1 Introduction / Success Strategies

Profiles of Successful Downtowns

Does Albuquerque have what it takes for a successful downtown?

The answer to this question lies in comparing Albuquerque's demographics against other similar Metropolitan Statistical Areas (MSA's) and their respective downtowns. Seven MSA's were selected based on their "recognized" success as MSA's that offer vibrant downtowns, including San Antonio, San Diego, Portland, Chattanooga, Austin, and Denver.


As actual downtown boundaries are often elusive to find, and for the purposes of this study, each of the selected MSA's downtowns was plotted out based on the "city center" as identified by the mapping software and included a 1 mile radius around the site.
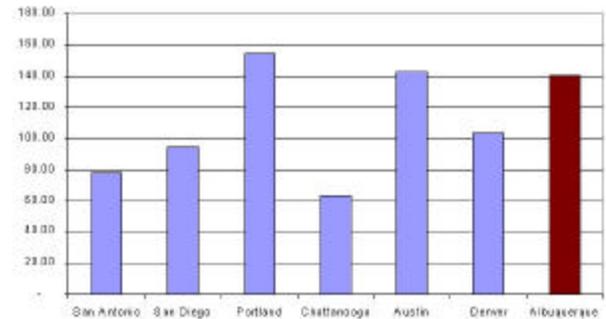
Compared to the rest of the MSA, how much denser is the downtown housing?
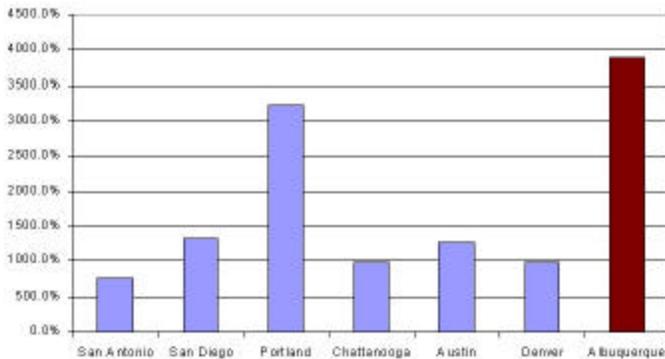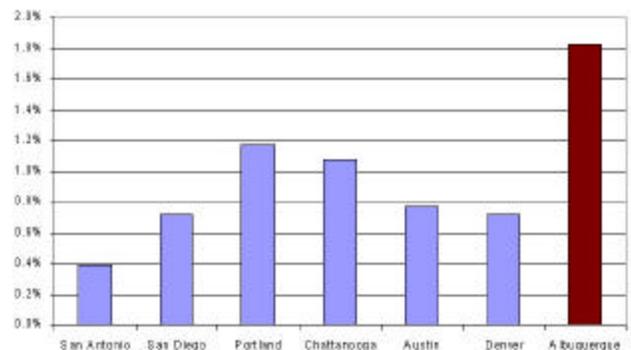

At it relates to the size of the overall MSA, what percentage of the land is allocated to the downtown core?
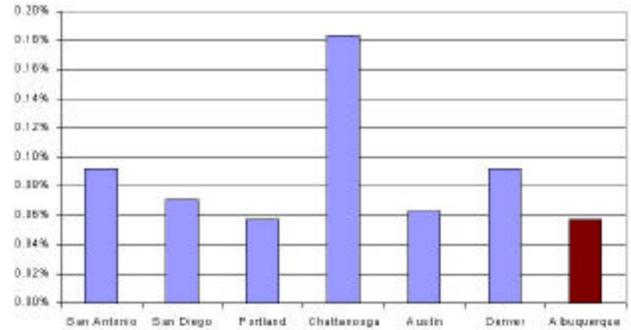
What percentage of the MSA's jobs are located downtown?

