

# The Effectiveness of Zoning in Solidifying Downtown Retail

By

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B.A. in International Relations, 1994  
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Submitted to the Department of Urban Studies and Planning  
in partial fulfillment of the requirements for the degree of

Master in City Planning

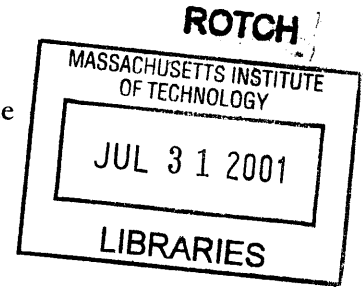
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## ABSTRACT

Once the downtown was the regional hub of shopping, but the downtown retail sector has faced significant struggles to stay alive against the forces of suburban shopping malls, big box retailers, and the dominance of downtown office uses. Recognizing the importance of retail to provide services and bring vitality to the downtown, many cities in the United States have responded by modifying their zoning regulations. New regulations have introduced retail use requirements, street level design standards, and incentives to reward developers for incorporating retail spaces. By exploring examples in three U.S. cities, namely Washington D.C., Boston, and Seattle, this thesis looks at how effectively zoning has worked to solidify the downtown retail core and how other factors influence the existence, character and form of downtown retail.

The case studies indicate that zoning is effective in creating an inventory of retail spaces and preventing other types of uses from migrating into areas targeted for retail. However, insufficient market demand can leave such spaces vacant for long periods of time until economic conditions change. Zoning can be an important tool in orienting retail to the street and improving the overall pedestrian environment. The zoning was most effective when it allowed a measure of flexibility in creating retail spaces of different sizes and forms, and when it was applied in an area with a predisposition for high pedestrian traffic and retail uses.

Other factors beyond zoning play an important role in solidifying retail districts. Economic conditions that drive the development activity are the single most important factor determining whether the zoning is even activated. The city government plays a key role in catalyzing downtown investment. Often the guidance of a downtown management entity like a business improvement district is essential in shepherding a retail district. The overall population and density cannot be underestimated in importance from a retailer's perspective.

**Thesis Supervisor:** Terry S. Szold, Adjunct Associate Professor of Land Use Planning

**Thesis Reader:** J. Mark Schuster, Professor of Urban Cultural Policy

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Without the assistance of so many people both at MIT and beyond, this thesis would not have been possible. Terry Szold, my academic and thesis advisor, deserves special thanks for her counsel and support throughout my planning education as well as during the creation of this thesis. My thesis reader, Mark Schuster, was instrumental in the steering of this thesis with his probing questions, his ability to frame issues coherently and his generosity of time.

When undertaking case studies in cities that were largely unfamiliar to me, I relied on the kindness of strangers to help me gain a sense of history and orientation during my site visits and also as I tried to make sense of the complex issues from afar. So many people went out of their way to help me with my research, but a few truly made a significant difference. Nathan Gross of Arnold & Porter in Washington D.C. deserves a special thanks for going far beyond the call of duty to help me out. He demonstrated great patience and kindness when my questions never ended. Joe Sternlieb of the Downtown D.C. BID, Mike Podowski of the Seattle Office of Strategic Planning, and Sarah Pedersen of the Downtown Seattle Association were also very helpful.

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I am fortunate to be blessed with such dear friends as Claudia, Esty, Pedro, Nancy, Birgit, Steffi, Jill and Nicole. Although I may not have seen as much of you during these past months, I look forward to many happy times together ahead.

And finally, Koko has been the real strength behind me through this whole process. With love and kindness, he continually soothed my frayed nerves, reminded me of the humor in life, and provided incredible support, research and editorial assistance, and nourishment to keep me healthy and happy.

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*“Throughout most of human history, men and women held settled identities based on religion, class and region, strengthened by family and tribal affiliations going back for centuries. America would weaken those ties, if not sever them altogether. Tocqueville...: ‘The woof of time is every instant broken and the track of generations effaced’. In such a setting, individuals – the rich no less than the rest of us – would have to discover who they were, even invent themselves. And the chief vehicle in this quest would be personal consumption. America became the best-stocked supermarket in the world, from which citizens would select those products and pleasures most expressive of their personalities. Together, our wardrobe, the tapes and records we collect, the vacations we take, combine to establish each of us as unique. This may not be the most elevated approach to individuality, but it is America’s way.”*



Quote from Andrew Hacker in the  
*New York Times Book Review*  
when reviewing the book  
*Money and Class in America*  
by L.N. Lapham, 1988.  
(Jones and Simmons, p. 17.)

## *Chapter One: Introduction*

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As shopping migrated from the traditional downtown retail district to the suburban shopping mall in the 20<sup>th</sup> century, the center city lost an important function. After losing significant retail market share, many department and specialty stores closed their downtown operations. The empty spaces further perpetuated the decline of downtown's retail prominence. The once-crowded and thriving streets suffered from neglect and underutilization. Much of what remained of downtown shopping were convenience shops serving the daytime workers, locking their doors at the end of the workday.

