

Feed the Neighborhood

A Recipe for Neighborhood Rejuvenation

by

Alberto R. Vadia
B.S., Economics, 2011
Columbia University

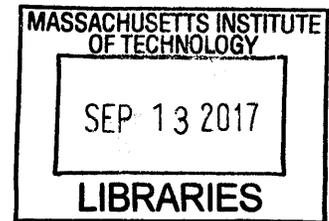
Submitted to the Program in Real Estate Development in Conjunction with the
Center for Real Estate in Partial Fulfillment of the Requirements for the Degree of
Master of Science in Real Estate Development

at the
Massachusetts Institute of Technology

September, 2017
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[February 2018]

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Signature redacted

Signature of Author
Center for Real Estate

July 28, 2017

Signature redacted

Certified by

Professor Albert Saiz
Daniel Rose Associate Professor of Urban
Economics and Real Estate, Department of Urban
Studies and Center for Real Estate
Thesis Supervisor

Signature redacted

Accepted by

Professor Albert Saiz
Daniel Rose Associate Professor of Urban
Economics and Real Estate, Department of Urban
Studies and Center for Real Estate

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ABSTRACT

There are neighborhoods right in the heart of a city that seem dead and forgotten. The inhabitants of the city steer clear of these neighborhoods. I believe many people perceive these places to be beyond repair. Yet, there are a few individuals who have seen potential in the forgotten neighborhood and were able to revive them. In most cases they did it with minimal investment coupled with a belief that it could be done. A true underdog story.

The questions I aim to answer are: How were these neighborhoods turned around? What are the attributes and characteristics they all share? Essentially, what is the secret sauce to reviving a beat up neighborhood?

I believe it is important to study those people that have successfully revived more than one neighborhood, because, if you have done it more than once then it is not a fluke and we should pay special attention.

We focus on two men, Tony Goldman and Joe Englert. They are responsible for the successful rejuvenation of seven neighborhoods.

My goal in writing this is to give others confidence that a neighborhood can be revived and give them a path to do so.

Thesis Supervisor: Professor Albert Saiz

Title: Daniel Rose Associate Professor of Urban Economics and Real Estate, Department of Urban Studies and Center for Real Estate

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Special Thanks to Marlo Courtney for sitting down with me and telling me the story of him and Tony.

In honor of the late Tony Goldman.

And to Joe, I've never met you but I sure would like to have a beer with you someday.

And extra special thanks to my thesis advisor Albert, always jolly, and extremely patient with me.

“I saw the angel in the marble and carved until I set him free” -Michelangelo Buonarroti

Chapter 1

Introduction

I used to live in Washington DC, my girlfriend at the time wanted to go to a bar called The Palace of Wonders, which was situated in what I thought to be a bad neighborhood. The kind of neighborhood I perceived to be dangerous, especially at night. I thought she was a little nuts. But we went.

When we got there the street was dark, destitute, bleak and rundown. Except for three or four bars and restaurants that had their lights on. The thought that immediately jumped into my mind was “who in the heck would put these places here?” It was a dismissive thought, full of contempt. How wrong I was. The Palace of Wonders was one of the most unique places I have visited. The theme was a celebration of the macabre with skulls and mummified body parts adorning the walls. There was also a show, fire breathers and sword swallows performed on a makeshift stage. Although I had a reluctance to visit this area of the city, we had a wonderful time. But as I left, once again I thought, “who the heck would put these places here?” That area is called H Street North East.

I never returned to The Palace of Wonders, and soon after I moved away from Washington DC. Four years later in 2011 I came back to stay with a friend. I finally made it back to H Street N.E. The Palace of Wonders was not there anymore, but the neighborhood had transformed, the vibe was electric. There were crowds of people, all enjoying themselves going from bar to bar. It looked and felt as if the neighborhood had always been vibrant and safe. The turnaround of H Street N.E. is one of the most magical things I have ever experienced. The magic of rejuvenating a neighborhood fascinates me, and is the topic of my inquiry.

There are neighborhoods right in the heart of a city that seem dead and forgotten. The inhabitants of the city steer clear of these neighborhoods. I believe many perceive these places to be beyond repair. Yet, there are a few individuals who have seen potential in the forgotten neighborhood and were able to revive them. In most cases they did it with minimal investment coupled with a belief that it could be done. A true underdog story.

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A fire show at the Palace of Wonders

Chapter 2

The story of Tony Goldman and Marlo Courtney

If you took one neighborhood that was beat up and abandoned, and turned it around. It would be a great accomplishment. But, if you were able to turn around five different neighborhoods in three different cities. That would be the stuff of legends.

One November, late in the 70's, Tony Goldman got in his jeep and drove his good friend Marlo through New York City to a building on Greene St, between Prince and Spring, at the time the neighborhood was called Hell's Hundred Acres. Neither man was your prototypical real estate developer. Their friendship was rooted in a love of roller disco. One of the best roller disco establishments in the city was The Empire Roller Dome in Brooklyn, and Wednesdays were the only nights that white people were welcome. Those Wednesdays a large group would make the trek from Manhattan into Brooklyn. Marlo and Tony were among those two, and their friendship blossomed from then. This willingness to venture into areas thought of as "marginal" would serve them well in the future.

Before meeting Marlo, Tony Goldman studied performing arts at Emerson College in Boston. He was a man who loved to act and sing. Even when being interviewed by Michael Stoler he breaks out in song singing "Some enchanted evening..." He also fell in love with a girl that he met the first day of school. Once college was over he married that girl, his beloved Janet. He spent a little time in the Army but was never shipped overseas. Once he was done with his stint in the Army he needed a job and started working for his uncle, Mickey Schwartz. Mickey was a real estate owner/ operator. Tony was involved in all aspects of managing property for his uncle. And, every evening once the business day was done he would take Mickey a scotch. Tony says "And that's where I learned the real estate business."

Marlo was Tony's right hand man from the beginning. He is incredibly modest of his accomplishments and goes out of his way to praise Tony any chance he is given. He would often say, "the true genius of Tony..." or Tony was the best..." He proudly states, "Our founder Tony Goldman was my best friend and guided me to be the professional that I am today. I 'live and love' this company and I will always be 'A Goldman Property'"

When Tony opened his first place, The Greene Street Café, they added a cabaret room at the top called Upstairs at Greene St. It would become a great place with celebrities such as Chris Rock coming through there. Marlo would host the shows and Tony would wander up from the restaurant to sing. From a modest start of restaurateurs and entertainers. These two would become great urban place makers.



Marlo Courtney (facing) hugging his long time friend and business partner Tony Goldman

Soho

Tony stopped the jeep, in front of the building at the address of 101 Greene Street. It housed a garbage transfer station, essentially a place where the trash trucks in the city dropped off their trash so that it could be trucked out of the city to the dump. Tony said "I have this building under contract and I am going to buy it." He also told Marlo that he was going to open a supper club there and that it was going to be the best one in the city. It was to be called The Greene Street Cafe, and it would indeed be a hit. That restaurant would lead the transformation from Hell's Hundred Acres into Soho. The question I often ask myself is, how many times have you looked at a trash dump and seen the potential for a restaurant? That was the genius of Tony Goldman, he was able to see the angel in the marble. Later on, when Soho had begun its rejuvenation Tony Goldman would like to say "We went from nuttin to Hutton" because as the neighborhood became vibrant popular movie stars started to live there, one of them, Lauren Hutton even leased a space from them.

Towards the end of our interview I asked Marlo, what was your favorite project. He said "Soho, probably, because it was the first." He said, "Tony could see this ten years in advance, he was a true visionary." While everyone in New York City, even in Soho saw a trash dump, but he could see a neighborhood full of people.

It helps to picture Soho in the 1970's. Soho was a neighborhood that had a beautiful cast iron architecture, the greatest concentration of cast iron facade buildings in the world. But it was run down. The neighborhood was industrial, and its main industry, the textile industry, had left the area. It was now desperately desolate area with a few artists living there because it was cheap and spacious, but it was dead and full of trash.

First and foremost Goldman Properties was a real estate company. The management of real estate that Tony had learned working for his uncle Mickey showed itself here. The primary economic focus was to generate returns as most real estate companies do via renting or selling property. They were very serious about managing property. However, Tony believed it was important to bring hospitality, to bring people to the neighborhood. Tony had a lot of great quotes, lovingly referred to as Tonyisms. He used to say: "Feed the neighborhood, and it will feed you."

Another aspect of Goldman Properties is that they really try to be a leading and positive voice in the community. At the time there were not many people living in Soho, and even the ones who did were there illegally. Soho was zoned industrial. But artists started living there anyway. The city seemed to turn a blind eye. I assume everyone thought it was better to have people there than

abandoned buildings. The Greene St. Café would help give the people of the community a place to congregate, also those outside the community.