How do Downtown Albuquerque's grocery store sales compare against other downtowns? (% of gross annual income spent on groceries)
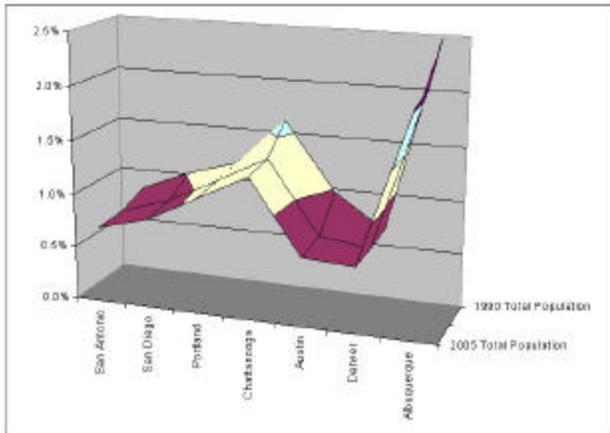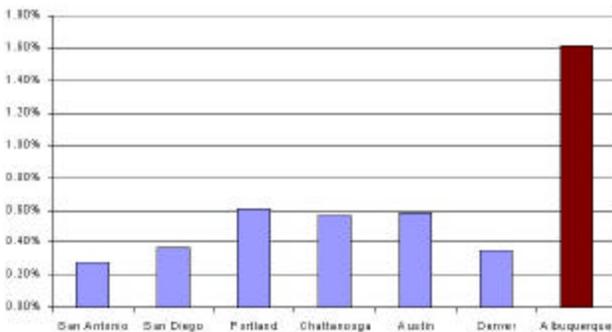
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As it relates to the 2000 census what percentage of the population lives Downtown? Did it increase from 1990, and is forecasted to increase by 2005?

By many measures, Albuquerque already possesses the tools, resources, team members, and demographics for a vibrant renewal.

What percentage of the MSA's automobiles are located downtown?

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In January of 2001, the United State Department of Housing and Urban Development (HUD) released a report "Strategies for Success - Reinvesting Cities for the 21st Century. " Portions of this work have been repeated as it relates to the core components of Albuquerque Downtown Renewal.

While economic growth raises many boats, communities must pilot those boats if they are to thrive in the new economy. Macro-economic growth must be matched by local initiative if cities are to succeed in transitioning from the old to the new economy.

"Still other cities fall in the middle; they are not declining; but they are not prospering either. Many such cities have experienced substantial changes in the nature of their economies but have not replaced jobs lost during their period of transformation. And virtually all cities are facing new challenges as they adapt to the 21st-century economy.

The top five job growth sectors in the 1990's in cities were as follows: business services, health services, eating and drinking establishments, engineering and management services and special building trade contractors. These five sectors accounted for 70.1 percent of all new jobs in 114 cities for which data is available.

This strong role of business and health services as the two leading growth sectors in cities is hardly surprising. Service industries rely on in-person contact and exchange, and cities naturally lend themselves to this kind of personal interaction. It is one of their "competitive advantages." The stock-in-trade of health services is, of course, human interaction

and personal contact. The same applies, less obviously, to business services. Firms like to locate in convenient locations that make it easy to access the support services that businesses need, and these services will tend to cluster around such business locations. Engineering and management services is the high-tech business sector, and its strength in cities reflects the substantial growth of high-tech jobs in cities in the 1990s.

Albuquerque is a mirror reflection of this national trend.

In addition to service industries, the important role of eating and drinking establishments (related to entertainment and tourism) as a source of job growth also is not surprising. This sector represents the vital role of revitalized shopping and entertainment districts, downtown revival, and cultural renaissance that is taking place in many cities. This has often been accompanied by (or is a catalyst for) housing and office construction, which also appears as a top 5 category.

One of Albuquerque's top forms of entertainment is eating. The restaurants are here; as such the housing and office construction will follow.

Strategies for Economic Revitalization
Among the many economic development strategies reflected in the literature and the case studies prepared for this report, eight stand out as particularly promising for helping cities meet the challenges of the new economy:

Downtown redevelopment. The quality of life enhancements that come from downtown redevelopment are critical in attracting the highly mobile workers and businesses of the new economy. New economy

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workers and businesses are attracted to revitalized urban areas and to the 24-hour access to dining and entertainment that many cities offer. Denver, Providence, Wilmington, Boise, and Oakland are among the many cities across the country that have made substantial progress in revitalizing their Downtowns. *The redevelopment of downtown Albuquerque is already underway and is occurring at rapid pace.*

Housing and neighborhood revitalization. A housing and neighborhood revitalization strategy is an essential complement to cities' downtown redevelopment efforts. A city cannot possibly capture the maximum benefits from economic development unless it offers a living and working environment that appeals to a cross-section of the population. As urban development consultant Douglas Porter states:

"After years of housing decline, many central cities are beginning to attract new residents looking for urbane living environments... Reaping the benefits of long-term revitalization efforts, many cities are prompting growing numbers of individuals and couples upwardly mobile youngsters as well as empty-nesters and retirees to reconsider the benefits of urban versus suburban living. And Smart Growth campaigns across the country are heightening attention to the environmental, social, and economic values of in-town living and working."

