

Towards an upturn for downtown

Written by Caroline Bourne and Julie Witham

Introduction

Town centres continue to be under threat from a fast changing retail world. In the last twenty years, shopping malls, out of town supermarkets, catalogue shopping and, to some extent the more recent trend for internet shopping have changed the face of retailing in Britain – and town centres have suffered as a result.

In this issue of *Local Work*, the authors explore two approaches taken to revitalise towns in the United States (USA) and consider how retailers in British towns could benefit from them. The first is the Four Point Approach to town centre revitalisation, as espoused by Washington-based

National Main Street Center (NMSC), and the second is the BIDs (Business Improvement District) programme which enables locally raised finance to be spent on democratically selected local projects. The BIDs programme was, earlier this year, given the rubber stamp by Tony Blair.

These approaches explore sustainable options for delivering town centre regeneration. Both examples recognise that there are no 'quick fixes' in regeneration and provide structures to enable volunteers to commit to a regeneration programme where partnership and long-term investment are the key goals.

The main street approach

The 'main streets' of the USA (our high streets) are being revitalised through the enthusiastic efforts of thousands of volunteers from across the community including local residents, shopkeepers, local history groups, and school students. By 'enthusiastic efforts' we don't just mean regularly attending partnership meetings and maybe producing newsletters, we mean fund-raising thousands of dollars through a local lottery, undertaking retail analysis (just as sophisticated as those prepared by costly consultants), designing shop-front guidance, setting up farmer's markets, holding main street spring-cleaning days and so on. These activities in combination have led to the renaissance of main streets, creating jobs, bringing in investment and restoring civic pride.

The USA is well known for its volunteerism. But what is so impressive about the volunteerism taking place up and down 'main

effectiveness of the volunteer action in achieving local revitalisation. In many instances, the success of local volunteerism can be attributed to the support provided and approach advocated by the National Main Street Center (NMSC), the technical wing of the National Trust for Historic Preservation based in Washington DC.



The NMSC has been working since the early 1980s to support and strengthen local retail (the 'mom and pop' stores of small town USA) in the face of aggressive expansion by faceless malls and 'big box' multiple retailers. It is

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Roslindale main street (page 1) and shop (2)

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through which tried and tested approaches to revitalising main streets are shared between towns and cities the length and breadth of the USA. Information and recipes for success are set out in accessible booklets, slide presentations and videos.

As a testament to its success, 1,800 communities now actively participate in the NMSC's programme, and are committed to the Four Point Approach. The communities include towns and urban neighbourhoods across the USA as well as a handful in Australia, South Africa and Singapore. Many of these communities meet up and share ideas on an annual basis at the National Town Meeting.

The cornerstone of the NMSC is the Four Point Approach, a straight-forward approach to regeneration based on a methodology that is simple and geared squarely at grassroots activists. Volunteer activities are structured around these 'four points' in committees, coordinated locally by a main street coordinator.

It is important to note that the NMSC's programme is not simply an US version of town centre management; it is more volunteer-driven than the town centre management model. Neither is it a government funded regeneration programme like SRB or New Deal for Communities. Funds are raised locally through fund-raising events. Each community benefits from a tried and tested methodology that has proven success in terms of medium to long term growth and investment, and the national and regional support and experience gained from participating in a national programme.

The Four Point Approach encourages local ownership by enabling volunteers to follow a strategic plan. The NMSC has honed the Four Point Approach so it is jargon-free and can be understood by everyone – from local authority strategy makers to the local sixth form college students. Anyone in the community can run with the approach and start the regeneration ball rolling. This means it is truly empowering as the community will have ownership and involvement in decisions from the very start. Communities tend to develop a 'can-do' attitude, taking on greater and greater challenges over time as their confidence, aspirations

and skills grow. This in turn leads to reduced dependency on local authorities for providing funding and leading change.

The Four Point Approach

Design: Improving the physical environment of the commercial district by renovating buildings, constructing compatible new ones, improving signs and merchandise displays, creating attractive and usable public spaces, and ensuring that planning and zoning regulations and policies support downtown investment.

Organisation: Building consensus and cooperation among the many public sector and private sector groups, agencies, organisations and individuals who have a role in revitalisation.

Promotion: Marketing the town assets to customers, potential investors, new businesses, local citizens and visitors through special events, retail promotion and activities that improve the way the town is perceived.

Economic restructuring: Strengthening the town's existing economic base while finding ways to expand it to meet new opportunities.



From extensive experience, the NMSC has found that the Four Point Approach only succeeds when combined with the following eight principles. The NMSC also encourages regular reviews of the programme development – to ensure that it keeps running on track for years to come.

1. *Comprehensive:* A single project cannot revitalise a town or neighbourhood. An ongoing series of initiatives of the four points is vital to build community support and create lasting progress.
2. *Incremental:* Small projects make a difference. They demonstrate that

'things are happening' in the town and hone the skills and confidence the programme will need to tackle more complex problems. Programs start with small projects at first, and evolve slowly, attracting bigger and bigger investments.