Also with regards to their tenants, Marlo told me he really doesn't like the term landlord and tenant. He like to think of them as customers and Goldman Properties was always and is always looking for the best for both parties. Also, they chose they're tenants based on what was best for the community. There are a lot of Tenants that would have paid money to be there, but it was about finding the right tenants, especially at first.

Tony tried to get other people that were in the restaurant business to open a restaurant, but, no one would go, and knowing that he needed a restaurant he opened it himself. And it worked The Green Street Cafe was a hit, and it started to bring people to Soho. On the outside, it looked like a regular building but, when you walked in the space opened up with giant ceilings and trees inside. But one restaurant wasn't enough, Tony also opened The Soho Kitchen and Bar next door. It shared a kitchen with Greene St. Cafe, bit it drew a different type of crowd than Green St. Cafe.

Marlo joined the team soon after, he had taken his love of roller disco and opened his own place. But, the roller disco business had fizzled and he began managing Goldman Properties third hospitality addition, called "Upsatirs at Greene Street". This was a cabaret room where comedians such as Chris Rock performed. Marlo was the show host and most nights Tony made it upstairs and would sing for the audience. Another, great thing in managing entertainment business, it gave them a great grasp on the world, what was hot.

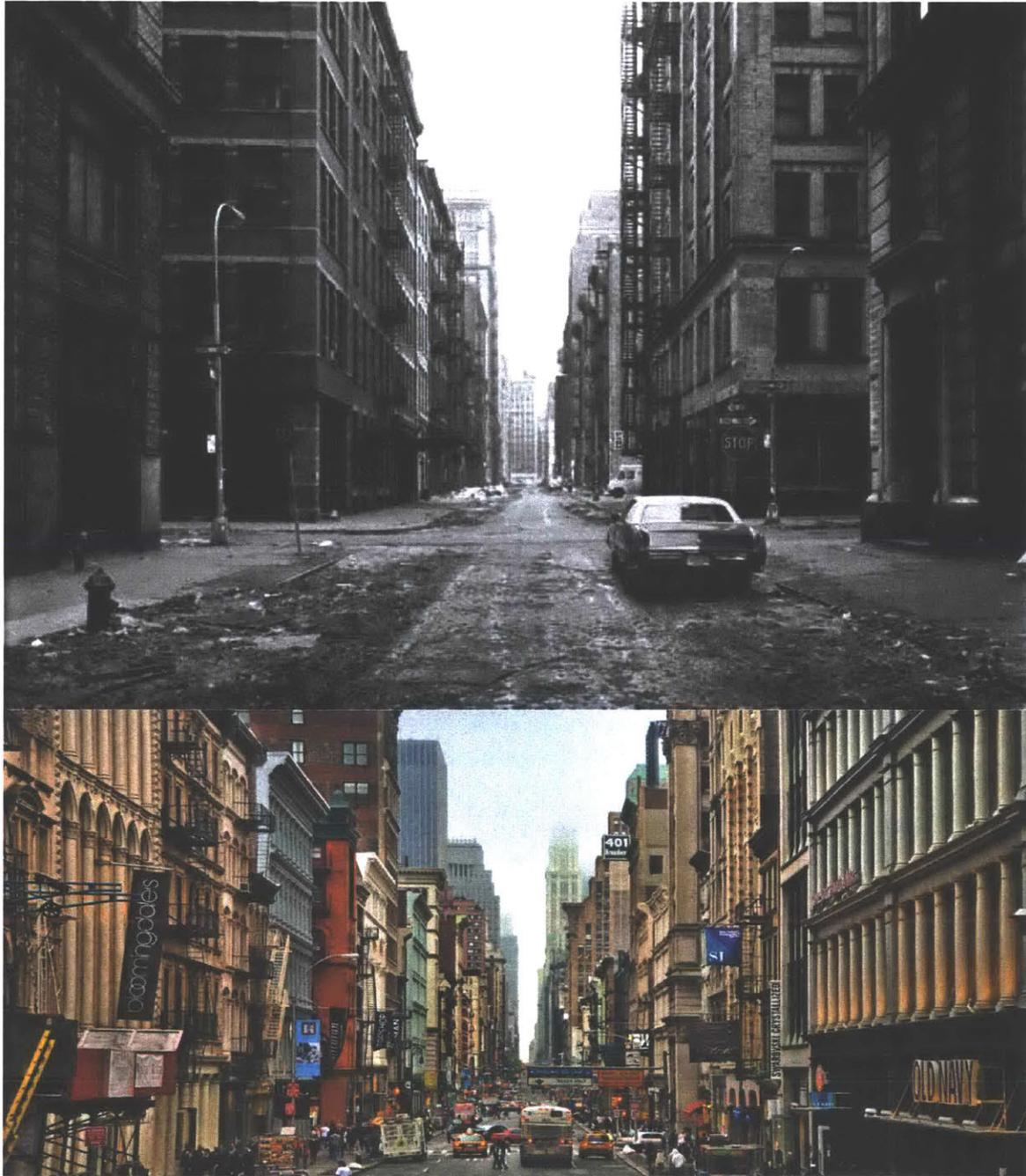
Tony was also a great inkman, he liked the spotlight, and new how to sell Soho by getting it in the papers. For example, he renamed The Rouse Building, to, The Soho Building. And he named one of his restaurants The Soho Kitchen and Bar. He was creating the brand for the neighborhood, Soho. The name of Soho was a relatively new name for the neighborhood. It had actually come along as part of the designation of its buildings as historic not even a decade prior.

Another focus of Tony's was giving attention to all three parts of the exterior of the neighborhood. For example an architect may only focus on the building facade. Tony did not. He focused on the facade, rooftops, streets and sidewalks. And, how those three interacted. He fought hard with his partners to make the street as beautiful as the buildings and vice versa. He envisioned and created two public arts sidewalks along his buildings. To him all are important, because, people notice the difference. It reminds me of Walt Disney, who worked hard to control every aspect of a Disney Land visitor's experience leaving nothing out of place.

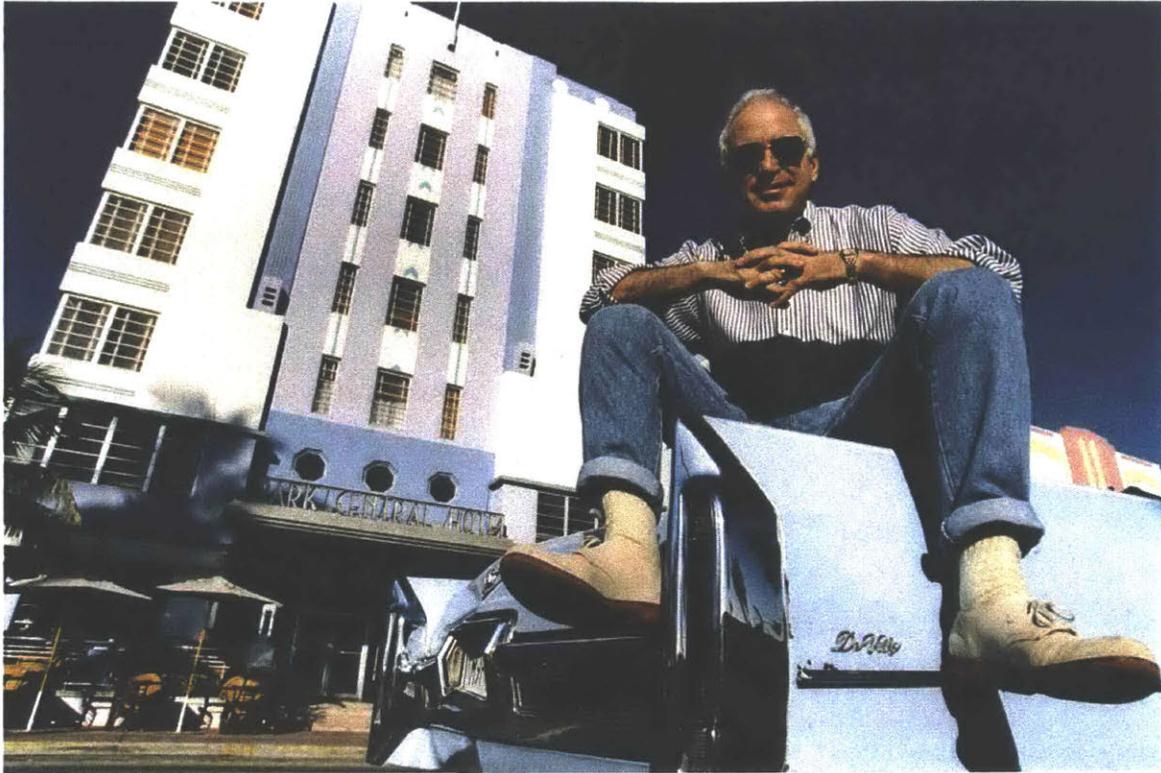
It might seem whimsical, running a club, singing at night, and redesigning streets and buildings. But they were very serious real estate guys and they took their

operations seriously. The restaurants were a giant success and more importantly the neighborhood was a success.