- Albuquerque is encouraging, incentizing, funding, and orchestrating the renovation of a dozen neighborhoods .

Creating destinations. Tourism and the related industries of entertainment, culture, sports, and leisure have become a make-or-break sector for many cities. Several cities described in this report have created major new tourist destinations as part of their revitalization efforts, including Coors Field and the Pepsi Center in Denver and the New Jersey Performing Arts Center in Newark.

Upgrading old economy enterprises. Often neglected in the rush to attract new high-tech companies is the role that technology can play in revitalizing old economy industries already present in or around a city. Incorporating technology into an existing industry can increase its productivity and strengthen its competitiveness. Even where old economy industries are no longer valuable, the assets of the industry can be reconfigured to create the core of a new industry. Akron, for example, thrives after making the transition from rubber to polymers. *- The transfer of technology from Sandia and Los Alamos Laboratories is creating a new technology sector in Albuquerque.*

Capitalizing on clusters and collaborations. Industry concentrations or "clusters" continue to be important in the new economy, fostering a local pool of expertise for advanced research and development, experienced labor, specialized services, and networks. Several case study cities have worked to support industry clusters, often augmenting their research and development capacity to dovetail with the needs of specific industry concentrations. Examples include: Akron (polymer-related industry), Oakland (high-technology companies), and Omaha back-office call centers). *- Albuquerque Economic Development has actively sough out and created opportunities for technology clusters.*

Workforce development. While the provision of quality education and training opportunities is an essential service that all cities

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must provide, some cities have made targeted human capital development a centerpiece of their economic development efforts. Two of the case study cities Louisville and Omaha, are among the nation's most ambitious and successful in developing and deploying human capital to generate economic growth. - *The University of NM, Albuquerque Technical Vocational Institute, and large local employers have all worked to create education and training for companies.*

Attracting high-tech investment. Less reliant than old economy industries on proximity to raw materials, high-tech companies are looking for places that offer a high quality of life and skilled workers. By increasing the vitality of the downtown and surrounding residential areas, developing human capital, building a high-tech infrastructure, and pursuing other strategies to retain and attract businesses, Boise, Denver, Fargo, Louisville, Oakland, and others have attracted substantial high-tech investment. - *Intel, Sandia National Labs, and numerous others are recruiting business to New Mexico to take advantage of this agglomeration of technology..*

Creating new economy spin-offs (back-office operations, call centers, etc.). Although their functions are not new, back-office operations, such as financial services processing and toll-free call centers, rely on new data processing and communications technology. Omaha and Newark have found economic success with such spinoff activities. - *Albuquerque has been recognized as the 6ᵗʰ best city in the country for global high tech network and 13ᵗʰ best in the world. (Wired magazine)*

THE BASIC BUILDING BLOCKS
Each city profiled in this report adopted a specific set of strategies as the cornerstone of its turnaround strategy. We have extracted the key building blocks that cut across each of these strategies, creating a blueprint for cities that wish to replicate or learn from the experiences of the profiled cities. The building blocks include:

Strategic and inclusive planning. In almost every city, a successful turnaround strategy is built upon a strong vision, captured in a strategic plan for the future. The strategic plan is often built around a public-private partnership: civic, business, and government leaders coming together to develop a long-range vision for the city. A crucial element of such a plan is a clear assessment of the strategic advantages and disadvantages that each city brings to the economic development table location, current economic base, workforce preparedness, quality of life, transportation infrastructure, etc. Strategic and inclusive planning has played a key role in Boise, Denver, Louisville, Omaha, Providence, and Wilmington. - *The Albuquerque City Government recently has adopted the Downtown 2010 Plan representing the desires of the downtown businesses, owners, neighborhood associations, and the needs of the City.*

Tending to the basics. One of the fundamental lessons of economic development efforts over the last several decades is the critical importance of basic services. Many cities have discovered to their chagrin that residents and businesses will move from one jurisdiction to another in search of more effective and less costly public services that help create a high quality of life. As geographic proximity to transportation infrastructure, natural resources, and other physical attributes declines in importance, firms have become more mobile.

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Consequently, basic service delivery has become increasingly important to cities wishing to retain and attract businesses and the workers those businesses employ.

The most attractive cities for business location and expansion are those that pay special attention to basic public services, such as public safety, water and sewers, trash collection, roads, and education. The key is to provide the services effectively and seamlessly, in a manner that causes as little cost, concern, or disruption as possible for businesses and residents while promoting a high quality of life.