3. *Self-help:* Only local leadership will bring long-term success by fostering and demonstrating grassroots community involvement and building local capacity, entrepreneurship and commitment to the revitalisation effort.
4. *Public/private partnership:* Every local participating town needs the support and expertise of both the public and private sectors. Both bear the responsibility for funding the regeneration programme.
5. *Identifying and capitalising on existing assets:* Local assets provide the solid foundation of a successful town regeneration initiative.
6. *Quality:* From shop front design to promotional campaigns to graphics to special events, quality must be the goal. The local main street program and the commercial district must be synonymous with quality.
7. *Change:* Changing community attitudes and habits are essential to bring about a town centre renaissance. A carefully planned programme will help create paradigm shifts that change public perceptions and practices to support and sustain the revitalisation process.
8. *Action-oriented:* Frequent visible changes in the look and activities of the town will reinforce the perception of positive change. Small, but dramatic improvements early in the process will remind merchants and the community that the revitalisation effort is under way. This requires the hands-on involvement of program leaders, staff and volunteers.

National Town Meeting

Once a year the 1,800 participating communities get together to share their experiences of 'main street' revitalisation. In true US style, this four day meeting is highly motivational and involves much back slapping, and trumpet blowing. Some communities send large teams of volunteers (small business owners, community leaders, local politicians), the time away providing a valuable opportunity for team-building and

taking stock of where their revitalisation effort has come.

The reason why communities give up so much of their precious free time to attend this meeting is because of the quality of this event. Seminars are generally practical, informative, relevant, entertaining rather than focused on policy change and funding mechanisms, as many conferences on regeneration in Britain might be. Seminars at the National Town Meeting in 2001 included:

- *The art of running a successful retail promotion*
- *Will it eat you alive? The impact of highway bypasses on downtown*
- *Surprising partnerships: the key to a strong volunteer base*
- *Events for fun and profit*
- *Putting your newsletter to use!*
- *Basics of storefront rehab*
- *How to develop a local tour*
- *Attracting the best new retailers into your downtown*
- *E-commerce and main street retail*
- *Taking retail to new heights: 180 minutes of retail improvement*
- *Undertaking a market appraisal*

Business improvement districts (BIDs)

BIDs provide an opportunity to secure sustainable long term funding for town centre management projects. The British government is working on legislation to enable a voluntary supplementary tax to be levied on rate-paying businesses within a town or neighbourhood to fund improvement projects. The legislation is likely to be in place by spring 2004. Over the next two years, government will be consulting widely to get to grips with the issues of practical delivery.

Businesses in US towns and cities have been part of a similar scheme – also called Business Improvement Districts (BIDs) – for years. BIDs have traditionally been associated with larger cities but are increasingly used, with equal success, in smaller towns and neighbourhoods. In the USA, the first step towards setting up a BID is the preparation of a Business Improvement District Management Plan. Distinct boundaries are drawn up for the business improvement district and all businesses and landowners operating within that area are invited to vote on whether or not to join a scheme to pay

a supplementary tax to fund local area improvements (from festive lights to public service improvements). The level of taxation is agreed by vote (all businesses within the area are eligible to vote) and how the amount raised through taxation is spent is also decided by local vote. If the majority of businesses decide they do not want to participate in a BID scheme, and vote against, the scheme will not go ahead.

If the BIDs scheme gets the go-ahead, all businesses in the designated area (even those that voted against) must pay the supplementary tax. This is to prevent any businesses getting a so-called 'free ride' from more pro-active investors in the area. Financial management of BIDs is taken care of by a public authority but all key decisions are taken by an elected management board comprising local business interests. To date, BIDs in the USA are considered a successful mechanism giving local land owners and occupiers control over the local public spaces. Directors of major companies in some of the larger cities in the USA are major advocates of BIDs and voluntarily active on BID area management boards.

In Britain, BIDs are likely to be similar to those operating in the USA. The main exceptions are that:

- The supplementary tax will be levied through a mechanism linked to business rates. Thus only rate-paying businesses and organisations will be entitled to vote. This means BIDs are likely to exclude property owners and landowners.
- The range of local area improvements voted on will specifically exclude duties that local authorities provide as a statutory public service (for example, street cleansing, highways maintenance, etc).

BIDs will be more likely to be successful in Britain if there is clear understanding between the public and private sectors and support for the scheme is as broad as possible. Getting landowners involved in the process is likely to be key to unlocking serious problems but may be difficult since they are outside the rate system. It is likely that in the early years of this initiative, it will be the places where strong partnerships already exist (either through a strong chamber of

commerce, business association, or town centre management board) that BIDs are adopted.

BIDs management plan

Typically, the management plan includes the following elements:

1. *Location:* The exact boundaries of the proposed district and the focus of improvement activities
2. *Improvements and activities:* The actual services (maintenance, security, marketing, etc.) that the district will provide
3. *Budget:* The total district budget for at least the first year of operation
4. *Method of financing:* The assessment methodology (for example, multiplier on assessed value, square footage, street front footage, ground floor or upper floor footage, etc.) that will be used to determine the assessment rates and the limits to which the assessment can change each year
5. *Governance:* The manner and form by which the district will be governed
6. *Local authority services:* The local authority's contribution to the district, including the maintenance of the existing level of services upon establishment of the new district
7. *District formation:* The voting procedure for establishing the district
8. *Duration:* The term of the district (three-year, five-year, etc)
9. *District rules:* The operating rules as they relate to residential property, non-profit organisations, and other district regulations

Learning from the US experience

Community plans and local partnerships are twenty-first century buzz-words for encouraging local activism in neighbourhoods in Britain. The government is constantly battling with the dichotomy of a centralised state with a culture of dependency on public services, versus a real need for sustainable localised community power.