Before Tony Goldman, Soho was a destitute industrial neighborhood, today it is one of the premier places to shop and live in the world. This was Marlo and Tony's first.



Soho before and after



Tony Goldman sitting outside The Park Central Hotel which included his restaurant, Lucky's

Ocean Drive

When I was a young boy growing up in Miami and we wanted to go to the beach we never went to what is called South Beach. We went to other beaches because South Beach was run down and unsafe. It was mainly full of old people living there due to cheap rent, because nobody else wanted to live there. The area was affectionately known as heaven's waiting room. Then Tony Goldman came along.

It was the Eighties and Tony Goldman was in Miami looking to buy some property in an area called Coconut Grove, but for one reason or another he was not too enthused with the area. He thought it was getting "too suburban". The real estate broker told him he wanted to show him a property in Miami Beach. For those of you who don't know... To get to Miami Beach you drive through a causeway from the mainland, Miami Beach is a very long, thin island, and its most southern area is called South Beach. Well once you get over that causeway you go about nine blocks and you hit the last street where the beach is, called Ocean Drive and you turn onto Ocean Drive which is full of old Deco buildings. These Deco buildings were among Miami's first significant grouping of buildings built as hotels to draw tourists to the beach in the 1920's and 30's.

When the real estate broker turned onto Ocean Drive, and Tony Goldman saw it for the first time he said "Stop the car!" Tony got out and started to walk all of

ocean drive, which is about ten blocks long. This abandoned part of Miami with old tattered buildings and old tired senior citizens lounging about would be his next neighborhood. Tony instantly knew this would be a great neighborhood. He immediately started buying up buildings. Marlo says that Tony would get these feelings, which would manifest in him physically, the hair on his arms would stand up and a great excitement would come over him. This is what happened to him that day on Ocean Drive in South Beach. Within a year Tony had bought eighteen buildings in Miami Beach, under the radar. Nine of which were on Ocean Drive.

Regarding the architecture of Deco buildings on Ocean Drive. In hindsight, a conglomeration of deco buildings, on the beach in the heart of a major city focused on tourism may seem like a no brainer, but at the time it was hair brained. No bank would lend them the money to invest in these properties. As Marlo eloquently explains, in the eighties deco architecture was about 50 years old, think of a building today that is 50 years old today, built in the late sixties. Few of us would look at it as historic, maybe outdated. Also the sidewalks that our now lined with cafes were thin, five feet wide with no hospitality to speak of. But, Tony saw it.

Tony bought an old folks hotel and began to run it. "I ran the hotel to get the feel of things" he said. Then he turned that hotel into The Park Place Hotel.

This was the first step in turning around Ocean Drive, Collins Ave and South Beach as a whole.

Using the same basic formula as before, hospitality. What really brought people to The Park Central Hotel was not so much the hotel but the restaurant inside. It was called Lucky's. As with The Greene St. Café Marlo and Tony ran it. It became a vibrant part of Miami's scene and was awarded 4 stars for its dining experience. This would help to start bringing people.

Back in the late 80's, early 90's Ocean Drive was a destination because people went to the beach. And many avoided the beach on Ocean Drive because it was not perceived as safe. But the art of creating a neighborhood is not getting people to walk through it but to stop as they walk through.

Tony had a clear vision, Miami Beach would become The American Riviera lined with cafes and all the buildings would be restored to their former glory as boutique hotels. First he lobbied the city to expand the dinky little sidewalks from 5 feet to 15 feet. The wider sidewalks would allow for cafe seating on the sidewalk, a natural thing for beach goers or anyone to want to partake in. Few can think of nothing better than to go to the beach on a nice sunny day and afterwards stop and take in the day at a nice café.

Tony saw Miami Beach as the next American Riviera and he wanted to give the people of Miami that type of one of a kind experience. With the sidewalks now widened Goldman Properties led the charge to open cafes along the walk to the beach. One of these cafes which he leased space to was The News Café, another, The Palace. Like before Tony and Marlo took on responsibilities which far outweighed the traditional or generic responsibilities of a real estate developer. They ran hotels and restaurants. Tony also became The Chairman of the Ocean Drive Association, which Marlo chairs today. This society is focused on preserving and improving Ocean Drive. As discussed earlier, at the time deco was not considered historic. Tony believed that The Art Deco Buildings really gave South Beach its character and he fought to preserve it.

He also cared about the community. As the area improved at lightning pace naturally rents rose. But if you were a good tenant and Tony and Marlo didn't kick you out or force you to leave by jacking the rent. They let you stay because they believed did not just believe in creating a new community, but strengthening the existing community.



The Park Central Hotel before Goldman Properties restored it



The Park Central Hotel rejuvenated

South Beach Phase 2

Now that the cafes on Ocean Drive had people spilling out into the sidewalk and bringing life to the area, and a wave of investors. The next step in Goldman Properties plan was to bring shoppers. The street directly west of Ocean Drive is called Collins Avenue. At the time no one shopped in South Beach. It was the eighties, the era of the shopping mall. Also, far to the north was one of Miami's most high end malls, The Shops at Bal Harbour. The cafes, restaurants, and beach had brought people to South Beach, but there was no place to shop.

Tony and Marlo declared the corner of 8th and Collins their center point, owning three of the four corners. That is the place where they would get people to start shopping. It was important to them that they control the corner. They owned three of the four properties in that corner. And they still own them today.

It was Giorgio Armani who saw the potential for South Beach and was the first to open. He opened one of his new concept Armani Exchange stores. The store was at the corner of 8th and Collins. In the eighties, when it came to men's fashion, Giorgio Armani was a leader. Gross sales is the metric by which a retailer defines success in a store. The Armani Exchange was one of their top selling stores in the country. National retailers, like investors don't like to be first. But now retailers followed suit and by the mid-nineties Collins Avenue was booming with retailers. Today, 27 years later The Armani Exchange is still there

and South Beach is one of the most coveted places to live in or visit in the world.

Ocean Drive with its Art Deco Architecture, is the quintessential Miami. Watch any movie, show, or sporting event and Ocean Drive is what is used as the symbol of Miami. Thanks to Tony's vision and Marlo's steadfast determination right next to Tony they were able to turn around another neighborhood. Not only did they improve the neighborhood but they also preserved the rich Art Deco of Miami's Beaches.



Site of The Armani Exchange store prior to its construction



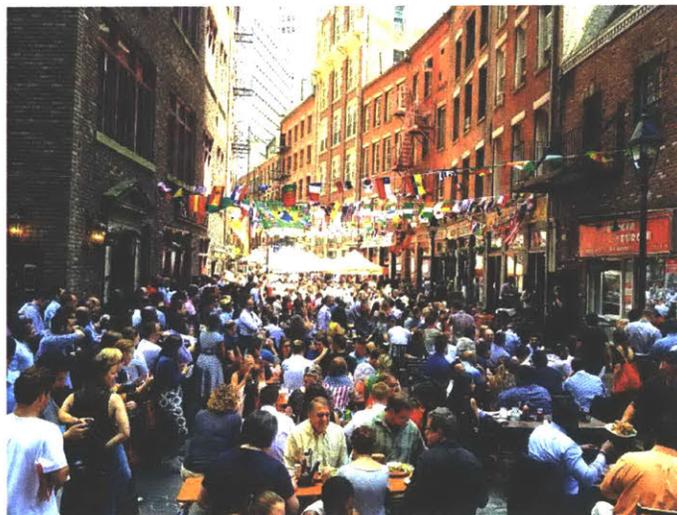
The Armani Exchange Store

Stone St.

Our next neighborhood takes us back to New York City. For those of you that have not been to Wall Street... Wall Street is the southern most tip of Manhattan in New York City. It is also the first place the original settlers European settler of New York settled. Hence, unlike the rest of Manhattan that has straight meticulously planned streets and avenues. Wall Street is hodgepodge of small streets that weave and wind through small blocks, not as great boulevards, but more like the European cities of old. The problem Wall Street has always had is that it has little to no residential buildings, although that has begun to change in the last decade.

After business hours Wall Street became a ghost town. Also at the time that area of Wall St. was not renting well, the buildings had a vacancy rate of 27%. One such street that shared all these basic characteristics was Stone St. in the Wall Street area. Stone Street is only two blocks long but it had so much charm and charisma that Tony saw the potential. Stone St. is a small street, almost an oversized alley. While many of the buildings on Wall Street are stone or glass and eclipse the sun most of the day. Stone St.'s building are mainly brick and have a little more warmth to them. The formula for the rejuvenation of Stone St. remained the same. Goldman Properties led the charge in opening restaurants, cafes and bars. What really made the place inviting was the narrow street which was made pedestrian only. On that pedestrian thoroughfare the place to be is outside the restaurants and bars. Many a visitor might enjoy food and drink on stone street and never step inside a restaurant.