Cities also need to focus on business retention efforts. Oakland stands out in this regard. Its proactive "early warning" approach to business retention is an important model. It identifies businesses that may be potential candidates for closing and leaving, and assembles packages of technical and financial assistance to encourage them to stay.

Infrastructure, infrastructure, infrastructure. The axiom of real estate development used to be location, location, location. Now it is infrastructure, notably the proximity to high-speed fiber optic cable and the networking and communications power that results. In case after case studied in this report, cities that had taken an aggressive stance in installing high speed fiber optic cable were in a more competitive position to attract high-tech firms—and even to compete for convention tourist dollars. Examples include Louisville's eMainUSA cyberdistrict, Newark's innovative policy for installing fiber optic cable, and the communications infrastructure in Omaha— originally installed for the Strategic Air Command and now being used as the backbone for one of the nation's premier telecommunications hubs.

Other types of infrastructure development played key roles in the case studies documented in this report. The Port of Oakland is the premier example documented here are especially important as a source of economic growth. Transportation infrastructure was and is key to Newark's renaissance, spurring its role as a major air and rail hub in the northeast. - *__The abundance of fiber optic that follows the Rio Grande corridor north and south and the railroad east to west meets in Downtown Albuquerque.__*

Human capital and workforce development. Virtually every city in this study had in place one or more workforce development initiatives. The more skills your workers have in the new economy, the more they will succeed. Training workers in the skills needed to participate in the new economy is absolutely essential to the success of any city's economic development strategy. A prime example is Metropolitan College, a work-study program in Louisville, which covers tuition and other training expenses for UPS workers in that city. Other places with innovative workforce development initiatives include Omaha, Akron, and Newark. Many such initiatives are being carried out in partnership with local colleges or universities.

These workforce development efforts are especially important to train workers who need specialized skills in knowledge-based industries. Whether or not a city consciously adopts a high-tech strategy, however, workforce development and training is a key building block for success. In non-high-tech areas, such as in the building trades, workers need training as well. - *__The Albuquerque City Government and the State of NM have funded in-plant training.__*

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Innovative financing techniques. In almost every city documented in this report, they are adopting innovative financing techniques to spur investment in previously neglected areas. The types of financing needed vary: downtown revitalization efforts in Denver, Louisville, and Fargo all relied on TIFs Tax Increment Financing. Other cities created Business Improvement Districts (BIDs), which allow businesses to impose a special tax or fee on themselves and use the resulting revenue to provide special services. Special Improvement Districts (SIDs) are a variation on this theme. Especially innovative is Denver's six-county Special Taxing District, which has directed a portion of a regional sales tax toward the financing of Coors Field and the Downtown Convention Center and now provides funding to support the arts and sciences in the city. Other important sources of financing include tax incentives abatements and write-downs, public ownership, and in-kind investments in public works. - *The Albuquerque City Government and the State of New Mexico have legislated the creation of a downtown BID and the use of TIF financing.*

Implementation through public-private partnerships. Public-private partnerships are necessary to ensure the successful implementation of new economy strategies. Every city documented in this report relied on some combination of public- and private-sector players to implement its economic development strategy. Examples include the Oakland Coliseum Corporation, which is jointly funded by the Chamber of Commerce State and local government to provide assistance to existing businesses, the Fargo-Cass County Economic Development Corporation, and Boise City's Capital Development Corporation. - *The Albuquerque City Government has been innovative in its application of public-private partnerships.*

Crossing borders: regional collaborations. Many cities are finding that regions are the building blocks of today's economy. If they are to thrive, they must find ways to pool their resources and develop regional strategies in partnership with their suburban partners. Industry clusters are more often than not regional in nature, and they need to be nurtured regionally. One example highlighted in this report is the Treasure Valley Partnership in Boise, under the leadership of Brent Coles, which is aimed at joint and cooperative marketing and development strategies. Akron's polymer industry is truly a regional industry with much of the polymer manufacturing located outside the city limits in suburban and urban locations, but much of the design, research, and development activities taking place in Akron itself. Akron has also developed Joint Economic Development Districts that cross city and municipal boundaries.