Cities recognized that to be truly vibrant they must offer a mix of uses for living, working, playing, and shopping. Without the full spectrum of activity, cities are inconvenient places to live and uninteresting places to visit. Even with all the advantages of convenience that a suburban shopping mall offers, it fails to replicate the diversity and energy of the urban core. With this asset in mind, cities have made many attempts to shore up their downtown retail districts.

To counter the loss of downtown retail, many cities across the U.S. have modified their zoning code to require retail uses. Generally retail uses are required in the traditional shopping districts and on key streets in the city, though the actual amounts required differ dramatically across cities. At the same time, cities have introduced design guidelines to reinforce the pedestrian environment and to resurrect the shop-lined streets of yesteryear instead of fortress-like malls that allow no interaction between the shop and the street. Finally, cities have begun to reward developers with development bonuses for incorporating valuable public amenities such as department stores, performing arts theaters, or overhead weather protection for sidewalks into their projects. In some cities, the required retail space is automatically rewarded with a density bonus and/or is exempted from the overall density calculation.

As zoning regulations are activated upon new development or a change in use, zoning is dependent upon an active development market to have an effect. In the absence of market demand, zoning's powers remain dormant. The constraints imposed by zoning are only hypothetical until development occurs, after which they become binding. Zoning is an exercise of government's police power, the right and obligation of the government to protect the public's health, safety, welfare and morals. As such, many question the extent to which zoning powers should tread, and how effective zoning really is in protecting these public objectives.

While zoning's influence is only felt when invoked by development, one must not overlook the influence it has on the broader development climate. A particularly generous system of development incentives might play a role in stimulating development in targeted locations. Conversely, an overtly strict and punishing zoning policy might steer development to other locations. While its impact depends largely on greater economic forces, zoning itself can be one factor influencing the likelihood of development and change.

Zoning is but one mechanism cities use to revive downtown retail districts. Some strategies focus on the development of new types of urban shopping experiences, such as festival marketplaces, urban malls, or the creation of pedestrian zones in key shopping areas. Other strategies, such as business improvement districts, centralize the management of downtown retail districts to create district-wide initiatives for maintenance, marketing, and overall functionality. In some cases, cities offer direct financial incentives to offset the cost of incorporating important retail anchors. Most cities interested in downtown revival employ a range of tools and strategies.

Given its inherent powers and limits, what role has zoning had in affecting downtown retail? While zoning's effects might be embedded in a dynamic environment that employs a range of tools to restore retail vibrancy, this thesis seeks to answer the following questions:

- In large metropolitan cities, how effective is zoning as a tool to create downtown retail?
- Under what conditions does such zoning work best to positively influence the downtown retail environment?

Although it might be possible to conclude that such strategies should be completely eliminated, my research will look for evidence and perception that such interventions are needed and yield overall positive results. Consequently, this thesis does not serve as a comparison between cities that have employed zoning to affect retail districts and those that have not. Instead, this thesis examines only cities that have utilized zoning interventions to influence the retail environment and looks at the results of the different approaches in three comparable but unique cities.

I became interested in this topic during a research project at The Boston Harbor Association where I evaluated the level of compliance of waterfront properties with the Chapter 91 Waterways Regulations in Massachusetts. Among its goals, Chapter 91 seeks to provide greater control over waterfront development in order to ensure that there are areas available for public use and enjoyment. In many cases, Chapter 91 licenses require not only public open spaces and walkways, but also a specified amount of "facilities of public accommodation" (FPA), i.e. public restrooms,

enclosed waiting areas, retail spaces, and other facilities that offer goods and services to the transient public.

While some of the required FPAs were located in heavily trafficked areas and thus boasted an array of shops, eateries, and other facilities, I also came across other waterfront developments with vacant ground-floor spaces set aside to fulfill the FPA requirement. I wondered how much Chapter 91 took into account the differences in demand between important waterfront nodes and quieter more remote places when prescribing requirements. Clearly this type of requirement can lead to an inherent tension between requiring retail space and risking that it will sit empty and not requiring retail space and losing the potential for stimulating important pedestrian activity and services. If a developer provides such a retail space as a “public amenity,” but because of a lack of market demand, the space sits empty, the public derives no benefit from this amenity. Some would argue that the amount spent by the developer to provide the space and the income lost from the resulting vacancies would have been more wisely spent in another form that would actually benefit the public. As a planner, one must strike a delicate balance between setting ambitious policies to achieve a normative vision and creating unrealistic expectations unable to be sustained by the market.