Much of Wall Street still has a sterile feel to it, especially after post business hours, but Stone St. is teeming with life. From one end of the street to the other outdoor tables are touching and crowds of people congregate to drink and eat at one of the countless bars and restaurants on the street. It seems like a breath of fresh air in an otherwise stuffy and 'business only' area of town.



Stone Street

Center City

In 1999 Center City was the red light district of Philadelphia. It included streetwalkers, adult bookstores, adult movie theaters, and adult entertainment. But it also had beautiful architecture. And, Tony Goldman thought it had potential.

Like before Goldman jumped in. He bought 18 properties as was customary to him. If you notice Tony would make it a point to buy 18 properties. In the Jewish Religion they call it a "Chai." Chai is a spiritual symbol in Judaism and is represented with the number 18. This is a number of good fortune. Tony went out of his way to always buy 18 properties in an area, or a number very close to 18.

Also, by owning a group of properties in the area he could exercise control over the area. By control what I mean is that he had enough properties to be a voice in the community. Those properties also were in very close proximity to an area. Goldman Properties would go "all in" on a given area. Essentially they did not buy properties spread out from one another. They bought a chai within a small radius. By doing this they were giving themselves sufficient control of the area. Goldman Properties was also putting all the responsibility of the area's success. If they failed the area would most likely fail.

There is also a financial aspect to buying in bulk in an undervalued and abandoned neighborhood. By buying in bulk investment in one property or the area would raise the value of all properties in the area. Just as a rising tide raises all ships.

Goldman also established a center point at the corner of 13th and Sansom. They owned all four corners there allowing them sufficient control. Again, with respects to control and influencing an area, it appears that Tony and Marlo put special emphasis on controlling the corners and intersections. Today this area is known as Midtown Village within The City of Philadelphia.

And on the corner of of Sansom and 13th they opened a restaurant. The restaurant they first opened was called Trust, it had a life of three years. After three years the area was attracting people and other restaurateurs followed. Trust was sold to one of Philadelphia's most capable restaurateurs and renamed El Vez. This shows that although they were willing to do what most real estate operators would not do which is open a restaurant. They emphasized profit via real estate rents. Therefore, if they could stabilize and continue to attract people to the area by selling or leasing the restaurant space to others they had no qualms about doing it. It seems as if the restaurant was a means to an end. They did the same with most of the restaurants or bars.

Except for their most recent neighborhood, Wynwood. All of the restaurants Goldman Properties opened to spur change in the neighborhood are not operated by Goldman anymore, and most have shut their doors. But, it really makes no difference as the main goal of Goldman Properties, which is driving positive change in the neighborhood, was accomplished.

Today Midtown Village has over 15 restaurants and if you talk to anyone from Philadelphia, it is a lovely area, the place to be. Marlo, considers it a work in progress, but by any metric, it is a success. This alludes to one of Goldman Properties mantras, there is no time constraint. They have taken the time to develop, curate and rejuvenate the neighborhood.



Midtown Village

Wynwood

Wynwood was Tony's last undertaking before he passed away. It may have been his most impressive because it had none of the architectural attraction that the other properties had.

Soho had a unique cast iron architecture in a city where everyone walked. Stone St. had a wonderful enclosed London brick and stone feel (for Harry Potter fans, it may remind them of Diagon Alley). South Beach had its Art Deco architecture, the second most art deco buildings in the world, other than Shanghai. And it had a world renowned beach. Center City had the brick architecture of one of America's old and most storied cities, Philadelphia.

All these neighborhoods had something with potential to draw people, a 'je ne sais quoi' factor. They may have been run down but a little TLC would tease out a rich and unique character that couldn't be duplicated, and effectively drew people to the neighborhood.

Wynwood had none of these things. It was a warehouse district. It had your standard cement block warehouse. The kind of place that sells construction supplies, or has a mechanic shop. Its only redeeming factor is that it is close to the center of Miami giving one access to highways that will take you anywhere you want to go. I lived in Miami for 12 years, not once in my life did I ever go to the area we call Wynwood today. It was all warehouses, and it was a bad area.

Originally, it wasn't Tony or even Marlo that saw the potential in Wynwood. Tony's son Joey is the one who saw the potential. There was also another man named David Lombardi who was there before Tony, but if you ever talk to him, he will say "What I saw was a place where warehouses were cheap and centrally located, the arts thing came later." Like many real estate investors, Tony was able to convey his vision to others.

As before, they started with a restaurant. It was an Italian restaurant named Joey's, in honor of his son. It was right in the middle of this rough neighborhood. It was a fine dining experience in which the men had to wear a blazer or they would be denied admittance. Soon it became quite popular. But the breakthrough was yet to come.

This story may paint an easy picture of neighborhood rejuvenation. But I think it takes grit and perseverance. Just because you go into a bad neighborhood and start fixing it up does not mean that immediately crime will disappear. The neighborhood rejuvenator is going to have to take some punches. One big punch happened on August 29, 2011. Three armed men ran into Joey's Restaurant around 8 o'clock at night while diners were enjoying their meals.

They yelled at everyone to get down as they quickly robbed the cash register and took phones from the patrons. Then they quickly ran out. Thankfully no one was hurt, but an act like that could seriously scare people away from the neighborhood.

As they were opening Joey's, Tony kept saying to Marlo, "What's the hook?" What is the factor that will make this neighborhood unique and bring people here? Restaurants were not enough to Tony. The area needed a draw that was unique to Wynwood. Unlike his instant eureka moment on Ocean Drive. This one took a while.

Finally, after 3 to 4 years he had it. You see, Tony the consummate artist, liked to collect art and he started to collect graffiti. What others saw as a public menace, Tony saw as an art form. What Goldman Properties had in Wynwood was lots of boring cinder block warehouse walls. He was able to turn his biggest liability into an asset. Tony began to invite noted wall artists from all around the world to paint the walls. The warehouses became an outdoor museum called The Wynwood Walls, free for all to see. But if you came to see the art maybe you stopped at Wynwood Kitchen and Bar which was the second restaurant they opened in Wynwood. Or perhaps you went to the ever expanding Wood Tavern across the street. And if you wanted coffee Wynwood didn't have Starbucks or Dunkin Donuts, they have Panther Coffee, Miami's own self roasting café

Tony says, "I've learned over the years, you truly need big ideas that differentiate one neighborhood from another. Most depressed areas, when they are in their depression, are taken over by street artists. Some of it is mediocre, some of it is outstanding art. What it [Wynwood] didn't have was a defined center. Neighborhoods they need a center they need a mainstream. And I said, here I got a parking lot, I got buildings... I got canvases galore. Let me find the greatest of the international street artists and put them all in one place, open it to the public and make it a town center."

Today, Wynwood is to Miami as the high line is to New York. If you come to see the City of Miami, Wynwood is a must. It is a neighborhood in transformation. Starting with Joey's and a little paint on a lot of walls becoming the heart of Miami's arts scene and its nightlife. Tony Goldman and Marlo Courtney show us that no neighborhood is beyond repair



The Wynwood Walls



Tony Goldman (left) and Marlo Courtney (right) in Wynwood

Wrap up

Obviously these two men: Tony as the visionary, and Marlo as his steadfast right hand man accomplished something great. In many of the videos of Wynwood you see Tony pointing things out and making great expressions, and right beside him is Marlo.

There is no question in my mind that Tony Goldman was a visionary. He took a trash warehouse and turned it into a vibrant supper club. He took graffiti'd walls that symbolize the scourge in a neighborhood and turned it into an open museum. Tony improved every neighborhood he invested in and the lives of the people within those neighborhoods.

Chapter 3

The Story of Joe Englert

“Joe Englert can’t sit still—not in an interview, not in life. Since coming to Washington in the 1980s, he has opened more than two dozen nightspots here—more than one a year. The first was called Club Random. The second, 15 Minutes.

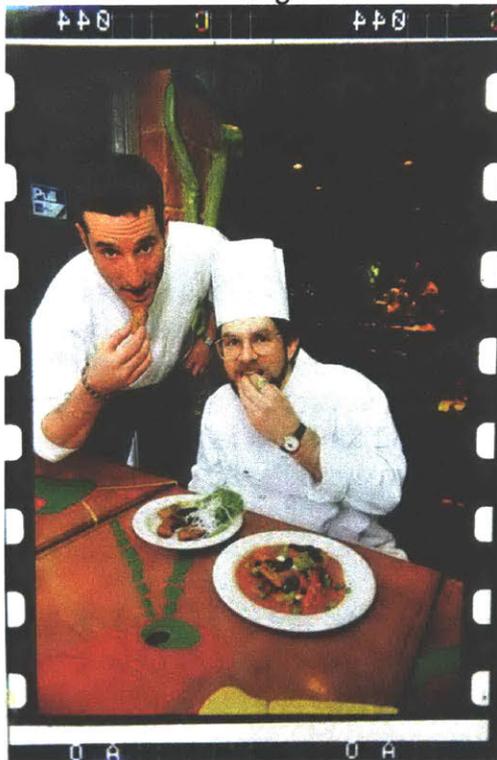
“Englert’s best-known bars are cathedrals of camp. At the Big Hunt, tribal masks stare down from walls and a man’s arm dangles from a dragon’s jaw. At H Street Country Club, mini-golf players putt around a fiberglass Marion Barry. The lamps at Trusty’s Full-Serve are fashioned from vintage motor-oil cans and beer is served through the windows of a yellow school bus. At the late Insect Club, patrons munched on “mealworms Rockefeller” beside a giant ant farm depicting a history of the world from the Crucifixion through the first space walk.