Effective marketing and promotion. Marketing and promotion of a city's or region's assets round out the building blocks needed for economic revitalization. In this age of global competition, a city must have the capacity to effectively market itself as a good setting for business, living, and vacations. Marketing and promotion are more important than ever in light of the increased mobility of workers and firms. - *The Downtown Action Team has been instrumental in the marketing and promotion of Downtown Albuquerque as a destination.*

Summary of Albuquerque's Downtown 2010 Plan

Highlights of the Downtown 2010 Sector Development Plan
The Downtown 2010 is a ten-year policy and implementation plan which provides a vision and framework for Downtown's future, and answers three fundamental questions:

What should downtown Albuquerque look like in ten years?
What commitments will the community make to ensure downtown investment?
How should people get to Downtown and move around in Downtown?
The Plan contains goals, commitments, policies, and implementation actions for land use, transportation, and urban design relative to Downtown. It will serve as an important guide to public and private decision-making.

The Downtown 2010 Plan aims to link the Downtown area's diverse mix of historical, cultural, and entertainment venues, attractions and activities together with the commercial centers of Old Town and Downtown and the historic neighborhoods which surround them. This will be done by providing convenient, interesting transportation, consistent signage and lighting, and pedestrian-friendly streetscapes and urban trails. A central objective of the Plan is to serve as a catalyst for returning Downtown to its former prominence as the community's premier gathering place and as the center of Albuquerque's Historic district.

"Our goal is to make Downtown Albuquerque the best mid-sized downtown in the USA."
To achieve this goal, our community commitment is to make Downtown Albuquerque
-   a "park once" place and
-   a "pedestrian-first" place

Using our unprecedented park-once and pedestrian-first program together with our community commitments, policies, implementation actions, and our revolutionary new development and building process contained in this Downtown 2010 Plan, we are confident that Downtown Albuquerque will become:
-   A first class pedestrian experience, which makes walking in Downtown easy, convenient and attractive, and which provides facilities for visitors to "park-once" and walk and/or use public transportation throughout Downtown and the Historic District.
-   A top quality Urban Environment, where quality urban building projects are encouraged and fast-tracked.
-   A highly desirable urban neighborhood, where a variety of urban housing types are encouraged and flourish
-   A true center for Arts/Entertainment/ Culture, which connects the numerous arts/ entertainment/culture venues in the Historic District, and which centers future one-of-a kind arts/entertainment/culture ventures in the District; and
-   A well managed urban environment, which develops, maintains, promotes, and manages downtown.

"Together we intend to make Downtown Albuquerque the fastest downtown turnaround in this country."

Page 9 - #2 - Promoting high density urban housing within the downtown core - the plan designates an urban housing district with the downtown core which encourages high density urban living mixed with neighborhood support sources compatible with urban living
#3 - Encouraging residential infill development in neighborhoods adjacent to Downtown and/

Summary of Albuquerque's Downtown 2010 Plan

or located within the Historic District. Tax increment financing shall be utilized to fund future civic infrastructure improvements in the Downtown, particularly for parking structures in the core and urban trails connecting downtown and its adjacent neighborhoods- re-development powers shall be utilized, where possible, to assist in assemblage of infill residential building sites in Historic District neighborhoods.

Page 10 - Have at least 10,000 people living within one mile of the Downtown core, and 5,000 living within the Downtown core by 2010.

BY:

✍✍Creating a plan for assembling and developing building sites of adequate size within reasonable time frames, in order to build market rate and affordable urban housing.

✍✍✍ **Actions** - The Plan identifies the district and sites that are best suited for new housing development within the Downtown Core

✍✍✍✍ Redevelopment powers shall be utilized to assist in assemblage of building sites, when a super majority of property owners request such public assistance.

✍✍✍✍ Land assemblage must be simple and efficient to stimulate private sector development

✍✍✍✍ Private sector urban housing initiatives may be supported by providing parking and by minimizing off-site infrastructure deficiencies.

✍✍Developing a variety of housing types throughout Downtown (townhouses, urban apartments, lofts, condominiums, live/work, etc.

✍✍ **Actions** - High density (50 du's acre or more) is encouraged within the Downtown core

✍✍✍✍ Locate UNM Student housing Downtown

✍✍✍✍ Redevelop existing commercial and industrial buildings into loft housing and artist live/work space

✍✍✍✍ Work with churches to create senior housing Downtown.

In the Housing District - Residential development is allowed and encouraged in all districts of Downtown. Residential is the primary use within the housing district. The housing district should be medium to high density with a range of housing types:

- ✍ 3-4 story townhouses,
- ✍ 4-6 story urban apartments,
- ✍ housing above retail or office,
- ✍ integrated into mixed use office structures,
- ✍ loft apartments converted from older mercantile buildings,
- ✍ other neighborhood serving retail and ancillary office activity are allowed to provide diversity but must be compatible with the residential focus of this district (page 30).