Although many local authorities work hard to develop the local economy, there is no statutory duty to do so. Despite the essential community role

played by retail parades and high streets, those involved in 'commerce' are often considered part of the 'private sector' and are not considered a high priority for sparse local government funds. Conversely, retailers often see the area beyond their shop window as part of the public sphere: pavements, parking and street cleansing are paid for by the rates.

In some towns in Britain, town centre managers have been appointed to bridge the gap between public and private expectations of a town centre. However, the main problem for many town centre managers is the question of 'which sector takes responsibility'. With unpredictable levels of funding available in each town, a lack of total council commitment and a lack of total involvement from all businesses, the role of town centre manager becomes difficult to sustain. Many town centre managers have wrestled with funding issues, with neither public nor private bodies willing to take full responsibilities for salaries or seed money for projects. Stories are heard too often of town centre managers who spend all their time simply seeking to secure funding for their following years' salary – and having little time leftover to really add value to the town they are serving.

The fiscal opportunities provided by the BIDs legislation and the practical, straight-forward approach of the NMSC offer two very different approaches that could work for sustainable town centre regeneration in Britain as well as in the USA. Working in combination, the potential is tremendous. For example, there are a number of towns in the USA where the board entrusted to spend funds collected through the BID has contracted with the local main street organisation to deliver services, such as town centre promotion.

There is much to commend both approaches to the British regeneration scene in as much as they both:

- encourage voluntary participation by activists who care about the area
- are successful in towns, cities and neighbourhoods of all shapes and sizes
- encourage businesses to work across public and private sector boundaries
- have a common goal of improving the public environment for wider benefit

- encourage local ownership of strategies and solutions through fiscal commitment and/or active participation
- offer solutions to the sustainability issue of town centre regeneration.

Transferring US programmes to Britain

While both the main street and BIDs programmes have been a roaring success in the USA, it is likely that their reuse in a British context will encounter a number of problems:

1. Lack of a volunteerism ethic in the UK: Americans are much more involved in local activism than British people. Surveys indicate that 25 per cent of Americans are regularly involved in local political activity compared to 11 per cent in Britain (*Pew Research Center, 1993*). Since the main street approach relies heavily on community involvement, the lack of civic activism in Britain may pose difficulties for a wholesale transferral of the programme.

2. Over-reliance on local government in Britain: Unlike the UK where town centre revitalisation is often part funded through government grants (for example, SRB or Heritage Economic Regeneration Scheme) and led by local government, towns in the US have traditionally been left to 'go it alone', locally raising funds and organising action. It will be difficult to instil this 'self-help', can-do' attitude in communities in Britain which have got used to being spoon-fed regeneration initiatives.

3. Differences in the taxation system: Unlike the UK where property taxes are raised locally and distributed nationally (for example, business rates), property taxes in the US remain at the disposal of the municipality of origin. Property taxes provide approximately half of a typical municipality's budget. Hence, strengthening the tax base, through attracting new businesses to an area and filling vacant businesses, is an important motivating factor to many USA municipalities. For example, many volunteers on the NMSC make the link between 'filling business vacancies' and generating more taxes to spend on local schools.

The way forward

For either (or both) such programmes to be successful in Britain, we need to specifically consider the following:

Strengthening partnerships: BIDs are unlikely to work successfully unless a strong partnership comprising public and private interests has been established in the BID area. The NMSC and the Four Point Approach may be the place to start in an area without a partnership in existence. NMSC offer excellent publications that set out clear and helpful advice for setting up a regeneration board. It may also be useful to explore ways of getting landlords involved in the process, prior to setting up a BID partnership.

Unlocking retailer concerns: Regeneration isn't rocket science. With support, most communities have the skills required to take forward a successful regeneration programme. Retailers and businesses often have a wealth of skills at their fingertips and, through partnership working (like the NMSC or BIDs programme), these skills could be harnessed and used for the good of the area. The tendency of relying on local authorities or 'buying-in' expensive consultancy services needs to be restricted to those areas where there is a clear need for technical assistance. In particular, there is a need to demystify the process of town centre market analysis, making information on rents, rates, yields and catchment populations for different types of town centre businesses much more widely available in Britain.

National support network: The experience of the NMSC demonstrates that a national or regional support network can be useful for communities working towards either a NMSC-style programme or a BID. Many British regeneration programmes struggle because they lack the necessary technical support, their needs not being adequately met by the consultancies operating in this field. Additionally, they lack opportunities to learn 'best-practice' from other communities which have tackled similar problems. There is a need to develop a national or regional support structure for communities involved in high street regeneration to enable this exchange to happen.