“Englert opened bars on Northwest DC’s U Street and Northeast’s H Street when those strips were synonymous with drugs and violence, and he helped turn them into two of the city’s hippest nightlife districts. But more than anything, his places, in number and design—flying bread loaves, stuffed unicorns, Presidents’ heads cast as Easter Island giants—are a symptom of their owner’s need for constant stimulation.”

Unlike Tony and Marlo who opened restaurants as a means to an end. The end goal being, reviving a neighborhood. Englert opened bars and restaurants because at his core he is a restaurateur. He wanted to create a great experience and it seems the neighborhood just got better wherever he went. His drive to open these restaurants was the catalyst in two neighborhoods transformation.



Joe Englert



The Insect Club

U Street Corridor

It seems Joe Englert didn't have as organized a plan as Goldman Properties, but yet he was successful in reviving underutilized neighborhoods. Joe Englert was originally a writer, who never finished a book or screen play. He then became a bartender which led him into becoming a bar owner/ restaurateur.

His first bars didn't really change the neighborhood. They were located on K Street which in Washington DC is synonymous with offices, especially for the lobbyists who want to be close to the power brokers of DC. For example, Joe's second bar was called Club 15 Minutes and it was located on 1030, 15th St. N.W., which is the K Street area. That club had a short life, maybe it was called 15 minutes because the lease was very short.

Since the lease was coming up one day DC's liquor license czar Dimitri Mallios told Joe "be at 20th and K, in 15 minutes, bring your checkbook." Joe arrived and a deal for a new bar in the K Street area was agreed upon. The bar would become known as Crowbar.

Some of his other bars such as The Big Hunt were situated in The Dupont Circle area. This area is just north of K St. and while the bars certainly helped bring people to the area, Dupont Circle, even in the nineties was already a relatively established area.

The U street corridor runs ten blocks from 18th and U North West to 9th and U North West. When Englert first came to DC this corridor was considered dangerous and unfriendly. The era of crack cocaine personified by DC's own Mayor Marion Barry who was arrested in 1990 for using crack. U Street N.W. was the answer because Joe saw it as cheap and a great place to open some of his bars.

U Street had a history of retail. At one point in the early 20's it had the greatest number of black owned businesses in the country. What really affected it were the riots of 1968 following the assassination of Martin Luther King Jr. The center of the riots was in the heart of the corridor at U and 14th. Following the riots businesses started to close and the area fell into abandon. Most of the area became known as Shaw and in the 80's, 90's, and even 2000's Shaw was considered dangerous by most inhabitants of the city, and they would not deem it safe to walk in that area.

Englert opened a lot of restaurants, not all of them on U. But U Street is where he really influenced things. The streets of DC have been improving for decades. At many points in the eighties and nineties DC was considered the most dangerous city in the United States.

What was considered a “good neighborhood” in the early 2000’s was in the western part of DC, areas such as Georgetown and Dupont were coveted. However as you went to the north and especially towards the east these area quickly got worse. At the time Adams Morgan was DC’s hot spot area for nightlife. A few bar and restaurant entrepreneurs ventured west of Adams Morgan, but only a few blocks west. Joe Englert went all the way to the western end of U Street where he opened such bars as DC9.

The area was situated at the border of little Ethiopia to the south and Shaw to the north. In 2004 DC9 opened, helping lead the transformation of U by bringing people to the area to see live music. Englert’s bars brought people, not to the edge of what was considered a bad neighborhood but deep inside.

One of the things he did was make it easy for other bar, restaurant, and real estate investors to invest in the area. By pushing the boundary so far. A lot of times a neighborhood will get better over decades, in a slow process that goes block by block. The genius of Englert is seeing that he could get people to come a lot farther than they thought they would be willing to.

The other aspect of Englert’s success is that by going to these areas he paid very little in rent versus an established area. In the restaurant business your overhead is what will kill you. Although it was most likely difficult to find institutional capital to lend on these ventures, it was okay because the amount that needed to be invested was a mere fraction of what a tenant would pay in a Georgetown or Dupont Circle. In addition, it gave Englert a free hand to create an experience. The area of U Street where Englert moved in came to be called Englerville by those in the know.

However, running a bar is never easy and in 2011 Club DC9 suffered a big hit when a man was beat to death outside the bar. This led to the bar being closed temporarily.

However, the area had already improved, but there can be dangers to running a bar especially one with live music and high levels of testosterone.



Ben's Chili Bowl, a U Street staple



Club DC9

H Street N.E.

In the 60's H Street N.E. was a shopping destination within Washington D.C. Stores lined the street and people went there to buy their daily goods, get a bite or get a haircut. With the assassination of Martin Luther King Jr. in 1968 all that changed abruptly. Just as in U Street, riots swept Washington DC and H Street N.E. was especially affected. Any store that was not black owned was destroyed. One Jewish woman who owned and ran a convenience store asked her black friend that ran the barber shop next door, "What do I do, so that they don't destroy my store?" He said, "Put a sign on the window that says Soul Sista", she did, and her place was saved, but The H Street District was not. With so many stores destroyed investment left the area and many stores were left abandoned for the next 40 years.

Until Englert came along. Many in the city point to a trolley that was installed in 2003 that helped lead the revitalization. But the consensus among locals is that it really didn't do anything. It was Englert that led the charge to revive H Street N.E. He bought eight properties in the district and began to fix them up. As of 2012 he had invested approximately \$3 million in the area. In a "good area" those \$3 million might buy you one bar or restaurant. In H Street it gave him eight.

H Street is where I went to the Palace of Wonders. I visited there in 2007 and the place was desolate at night except for Englert's bars. But by 2012 it had all changed:

"H Street is at a crossroads, [Englert] says, and he has had to hunker down, focus. He hired one man to sweep the streets and another, with a Prius (the Eco-Cab, Englert called it), to shuttle customers to and from Union Station. To call attention to the corridor's rebirth, he named its east end the Atlas District, after a historic movie theater that reopened as an arts center in 2006. He began hosting a series of "Street Talk" meetings at a coffeehouse, inviting business owners and the public to brainstorm ideas for the strip's future. Along the way, he has grown close to Ward 6 councilman Tommy Wells, relaying gripes from H Street business owners and helping Wells build support for his own initiatives in the neighborhood."

"Over the past year, the restaurant and bar scene along H Street has evolved at breakneck speed, as high-quality, cuisine-centric restaurants opened along a strip that catered mostly to bar-goers and weekend partiers in its early days of redevelopment. When bar magnate Joe Englert began redeveloping properties and opening up his string of H Street bars less than 10 years ago, he probably didn't envision that by 2012 the area would be a bona fide restaurant destination.

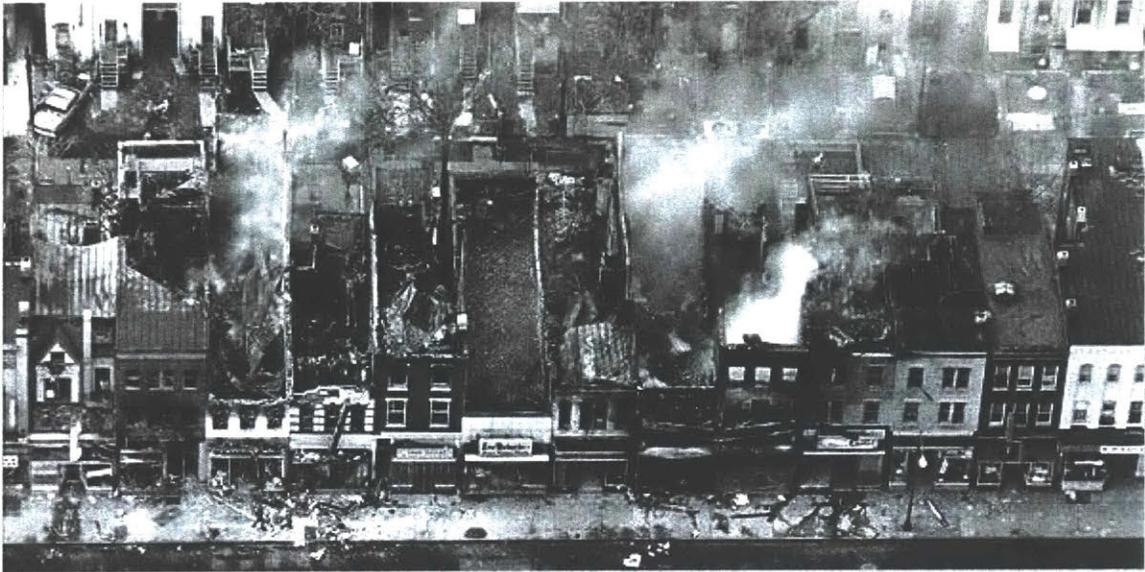
“In the last 18 months or so, new restaurants along the strip, such as the Atlas Room and Smith Commons, have leapt onto the city’s dining scene. People are waiting several hours for a table at Belgian joint Granville Moore’s or Toki Underground, an authentic ramen bar that received 2.5 stars from the Washington Post’s scrupulous Tom Sietsema. H Street now even has a restaurant noteworthy enough for a presidential visit. (Obama took some supporters to the newly opened Boundary Road.)”