## **METHODOLOGY**

In order to understand how the policies to protect and create retail uses emerged, and to determine how effectively they have worked, I have chosen a case study approach. This methodology is appropriate because the questions I pose can only be illuminated by a combination of quantitative and qualitative sources, and must be couched in terms of location, history and politics.

Throughout this process, I relied on a wide range of literature to inform my research, reviewing numerous texts and articles relating to the retailing industry, real estate economics, downtown revitalization, and urban design. For my case studies, newspaper and journal articles and city reports provided a rich background from which to draw.

Initially, I chose my three particular case study cities based on a set of criteria concerning population size, density, economic prosperity, amount of downtown office space, and existence of zoning interventions targeted at retail. After examining the zoning regulations, I made site visits to each: Washington, D.C., Seattle, and Boston. These visits were very important for me. Walking the streets, I was able to observe and experience first-hand the popular and crowded shopping streets,

the neglected side streets, the well-groomed streetscapes, the worn-down facades, the relationship of the buildings to the street, the dynamics of traffic to pedestrians. As Boston has been my home for many years, I have a more intimate knowledge of its places and policies, and was able to make multiple visits to the study area over the research period.

I collected much of my data from interviews. In total, I conducted 33 interviews, most of which lasted 45 minutes to one hour in length. The people interviewed represented a wide range of professions: urban planners, economic development planners, urban design professionals, architects, retail brokers, developers, property managers, land use attorneys, professionals at downtown associations or business improvement districts, retailers, and downtown advocates. While the interviews were conversational and free-flowing in nature, I based my questions on one of two interview protocols. When speaking with planning professionals and city officials, I focused the questions on how the zoning regulations came into existence, how the specific zoning definitions were decided, and what the results have been. In addition, I inquired about the background of separate initiatives related to improving the retail district. In my conversations with members of the real estate development community, I usually inquired about their impressions of the zoning regulations, how they have affected their development decisions, and what the major hurdles to, or magnets for, attracting tenants are in the retail core. The interviewees, all professionals in their field, often went into great detail explaining their impressions on how the retail and development climate had fared over the past decades.

Finally, I conducted a web survey to understand how people's perceptions of the three cases have changed over time. This survey was not intended to be a systematic, random sample, but rather a tool to inform my research. Limited to the geographic area that comprises each city's retail core, the survey asked questions concerning retail continuity, street-level occupancy, turnover, pedestrian activity, mix of stores and activities, and overall impression. To illuminate how these factors may have changed in relation to the change in zoning, respondents provided their impressions of these factors at the following intervals:

- One year prior to instituting new zoning laws
- Six years after the zoning introduction
- Current perceptions

While such a survey has the potential to be very insightful, it was of limited use in my thesis because questions were framed over too long of a time duration and too large of a geographic area. In addition, I was not able to collect a sufficient number of responses from each city to present the

results with confidence. Although the survey results did not inform my case studies in any substantial way, I have included the survey and its results in Appendix C as an example of a tool to measure people's perceptions of the urban environment.

## **THESIS OUTLINE**

I begin in Chapter 2 by focusing on downtown retailing and examining its evolution in the U.S. I then explore how shopping malls function in order to understand how the retail paradigm has shifted. Finally, I outline the competing interests of planners, developers, and retailers in terms of bringing retail downtown.

The second section of the thesis (Chapters 3-5) focuses on the three case studies. Beginning with Washington D.C., then Boston, and finally Seattle, I explore the range of initiatives, including zoning and regulatory tools, that have been undertaken over the past fifteen years or so to stimulate the revival of each city's retail core. I first describe the broader nature of the political, economic and development climate and later narrow the focus to highlight one development's experience under these regulations. Finally, I conclude how effectively the zoning regulations have been in fulfilling their goals of creating a vibrant retail district.

The thesis ends with a Summary and Conclusions in Chapter 6, in which I take a step back to compare each case and evaluate the lessons learned overall. As this thesis is addressed primarily towards city officials and planners, the conclusions are intended to inform future policies and actions in relation to complex zoning and development decisions downtown.

## *Chapter Two: Downtown Retailing*

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The efforts cities undertake to solidify downtown retail are set in the context of changing retail norms and competing interests of retailers, developers, planners and citizens. In this chapter, I will present this retailing context to set the stage for our later investigation into specific case study cities. I will consider the follow questions:

- How has the retail sector evolved and what are the key factors that continue to influence its change?
- What are the competitive advantages of shopping malls over downtown?
- What are the primary interests of planners, retailers and developers concerning downtown retail? Where do these interests intersect and where do they clash?

