J.C. Penney fled to the edge of town, has been turned into office suites.

"I used to have long lists of property for lease or sale. You couldn't give them away," says Nancy McNeese, executive director of Main Street, the city's redevelopment program. "Now, you can't buy them."

Of course, there are plenty of challenges left to conquer. Now that the hotel is open, for instance, there is pressure not to fail: Will the rejuvenated area attract enough tourists, locals and business meetings to keep it alive?

At the hotel, enough rooms must be filled to pay back about \$6.5 million in loans and provide about 100 full-time jobs. Once the debt is gone, hopefully within five years, any additional profits will be funneled to a local foundation and used for community projects.

In the meantime, there are other beaten-up buildings that need restoring, Ms. McNeese says, and dreams of building a park downtown. "We haven't arrived yet," she says. "I don't think you ever arrive. We still have to retain what we have and enhance what we have."

--Rick Brooks

Montgomery, Ala.: Banking on Government

For more than two decades, Alabama's capital city crumbled.

Finally, by the late 1980s, the city's central business district had become "menacing," according to one Montgomery booster. Now the city is betting that a government building boom can reverse its fortunes.

Since 1992, state and federal officials have spent about \$488 million on new office buildings, a Capitol renovation and a new courthouse. At the core of the project is a 22-story office tower being built by the Retirement Systems of Alabama, the state employees' pension fund. The building, which will be finished in January, will house state agencies, such as the Department of Health, the tower's biggest tenant. About 25% of it is available to private tenants.

"The new Retirement Systems building has brought a vitality back to a downtown area that may not have been completely dead but sure was badly wounded," says Kyle Collins, vice president of office leasing for Birmingham-based Colonial Properties Inc.

So developers are rushing back into downtown Montgomery? Not exactly.

"There is still a lot of uncertainty about which way the market will go," says Mr. Collins.

Part of the problem is that when the Retirement Systems announced its plans for a 22-story building, many developers froze. "Most of the real-estate people were real mad at us because they thought we were out to steal their tenants away," says Marc Reynolds, legislative counsel for the Retirement Systems.

And while much of the anger seems to have subsided, there is still concern that the tower will flood a market already saddled with an office vacancy rate of about

12%. "We are all a little scared to throw 100,000 square feet of office space on the market," says Mr. Collins, who adds that his company has scaled back building plans even in the fast-growing suburbs east of Montgomery.

Despite the concerns, there are some signs that the wave of government office construction is helping downtown. A new Embassy Suites hotel went up last year, along with a handful of sandwich shops and a microbrewery. Recently, the Montgomery Area Chamber of Commerce commissioned a \$200,000 plan for redeveloping the city's waterfront.

"Nothing is in stone," says Randall L. George, the chamber's president of the riverfront development. "But the Retirement Systems building downtown has been a tremendous catalyst."

--*Greg Jaffe*

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