Joe opened the Argonaut in 2005 followed by H Street Martini Lounge where one could get a large assortment of Martinis that came with a lollipop. The Palace of Wonders opened in 2006 and had many names such as red palace and red and black. Rock and Roll Hotel opened the same year. With the Rock and Roll Hotel Englert once again uses live music to give patrons a unique experience that would bring people to the area. He also opened The Pug, a boxing themed bar. And Granville Manor’s a Belgian style restaurant in 2009.

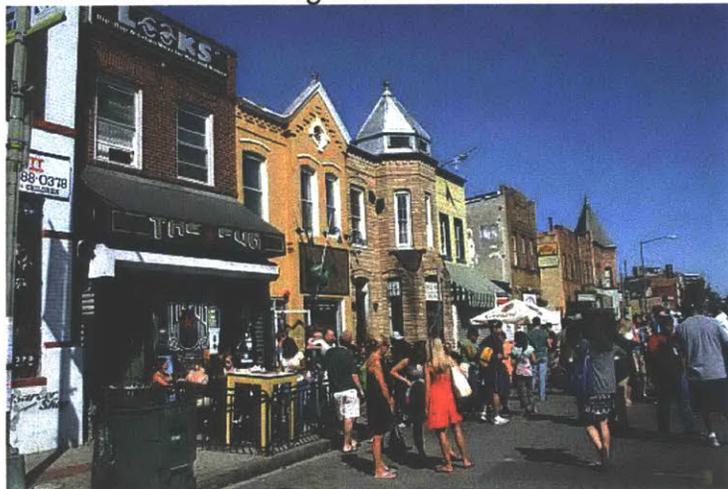
Englert wasn’t the only one that opened restaurants others followed suit and opened other bars such as Smiths Common right there on H Street. Today the neighborhood is a resounding success hosting people from all over the city.



Inside The Palace of Wonders



H Street N.E. during the riots of 1968 and 2007



H Street N.E.

Wrap-up

I remember asking Marlo Courtney if he had heard of Joe Englert and he said no. Which is amazing because it seems like they are working from the same play book. And the main play is to bring in the bars or restaurants. It was eerie to see how like-minded Joe, Tony and Marlo are without having met each other.

Another thing was that none of them stay with the same bar or restaurant for very long

“Joe spends his money as fast as he gets it—on the next place,” says Joe Lyon, one of several bartenders Englert groomed into bar owners. “He can’t help himself. I don’t want to call it an addiction, but it’s what fascinates him: ‘Hey, wouldn’t it be cool to buy this old firehouse and turn it into a neighborhood bar?’ It’s how creative it will be or how the neighborhood will think it’s really cool. Or how he’ll be the only place in town selling chocolate French fries.”

Joe Englert rarely kept a bar for very long, he would use the money to open another bar. By buying these bars in areas of the city that no one wanted to be in he bought them cheap. And once he had proven that it was a cool place to come, other investors followed.

It seems that in addition to smartly knowing how to improve an area. Joe and Tony are always looking for the next move. Tony did five neighborhoods and Joe has done two, and over twenty bars.

And Joe keeps on going. He is a serial restaurateur venturing where others do not. His latest bar is an example of this, The Reliable Tavern opened this year at 3655 Georgia Ave N.W. Once again Joe has shown that he is willing to venture to areas not considered established. His new bar at the corner of Georgia and New Hampshire is anchored on the corner by a check cashing store. Generally a leading indicator that the neighborhood could do better.

Chapter 4

Characteristics Needed to Revive a Neighborhood, Part 1

The questions asked at the beginning of our story were:

- How was the neighborhood turned around?
- What are the attributes and characteristics they all share?
- What is the secret sauce to reviving a neighborhood based on what Tony, Marlo and Joe did?

As a Master's student studying real estate development my primary interest and focus is this field, therefore, I aim to answer these questions from this specific perspective. A developer or real estate investor has limited resources and by learning from others success they can emulate their actions and deploy their capital as efficiently as possible.

Based on what Tony and Joe did I am trying to find out what characteristics of success they share that allowed them to be successful as urban placemakers. I am trying to identify and label the factors that were most important to a successful neighborhood rejuvenation. Especially what they repeatedly did that made them so successful.

I believe it best that we answer these questions in two parts.

Part 1

What factors should we focus on when picking a neighborhood to invest in?

Although it may seem as if Marlo, Tony and Joe could go into most any neighborhood and success would follow. First, you have to know how to pick the neighborhood. If you recall The story of Tony Goldman and Ocean Drive:

Tony was in Miami looking at property in Coconut Grove, he had already bought some property down there but he just didn't feel it, so he told his partner in Coconut Grove to buy him out. He just did not see Coconut Grove having potential, for one reason or another. But when he turned onto Ocean Drive he instantly saw the potential and began buying property.

What was it that Tony did not see in Coconut Grove? And even more important what was the potential that Tony did see, instantly, on Ocean Drive? Something so strong that it made the hair on his arm stand up.

Based on my research and analysis I quantify four factors that are important and should be strongly considered when choosing a neighborhood.

1. Strong Demographics and Employment
2. Potential for Pedestrian Friendliness
3. Undervalued
4. Architectural or Unique Destination Attributes

The seven neighborhoods we mainly focus on are:

Soho in New York City
Ocean Drive in Miami
Stone Street in New York City
Center City (Midtown Village) in Philadelphia
Wynwood in Miami
U Street Corridor in Washington DC
H Street North East in Washington DC

Strong Demographics and Employment

The neighborhood you are investing in should have strong employment and demographics (IE population growth). These are the main economic factors that one should look at.

The neighborhood should be in a city with enough jobs. It should also have enough population to be able to be patrons in your neighborhood. All of our seven successful neighborhoods are in cities with large populations and sufficient jobs. If Tony Goldman had invested in a small town with stagnant growth and employment I do not think he would have been as successful. The cities Joe and Tony went into are New York, Philadelphia, Washington DC, and Miami. The neighborhood may be unhealthy, but the city should be healthy.

To elaborate on what makes a healthy city:

Strong employment is and a diverse economy or good indicators of health in a city. In a talk Dr. Emre Camlibel gave at MIT, he stated that when looking at a City to invest you should look at a city with at least a million people because it signifies that the city's economy is most likely diverse and has established infrastructure.

Population Growth is another leading indicator of a city's health. The greatest cause between rises in housing/ rent prices is population growth as it increases the demand for housing. This can be shown in an economic model called the Central Business District model which accounts for population, density, and transportation costs (distance). All factors being equal, population growth leads to higher rents.

This point is not only academic, Ron Terwilliger a seasoned real estate developer who has built over 50,000 units as the former head of Trammel Crowe Residential states that:

"Annual population growth [in the US] has been about 1%...You are blessed in the U.S. to be in the development industry... because we are arguably the only first world country with population growth which gives you households that have the opportunity to buy a house or rent an apartment." -Ron Terwilliger

When looking at a neighborhood to invest in and rejuvenate, one should also look at the city. A neighborhood may not be healthy, but the city should be.

Potential for Pedestrian Friendliness

Another feature I observed that all these places had in common was pedestrian friendliness. Joe and Tony chose places that enabled people walking around.