### **THE EVOLUTION OF RETAILING IN THE U.S.**

As the nation industrialized in the latter half of the 19<sup>th</sup> century, many jobs shifted from rural to urban areas. As cities grew in population and in territory, the downtown took on a greater role as the unparalleled focal point of a region's population, commerce, culture and shopping. Railroads and streetcars terminated in and radiated out from the downtown, heightening its accessibility to the regional population, thus allowing it to have the largest concentrations of goods and services. Neighborhood stores offered only a narrow range of convenience goods, rendering trips to the downtown a regular necessity to satisfy a household's needs. The primary shopping magnet was large department stores, "often designed as 'pleasure palaces' with ornate exteriors and lavish interiors, catered especially to women shoppers."<sup>1</sup> Specialty retailers surrounded the department stores to take advantage of the crowds they generated, thus completing the downtown shopping district.

A number of significant cultural shifts challenged the prominence of downtown retail. Widespread use of the automobile after 1920 and growing car ownership allowed people to venture farther away from the rail and streetcar lines upon which they had once depended. No longer needing transit to get around, people moved to more remote suburban locations where land was inexpensive and in abundance, facilitated by federally insured home mortgages. "After fifteen years of depression and war had stifled housing construction, the

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<sup>1</sup> Miles et al, p. 131.

pent-up hunger for new homes was enormous.”<sup>2</sup> As the population demanded new retail facilities closer to home, shopping malls followed the migration out of the city. “By 1954, total retail sales in suburban centers already exceeded the sales volume in major central cities.”<sup>3</sup> The federal Interstate Highway Program, for which downtown interests lobbied strongly, brought highways into the heart of cities in the late 1950s. Intended to facilitate workers, shoppers, and others to come *into* cities, these highways actually served to drain more people and institutions *out of* cities and open up a new frontier for suburban development. The highway interchange became the new “100 percent corner.” As fewer people used public transportation, and more people and jobs moved away from the downtown, the downtown retailers were further and further from their main source of customers. Some retailers had more success than others in adapting to the changing marketplace. The downtown retail core itself declined dramatically, even in relation to other city functions.

Some merchants merely opened suburban branches, while others closed their downtown stores altogether. The central role of retail stores in downtowns declined more precipitously than any other downtown function. The cultural, governmental, service, and financial functions suffered less of a decline and in some cities have even grown after the declines of the 1950s and 1960s. Downtowns are still centers for many kinds of activities, but they will probably never again assume a preeminent role in retailing, although they may still be the largest single retail centers of their regions.<sup>4</sup>

Among a host of factors influencing changes in retail, Bromley and Thomas note that a greater population of working people, women in particular, led to new constraints on time to shop. This has influenced attitudes about shopping, fragmenting it into two separate kinds of activities: one quick and efficient, the other leisurely and pleasure-based.<sup>5</sup> Retailers have adapted to suit these customer demands. Shopping has been made more efficient by such changes as the drive-through window, the automatic teller machine, and the check-out scanner. On the other hand, the West Edmonton Mall in Canada is a good example of shopping transformed into a leisure activity. It combines shopping with recreational attractions such as an amusement park, an ice skating rink, and a water park to attract locals and tourists alike. The growing size of stores and the internationalization of business have created economies of scale that put small, independent retailers at a distinct cost and

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<sup>2</sup> Frieden and Sagalyn, p. 11.

<sup>3</sup> Miles et al., p. 156.

<sup>4</sup> Cook, p. 6.

<sup>5</sup> Bromley and Thomas, p. 4.

marketing disadvantage. The large tracts of land that such big box retailers require for their massive amounts of square footage and surface parking are much more cheaply and easily accommodated out of the city center.

With new technological advances, some question the extent to which non-store shopping through catalogs, television, and the internet will replace in-store sales. While non-store shopping collectively only accounts for 3 to 4 percent of all retail sales<sup>6</sup>, it is growing at a much faster pace than in-store sales. Big box retailers, whose main attraction is convenience and cost-savings, will feel the impact of non-store shopping most acutely. Still, many believe in the continued survival of hands-on shopping. Shopping malls and urban centers offer a social and sensory experience that many people value that other shopping mediums cannot duplicate. Nevertheless, the innovations in shopping pose a significant threat to existing retailers.

## **COMPETITIVE ADVANTAGES OF THE SHOPPING MALL**

Because the rise of the shopping mall is directly correlated to the fall of downtown retail, it is critical to look at how shopping malls function and how they have transformed the retail paradigm. The mall's combination of centralized management, controlled design, ample parking, and the comfort of a safe and sheltered space all contribute to their competitive advantage.

### ***Centralized Management***

Probably the most critical advantage of a shopping mall is its centralized management and ownership. Under the direction of one management entity that values the health and viability of the whole mall over any one tenant, it seeks to optimize the tenant mix and placement and coordinate the mall's activities and hours of operation. It has the financial resources to conduct studies to understand market demand and to adjust the amount of retail and its mix accordingly. Unlike a single building owner in a downtown who might seek to maximize profits to the detriment of the overall district, the mall's manager must strive for prosperity and compatibility of all tenants.

Malls and national chain stores increasingly look to each other to fulfill fundamental goals. National retailers offer malls more name recognition and financial backing than independent retailers. Shopping malls offer national retailers predictable customer traffic

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<sup>6</sup> Miles et al., p. 504.

flow in a conventional and controlled environment. Both parties value a high level of control in all decisions affecting the mall.

Whereas independent retailers grow or go broke over a period of time in the uncertain environment of the unplanned retail center, both chains and shopping plazas try to reduce the uncertainty by controlling all aspects of the shopping environment. For the chain this means exposure to a known, regular traffic flow with a fixed quantity of competition. The shopping center developer in turn looks for retailers whose product mix and type of operation are known and successful with a predictable ability to extract sales from traffic flow.<sup>7</sup>

### ***Leasing Structure***

Mall tenants typically have a triple net lease, which structures rent payments in three forms: (1) ground rent, which is a fixed monthly rate based on square footage, (2) overage rent, which is based on a percentage of the store's sales, and (3) the tenant's proportionate share of utilities, insurance, tax, and maintenance. This leasing structure provides a mall's owner with a strong incentive to care about the health of each tenant's business. Higher sales translate into higher overage rent. Ground rents usually vary dramatically among stores in the same mall.

Anchor stores are those whose retailing reputation and name help identify the center's character, define its main clientele, and draw a core customer traffic. As such, anchor tenants usually receive sharp discounts in ground rent. Conversely, much higher rents are normally charged to smaller stores whose business is largely dependent on attracting the eye of shoppers that come to the center because of the reputation of the anchor.<sup>8</sup>

Downtown retail spaces usually command triple net leases as well. However, each downtown building's amount of retail space is generally much smaller than its proportion of other uses, rendering it less important to the health of the building. As the spillover effects of customer traffic are not internalized benefits to the building but rather benefit the whole district, the property manager has little incentive to give anchor tenants a sweetheart deal on the ground rent. Instead the largest office tenant usually functions as the building's anchor, such that its preferences unduly influence the decisions made by the property manager. Without an incentive to choose a tenant that complements a retailing mix, some buildings value prestige shops that enhance a building's image but provide few spillover effects to the district. On the other hand, an office building may prefer pure convenience tenants, such as delis, dry cleaners, and copy centers, to serve their office tenants rather tenants that would

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<sup>7</sup> Jones and Simmons, p. 92.

<sup>8</sup> DiPasquale and Wheaton, p. 139.

add flavor to a destination retail district. Tenanting decisions are clearly calibrated taking account of the demand for the space and which retailers are willing to pay the highest rent.

### ***Price Coordination***

In addition to the leasing structure, price coordination is another form of interdependence among retailers. If one store has a sale, it offers an expanded client base for all. Conversely, if one store offers noncompetitive prices, it fails to attract the expected clientele, causing harm to the overall center. This is the rationale for a large store with a diverse range of product departments, such as Wal-Mart. It can accept low margins on some product lines to draw customers; in turn, it expects to generate sales for commodities with higher markups. In theory, this could be accomplished with a large concentration of individual specialty stores in a downtown, but without an externally provided incentive, it is difficult to achieve. “The problem with this arrangement is that each individually owned store will not have an incentive to price their products aggressively in order to potentially benefit the other stores.”<sup>9</sup>

### ***Maintenance***

A mall’s management oversees the maintenance of the common spaces and charges tenants directly, ensuring a clean and orderly atmosphere that often tries to replicate the city street itself. “In many communities, the malls’ walkways have become the streets of the city, so it should be no surprise that the street has largely moved inside the mall corridors, complete with movie marquees, light posts, sidewalk cafes, decorative fountains, rows of street trees, benches, and a variety of traditional building facades, materials, and signage.”<sup>10</sup> Unfortunately, few city streets benefit from this level of maintenance. With tight city budgets and overworked public works departments, cities must strive to simply achieve proper trash pick-up and have limited funds for frequent replacement of street furniture. The benches, signs and other street furniture that do exist wear down more quickly because of exposure to the weather elements and vandalism.