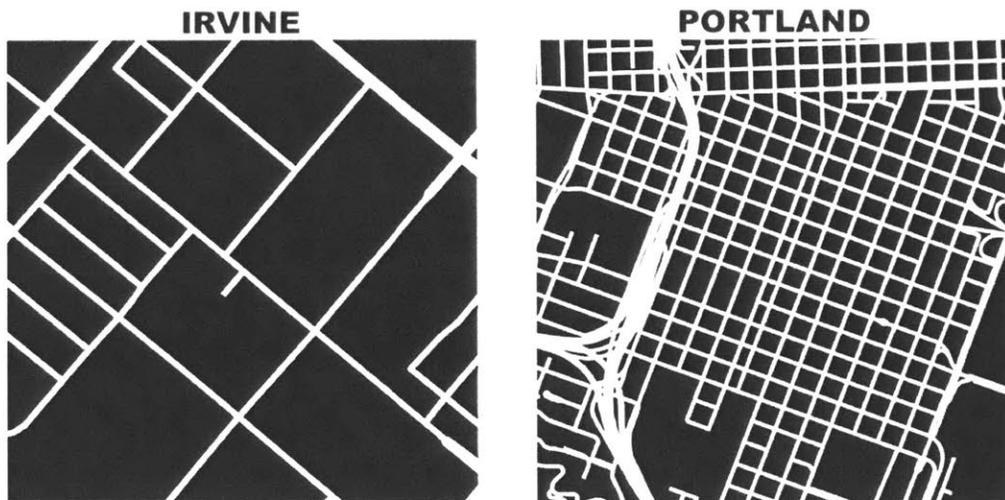
Jeff Speck has targeted four factors to pedestrian friendliness:

1. A reason to walk
2. Walk must be safe and feel safe
3. A comfortable walk
4. An interesting walk

The neighborhood you are targeting should have these attributes. Not necessarily, is the neighborhood walking friendly. In fact, in most cases the neighborhood lacks a healthy stream of pedestrians. Which a symptom of being a depressed area. But Tony and Joe saw that the neighborhood could be improved to give it happy pedestrians. I.E. The neighborhood had the ability to welcome pedestrians.

Here are some factors to focus on when looking for pedestrian potential.

One is block size. This metric is also known as intersection density, the greater number of intersections within a square mile the greater pedestrian potential the area has. A famous example can be found regarding the blocks of Portland, Oregon.



Portland's blocks are approximately 250 feet long. Portland is an incredibly pedestrian friendly place.

While Irvine, California's blocks are approximately 1,250 feet (anywhere between 1,500 and 800 on average) Irvine is completely un-walkable. The only pedestrians are on the golf course or the University.

Small blocks allow the area to be pedestrian friendly because it gives the walker multiple paths. Also, where there are small blocks, generally there are also small streets. Small streets do not intimidate pedestrians but do intimidate drivers, making them slow down and be more mindful of their surroundings. An area with small blocks does not necessarily have many pedestrians using it, but, it has the potential to do so.

Also, while any real estate venture can be achieved, buying into a neighborhood with big blocks already puts the developer at a disadvantage. Serious structural changes to the streets and blocks would have to be undertaken at great cost to the developer. This is a study of people who worked with an existing environment and structure to create a special neighborhood.

Six of the seven neighborhoods we describe have small block size, except for Wynwood, however Wynwood's main road N.W. 2nd Ave has small blocks, from street to street. And that is where most people walk, once you venture far from N.W. 2nd Ave it is not as pedestrian friendly. Therefore we can conclude that all seven neighborhoods in our study had the potential for pedestrian friendliness

It is interesting to note that many of the places within an American City that are pedestrian friendly are the neighborhoods that were planned and built before the car became mainstream. The modernist mentality that was adopted after The Second World War prioritized the car and nothing else. However, a newer neighborhood can still be revitalized.

It is not to say that an area cannot be improved if it has large blocks. The blocks could be downsized. In their book, *Retrofitting Suburbia*, Ellen Dunham Jones and June Williamson speak of how this has been done with old suburban malls, which in many respects are the antithesis of the small block pedestrian friendly form. However, in most cases this type of block downsizing would take significant investment, which is already scant in a marginalized neighborhood.

The potential for mixed use is another factor that correlates with pedestrian friendliness. Of specific need is retail locations. Also the more different uses, and the closer together, the more economic activity that is generated.

In essence, an individual choosing a neighborhood to revive should believe that they could achieve all four factors of pedestrian friendliness.

To give an example of a neighborhood in which pedestrian friendliness would be extremely difficult to achieve is one in which its town center faces an eight lane high speed transit road. Changing the fabric of this type of neighborhood and getting people to walk freely would be a tall order.

Another example of what to avoid is a neighborhood in which all the buildings are set back far from the road. Once again it would be very difficult to change the fabric of this type of neighborhood into a walking friendly place.

However, if the sidewalks are just a tad too small, as they were on Ocean Drive when Tony first arrived. Then the neighborhood has potential. Widening sidewalks can be done. Tony and Marlo were able to widen the sidewalks an extra ten feet by petitioning The City of Miami Beach to do so via the issuance of a bond.

Undervalued

“In these times that money is scarce, one must be even more creative” -Tony

Tony and Joe seemed to have a knack for finding neighborhoods where they could buy property for cheap. The low dollar figure is what really allowed them to buy many properties in a neighborhood.

They bought well below market average in every neighborhood they went into. They expected to make the neighborhood better which would appreciate the value of their property. If a neighborhood is undervalued in comparison to the overall market. Following the revival of a neighborhood, the property values will at the very least revert to the mean of in-place rents for the market. Thereby raising the value of the real estate and giving real estate investors a good return via appreciation.

The true genius of Tony and Joe is that they far exceeded the average market value for their respective cities. Soho one of the most depressed areas of New York when Tony bought it is today one of the most expensive. To put it in perspective one person bought a loft in Soho in the late 70's for \$22,000, today it is worth over \$8 million. This amounts to a multiple of 363 times the original value. This far exceeds inflation or the increase in value of New York real estate prices over the same period of time.

Note on buying below replacement costs versus buying below market value. Both real estate entrepreneurs bought building below replacement costs and below market value. However, below market value is what the real estate investor should focus when going into a depressed area.

Do not buy just because prices are below replacement costs. The financials must make sense as well. For example, many market averages show that home prices are below replacement costs. Therefore, I believe below replacement costs should not be a principal decision making factor.

For example, a neighborhood may have all the factors described in the first two, good city and good neighborhood but it may already be expensive IE Georgetown, DC and Newbury, Boston. And, honestly, the place most likely does not need neighborhood revival which is the objective of this paper.

Architectural and Unique Destinations

This is probably the toughest factor to quantify prior to picking a neighborhood. I could say “You’ll know it when you see it.” Which is precisely what happened to Tony Goldman on Ocean Drive.

When Tony saw those Art Deco buildings, he saw something beautiful, with charm. Other people just saw some run down old buildings. Another factor that Ocean Drive had was the beach.

Tony also saw the potential of the beautiful cast iron architecture in Hell’s Hundred Acres. The buildings just needed a little TLC, but all the factors that gave them their beauty were there. Tony would effusively slap his fist and say “And this has it...”

Joe also saw the potential of U and H Street. Both Streets had been built for pedestrian shoppers but had suffered due to the riots and never bounced back. But like Soho and Ocean Drive they just needed a little TLC.

But you don’t necessarily need a ‘unique’ factor at the beginning. The one place that did not have this factor was Wynwood, Tony had to create the uniqueness. Hence why I place this as our last pre-condition for urban revitalization of a neighborhood.

Chapter 5

Characteristics Needed to Revive a Neighborhood, Part 2

In the past chapter we discussed the characteristics to focus on when picking the right neighborhood. Once we have picked the neighborhood, what do we do now?

Part 2

What factors should we focus on to actually revive a neighborhood successfully?

What was really fascinating about this study was that Tony, Marlo, and Joe all focused on a few factors. The principal factor that was most important was establishing thriving restaurants. However, there were others as well. Based on my research and analysis I quantify six factors that are important and should be strongly considered when in the process of reviving a neighborhood.

1. Opening Restaurants and Bars
2. Control Through Grouping
3. Creating a Unique and Interesting Place
4. Community Involvement
5. Long-term Investment Horizon

Opening Restaurants and Bars

“Art Galleries are great, but they are not drawing the people by the thousands, restaurants do that, restaurants are the essential first step, and without that this neighborhood couldn’t develop.” -Tony Goldman

If there was one point that I wanted any reader to take away from this study is that opening restaurants and bars is crucial to reviving a neighborhood.

One of Tony Goldman’s Tonyism’s is “Feed the neighborhood and the neighborhood will feed you”. I think this is the strongest characteristic that all neighborhood rejuvenators had in common. You need to have restaurants to bring the people. While a restaurant is not the only attribute it appears to be the dominant one.

Restaurants are the leading indicator of a neighborhoods success. To give a few examples, Wynwood had no restaurant or bar. Goldman Properties opened Joey’s followed by Wynwood Kitchen and Bar making it two restaurants and bars. Today, less than ten years later, Wynwood has over 25 bars or restaurants.

Joe Englert’s H Street N.E. had no restaurants or bars. Joe opened 4 to catapult H Street forward, today it has well over 15.

I use these two examples because they are the most recent, however, the same is true for the other 5 neighborhoods discussed here. Midtown Village went from no bars and restaurants in 1999 to about fifteen today.

Also the bar/ restaurant grouping helps to fulfill 3 of the 4 factors to pedestrian friendliness. Discussed earlier:

1. It gives people a reason to walk, they walk there to eat or drink.
2. It makes the walk feel safe, people feel safe where others are. In her book *The Life and Death of Great American Cities* Jane Jacobs chronicles the small streets with people watching as the safest.
3. Its an interesting walk. We already established that Joe Englert made his restaurants interesting. And seperately, Tony Goldman picked his neighborhoods because they were interesting, or made them interesting via art. (I will discuss this feature later.)