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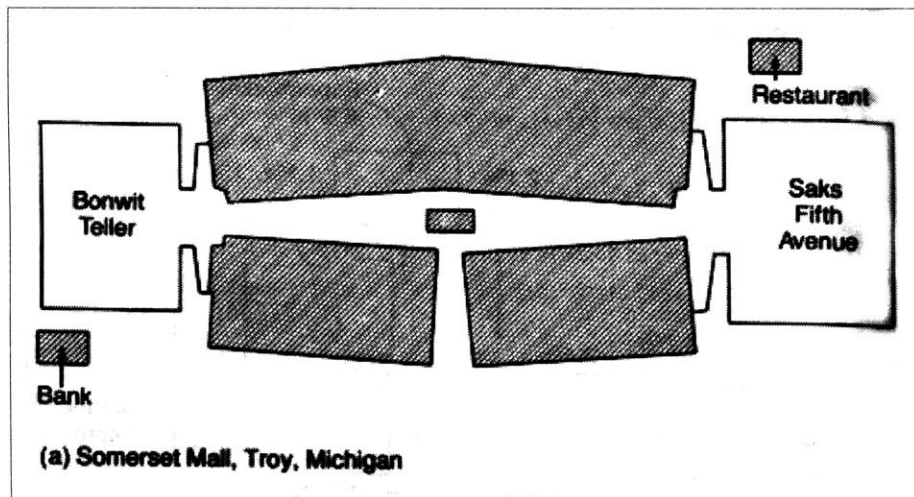
<sup>9</sup> Ibid. p. 140.

<sup>10</sup> Ford, p. 63-64.

## *Design*

The design of shopping malls is very carefully planned to maximize customer flows and sales. As Jones and Simmons explain, most mall designs incorporate some common principles:

1. The larger anchor (generative) tenants are placed at the ends of an internal mall, so that customers will visit both ends and pass by the smaller...stores in the process.
2. Access is strictly controlled to minimize the number of mall exits at intermediate locations, so that customers cannot escape.
3. This 'street' is often curved or zigzagged, in order to extend the street length and increase the number of storefronts.
4. Clusters of closely related or competitive activities may provide subfoci in their own right. Fast-food outlets form a 'gourmet court' with communal tables and seating facilities.<sup>11</sup>



*Typical layout of a shopping mall. (Source: Jones and Simmons, p. 124.)*

Downtown districts, on the other hand, have generally evolved over time and lack careful manipulation of retail placement and pedestrian paths. With plurality in ownership, design decisions are often made individually without the collective district's best interest in mind. Furthermore, the incentive to cluster tenants strategically is usually overridden by individual building decisions based on finding a willing and profitable tenant.

## *Parking*

In our largely auto-dependent society, most shopping malls provide parking that is free and abundant. In addition to its perceived convenience, this arrangement also allows shoppers to purchase in greater quantities as they can easily store purchased goods in their

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<sup>11</sup> Jones and Simmons, p. 125.

car while they shop for more. Downtown districts, designed for primary access from public transit, offer more limited parking. The available parking is usually charged at an hourly rate and may be located at some distance from the main shopping street. Even in downtowns with sufficient parking, negative perceptions of the difficulties of downtown parking discourage some from visiting.

### ***Shelter and Safety***

Finally, a shopping mall is usually fully enclosed and climate-controlled, thus offering shelter from the elements not typically found on the city streets. In the downtown, shoppers must dash from store to store during inclement weather.

A security staff patrols the mall to ensure a safe shopping environment. As the mall is private property, the security team has the right to exclude certain “undesirable” populations such as the homeless, substance abusers, or even political activists. Although many question the practice of excluding segments of society from this very public of private spaces, retailers and consumers both presumably prefer the absence of such elements in order to concentrate more fully on the business of shopping.

Downtown, on the other hand, is home to all segments of society, and one is apt to encounter a diverse population on its public streets. Street musicians, political protesters, foreign travelers, homeless individuals, and office workers are among the many people who animate the city street. While many enjoy this diversity and excitement, others are deterred by its unpredictability and a sometimes unsanitized environment.

## **THE CITY PLANNER’S PERSPECTIVE ON DOWNTOWN RETAIL**

Nothing is more disappointing in a work of civic improvement than to find that the results of our efforts are dull and lifeless, devoid of human presence and activity. No works are more deserving of criticism, for their lack of vitality stems from the fact that they discourage people from using them....The key to the design of patterns of activity in a city is intelligent disposition of major activities in relation to routes of movement, while trying to achieve maximum diversity in each area itself. The city is basically a place of exchange, and its capacity to affect exchange depends on the proximity of complementary elements, the separation of mutually harmful elements and, above all, the location of major functional groups in the most advantageous places from the point of view of transportation access.<sup>12</sup>

Spreiregen’s message underscores many planners’ goal of creating a downtown district teeming with life and activity that contains a wide range of uses and achieves a harmony in its energy. A mixed use environment, one that contains places for people to live,

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<sup>12</sup> Spreiregen, p. 78.

work, play, and shop, is considered efficient, for it allows people to take care of many needs without forcing them to commute long distances. Many of the guiding principles I discuss here are articulated in the underpinnings of New Urbanism. According to the Congress for New Urbanism, the creation and revitalization of communities should reintegrate all components of life into compact, walkable neighborhoods linked by transit. “The New Urbanism is an alternative to suburban sprawl, a form of low-density development that consists of large, single-use “pods” – office parks, housing subdivisions, apartment complexes, shopping centers – all of which must be accessed by private automobiles.”<sup>13</sup>

Ironically, it was zoning itself that had a hand in eliminating this pattern of urban development to begin with. Much of the new rhetoric centers on reviving former development patterns that became infeasible when zoning dictates called for separation of uses. Large single-use buildings replaced compact development with retail on the ground floor and office or housing above, sacrificing much of the activity on the street for a greater orientation towards the car.

It is also in the interest of city planners, as well as other city officials and residents, to advocate for downtown retail because retail sales mean increases in sales tax revenues. This type of tax is very valuable to cities as it is highly exportable to visitors and commuters, meaning residents bear a smaller share of the overall tax burden.

Now that I have outlined the primary reasons why planners value the existence of downtown retail, namely liveability, efficiency, and tax revenues, I will shift to the specific form, design, and functional elements for which planners advocate in the retail core.

### ***Elements of the retail district as envisioned by planners***

The automobile has been one of the strongest forces affecting change in the city. Highways create huge physical barriers in the middle of cities, barricading some districts from their natural neighbors, displacing many residents, and adding an alienating atmosphere to the urban fabric. Automobiles create traffic congestion, breed air pollution, and require unsightly parking garages. Despite their negative impacts, cars are generally accommodated by planning and development norms. Roadway standards require wide streets to allow fast-moving traffic, even when a narrower street would fit into the urban context better and would facilitate pedestrian crossing. Parking ratios in most zoning codes specify a minimum

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<sup>13</sup> Congress for the New Urbanism, [www.cnu.org](http://www.cnu.org).

amount of parking spaces that must be created. Their presence is built into development norms.

In response to decades of the automobile's primacy over all other forms of movement, planners have embraced the notion that the pedestrian environment should be the principal concern of downtown urban design, particularly in downtown areas offering adequate transit access and a dense mix of uses. As Cook explains, the unique experiences of the downtown are best experienced first-hand and on foot:

The essence of downtowns is compactness, complexity, diversity, and activity that can be experienced on foot. Urban design should create conditions conducive to a rich and pleasurable walking experience. The walkable environment's diversity of choice, face-to-face contacts, and opportunities for participating in the action all fulfill basic human needs.<sup>14</sup>

As a part of a pedestrian orientation, the downtown and its retail core must offer a comfortable environment for people. This includes simple things such as an even sidewalk without potholes, well-positioned benches, easily found trash receptacles, shelters from the weather elements, shade trees, landscaping, readable and aesthetically-pleasing signage and storefronts, and appropriate lighting. Without question it is expensive to install and maintain elements that transform the cityscape into a richer and more comfortable place to be. Planners must act strategically in deciding the placement of such amenities to best utilize limited resources.

For a retail environment to function well, it must be continuous and uninterrupted by nonpedestrian uses. Large gaps in the urban fabric caused by surface parking lots or office towers with blank walls dilute the concentration of the shopping district and consequently reduce the momentum for shopping. Continuous pedestrian-level retail holds the attention of the shopper better and makes the downtown shopping experience easier as it requires covering less distance.

Planners argue that vibrancy of the street is directly linked to the visual connection between the inside of buildings and the street. The ability to see inside the building as one walks along adds animation to the downtown experience, and the ability to gain access into the building draws a pedestrian into the experience. The importance of windows and doors cannot be underestimated. "Continuity of the street-level frontage in a downtown, a visual and functional quality, is experiential as well. This continuity, if complemented by

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<sup>14</sup> Cook, p. 2.

transparent building fronts, gives the pedestrian constantly changing visual experiences. Window displays, people in restaurants, even a glimpse into a working office are all part of the visual stimuli that are unique to the urban experience. Blank walls or curtained windows over any significant stretch are simply boring.”<sup>15</sup> Blank walls without windows serve to deaden the life on the street. And the absence of entrances and exits makes a building feel impenetrable and antisocial, draining the energy of the downtown.

An important relationship exists between the height of buildings and the width of the street. Street facades must be high enough in proportion to the street’s width to clearly define the street edge. However, a building’s façade that is too high creates a cave-like effect on the street, an enclosed space without light. Striking this balance is important to creating a street designed for shopping as well as walking. “A shopping street which is too wide precludes vital visual and physical contact with both sides of the street simultaneously; it is inimical to shoppers because they cannot maintain full contact with the shops on both sides of the street. Imagine having a 50-foot aisle in a department store – or even a 15-foot aisle.”<sup>16</sup>

Finally, in the context of a pedestrian-oriented environment, planners encourage visitors to the downtown to arrive on foot or via transit. Though downtown planners are increasingly attuned to the importance of available public parking and have made parking garages one of the main city contributions to downtown revitalization projects, the hope is to take advantage of the many modes of transportation into the downtown.

Zoning is the key tool employed to achieve this vision of the downtown retail core. Later when I consider the case studies, I will examine how these visions translate into regulations and guidelines.