Another item to explore within the restaurant characteristic is what type of restaurant they opened. Neither urban rejuvenator went with a national franchise or even a local franchise. They wanted to create a unique experience.

Tony Goldman said he was going to open up the best supper club in NYC in Soho. Which became the Greene Street Cafe and a draw for New Yorkers and celebrities. And Joe Englert likes to say:

“‘Give them a magic potion,’ says Englert, 32. People work in offices all day and need to escape, he says. “Give them entrance to a mysterious lifestyle. Like a different world, where everything goes.”

The Washingtonian writes about Englert’s bars. “They are more than bars. They are stories, with bizarre scenery and elaborate plots, where all who enter can step into character. In Englert's fictitious worlds, even Washingtonians can feel hip. And the entrepreneur knows that is what people crave.

The best example of that is his Insect Bar. “Englert weaves through his friends toward a darkened bar. “This is where we serve insects,” he says. This is where the drunk and daring eat cricket brittle and mealworm wontons. “People want entertainment,” he says. Englert passes under a praying-mantis arch, clunks upstairs past an eight-foot-high ant farm.”

For any real estate investment you need to have some money, but while a neighborhood's total value could be in the hundreds of millions or even several billion when you talk about South Beach or Soho.

Joe invested a total of \$3 million in H Street to include buying and fixing up 3 properties. While the investment in Center City’s restaurants were \$1.5 million by Goldman Properties. Almost every real estate developer I talk to cringes at the thought of building and operating a restaurant. But, it seems like the wisest investment to attract people to the area.

To recap, a necessary component of neighborhood renewal is groupings of unique bars and/ or restaurants.

Control Through Grouping

Also, the number of restaurants is important, like a mall where grouping of competing retailers generates an increase in sales for all retail tenants. It appears the same is true of restaurant groupings. Essentially, "people say lets go to Wynwood or H Street because there is sure to be a place for us there." A good example of this comes from the urban turf article: "The new influx of restaurants and bars is giving a reason for people who don't live in the area to come over and check out what's going on," says Gray."

In addition, To revive the neighborhood one must not control the neighborhood but have sufficient property that is in their interest to work tirelessly to improving it. Therefore, a developer should be able to purchase and own enough property that it is in their interests to develop the area and see their properties increase in value. Essentially, buy in bulk. I believe a great analogy is a rising tide lifts all ships. If you own 10 properties in an area and spend money to develop three and the area begins to improve raising rents and property value then all ten properties will bear the fruit of the developers labor.

A good example of this is when Joe Englert bought eight different properties on H Street N.E. He did not have to open eight restaurants. Once a few of his restaurants opened and the area improved, then the value for all his eight properties improved, whether he had invested money in the specific property or not.

Tony Goldman was a master of grouping his property. He even used a specific spiritual number within the Jewish religion to quantify how many properties he would buy. 18, Chai.

Creating Unique and Interesting Place

“I’ve learned over the years, you truly need big ideas that differentiate one neighborhood from another. Most depressed areas, when they are in their depression, are taken over by street artists. Some of its mediocre, some of its outstanding art. What it didn’t have is a defined center, neighborhoods they need a center, they need a main street, and I said I got a parking lot, I got buildings... I got canvases galore. Let me find the greatest of the international street artists and put them all in one place, open it to the public and make it a town center.”

-Tony Goldman

Building on the factors of pedestrian friendliness. “The walk must be interesting.” Both Englert and Goldman believed the neighborhood must be interesting. Goldman and Marlo’s first four neighborhoods were historically and architecturally significant. Be it the cast iron architecture of Soho or the Deco architecture of Ocean Drive. The neighborhood that wasn’t architecturally significant gave Tony trouble for several years until he figured out “the hook.” Tony used street art (don’t call it graffiti) to make Wynwood into one of the largest outdoor art galleries in the world.

Both of Joe Englert’s main neighborhoods U street and H Street also have a historic charm to them. But where Englert really excelled was in making the bar or restaurant one of a kind and interesting. Be it with a bar called Insect Bar or an ode to the macabre in the Palace of Wonders.

Its always interesting when you inject art into a community and this seems like a really great experiment right now if it wasn’t here, it seems like it would be an industrial S**thole” – Artist Patrick McNeil

Community Involvement

“You need to have collaboration and a plan... because there needs to be a vision that is bought in by more than one person.” –Tony Goldman

Its not just about attracting new people to the community but it is also about improving the existing community.

In some cases such as Soho, there wasn't much of a community. The few artists that were in the area probably warmed up easily to Tony because he was opening up restaurants that supported the arts. In Wynwood, Tony created the artist community by creating The Wynwood Walls and nurturing all these new artists. In Ocean Drive Tony also chaired The Ocean Drive Community.

Joe Englert also became a big piece of the community. Hiring someone full time to clean up the streets, weekly sit downs with community members trying to improve the area.

In all cases, the new wave of economic activity took depressed areas and improved them making the area safer. However, with change, even positive change, a lot of new fears can be created in the community. It requires dialogue to help work through concerns.

Investment Horizon

Marlo told me that Goldman Properties “has no finish line.” Their steps to revitalize a neighborhood are as follows:

1. Acquisition
2. Incubation
3. Stability
4. Harvesting”

Goldman Properties has no exit strategy, they will sell if it seems right. I believe this gives them flexibility. It is also a flexibility they need in almost every case their revitalization has taken a few years to even get going, and the rewards haven’t come for years. However, they can afford to do this as they were buying in a bad neighborhood so they paid very little for the properties.

In Stone Street Tony had a great loan set up with Lehman Brothers, but he walked away. He said, “because in my business I cannot afford to be controlled by somebody else’s clock.

Chapter 6

Conclusion

All seven neighborhoods that we study have come a long way.

Soho was a post-industrial apocalypse suitable for trash trucks.

Ocean Drive had a beach but it was rundown and no one wanted to live or stop there.

Stone St. was a glorified alley with no life.

U Street lived off to the notion of Washington DC in the eighties, dangerous.

Center City was the red light district of Philadelphia.

H Street N.E had been ransacked during the riots following the assassination of Martin Luther King, and it had never made it back.

And, Wynwood was just a boring bunch of warehouses in a bad neighborhood.

All were “bad neighborhoods.” Today, they have all been revitalized thanks to Englert and Goldman. Neither of these men were titans of industry with deep pockets and access to institutional lines of credit. They had an affinity for the arts and a scrappiness to carry out their vision. What others simply thought could not be done, they did.

I hope that their stories coupled with my conclusions will serve others to pursue the revitalization of a neighborhood. It can be done and you don't need mountains of money to do it. You have to have passion and a desire to improve the area.

Further Exploration

This paper was intended to be a study of what these two men did. It is not the only course of action if one seeks to revitalize a neighborhood. Only one of many recipes.

Further exploration could be The study of James Rouse and his revival of Faneuil Hall and other Festival Marketplace. I was apprehensive to include Rouse is that Faneuil Hall as not all his developments were successful, but he is worth studying.

K.C. Hardin the man who led the revitalization of Casco Viejo in Panama City is also worth studying. He is currently working on the revitalization of an old shopping district, nearby to Casco Viejo. He has also partnered with Fernando Castillo who is leading the revival of Tegucigalpa Honduras's city center. Hardin will most likely have several successful neighborhood revitalizations in short time. (Full disclosure I worked with Hardin and Castillo as part of my graduate studies.)

Probably the most prolific project to study is the revitalization of Detroit's Downtown by Bedrock Detroit which is led by R.J. Wolney and Dan Gilbert. They have gone beyond just restaurants and first brought jobs then restaurants. They are also working on revitalizing in Cleveland. I also believe they will have multiple neighborhood revitalizations completed in short time. In reality this would be the study of the revitalization of a city.

Also a study of Mayor Rick Baker's work in St. Petersburg, Florida improving neighborhoods would make a great thesis. He did a lot to improve all aspects of a community from the esthetics of the Post Office to improving the quality of the schools in the worst part of town.

Other topics that can be explored with regards to neighborhood revitalization are: public policy, school revitalization (public, private, charter), changes in block size, changes in road and sidewalk width, changes in access to transportation.

Also a further study of places where pedestrian friendliness was improved and how that correlates with whether a neighborhood improves.

Tony Goldman believed that giving artist a stake in the neighborhood could prevent what is commonly referred to as gentrification, because the artists help change the neighborhood and then get priced out. He had a vision for giving artists homes in Detroit and giving them incentives to stay there. This would also be another interesting field of study.

Trying to rank and or qualify neighborhoods that have the potential for rejuvenation with smart investment would also be an interesting course of further study.

Identifying a certain neighborhood and creating a business plan for its redevelopment based on lessons learned here would be a very practical use of this study.

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