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<sup>15</sup> Ibid. p. 14.

<sup>16</sup> Spreiregen, p. 126.

## **THE RETAILER'S PERSPECTIVE ON DOWNTOWN RETAILING**

When considering a downtown retail location, market demand is the single most important element on which retailers focus. In this discussion, I will briefly outline the framework in which market demand is understood.

First, a retailer undertakes a study of the market profile of the downtown and all of the surrounding areas to determine the population likely to shop in downtown. This includes an understanding of how the area's population breaks down in terms of income, demographics, lifestyle, and location. The composition and location of this population is one indicator of the potential market for a retailer's goods.

Before choosing a downtown retail location, it is important for a retailer to gain an understanding of the nature of competing retail centers. While overall market demand might be great, one must estimate what share of that demand a retailer can reasonably expect to capture.

A retailer will evaluate the downtown's relative ability to capture expenditures in this target market. This ability is related to a wide range of factors. Retailers want their customers to have easy access to their store, which includes close and ample parking, unimpeded circulation, proximity to the transit system, and walkable streets. The more people have a reason to visit the downtown, the more likely they will shop there. For this reason, retailers value high-profile attractions, such as convention centers, cultural venues, events, and sports arenas to attract people to the area.

The image of the area positions its reputation to the greater population. For this reason, safety is critical. The condition of the physical environment also plays a key role in attracting shoppers.

Finally, retailers judge the viability of a retail location by the area's existing retailers and retail clusters. An existing critical mass of attractive retailers is a more appealing location for a retailer than an unknown retail center.

## **DEVELOPER'S PERSPECTIVE OF INCORPORATING RETAIL DOWNTOWN**

When initiating a new project, a developer's most fundamental concern is financial feasibility. He or she seeks to maximize net operating income, determining which type of space is in most demand and is the most profitable. As such, developers typically value a flexible development environment that allows them to build what they want and in the way that they want. As market conditions change, developers want the ability to reposition their available space to keep it generating the highest possible rent. Zoning, primarily in the form of use and dimensional requirements and design standards, imposes restrictions on this freedom in the name of the public good. In general, developers see specific use requirements for retail as a liability, because in a market with weak retail demand, zoning restricts their flexibility to adapt the space to other types of users who will value the space more highly. While most developers would agree that some degree of regulation is necessary to provide a basic level of safety and compatibility, they also generally prefer as few rules as possible in order to have the most flexibility in constructing a building that will command the highest rents. Although developers sometimes view such regulations as infringements on their flexibility, they do value when neighboring properties are subject to stringent design and use controls as a way to raise the common denominator of design and to encourage compatible uses.

As profit-seekers, developers and property managers place higher priority on their building's economic health and viability rather than that of the whole district. Naturally a developer would prefer to locate in a thriving district, as it enhances the appeal for each building. However, when considering retail tenants for a mixed-use building downtown, a developer will place importance on how a retailer's benefits will accrue to the building. For example, a developer may want to enhance its image as a luxury office complex, and will seek highly upscale retailers to reinforce this image. Although these retailers may generate little pedestrian draw and may serve a very narrow market, adding very little benefit in terms of valuable goods and services to the district overall, the building might prefer them to a more useful, but less prestigious stores. For retail tenants, developers research the potential sales volumes they can achieve, matching them to the rent levels that the developer can expect. Many developers only seriously consider national credit tenants, those retailers with a national presence and greater financial backing, which are usually chain stores. Although some argue that independent retailers bring a much greater variety and uniqueness to a

shopping district, the steep rent levels and the property manager's expectation of great financial backing shut them out from many downtown retail districts.

In the design process, developers carefully select the proper balance of building uses to match expected demand levels and to ensure compatibility of uses within the building. In some cases, developers perceive retail as incompatible with the main use of the building, particularly if it is a residential development that values privacy or a luxury office tower that seeks elegance and exclusivity.

Finally, developers value control over their buildings. With a lot at risk, developers are very reluctant to cede any control over their building, as they want to ensure that the building's interests are always prioritized. Many feel that for downtown retail to be able to compete against planned shopping malls, the downtown retail spaces must be centrally managed through either a master leasing authority, through cooperative district ownership, or through a similar mechanism. Many property managers shy away from such arrangements for fear that others making decisions will not act in the best interest of their building.

# Overview of Case Studies

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In this thesis, I examine zoning's influence on the downtown retail environment and its interaction with economic, physical, political, and consumer forces, viewed through the experiences of three U.S. cities. Although each is unquestionably unique, I sought cities possessing certain similar characteristics. Each case study city displays traditional urban form and a formal downtown, rather than the low-density sprawl of some newer American cities. Each has higher per capita income than the national average, indicating one measure of prosperity among its population. Each has a similar population size, although the number of downtown residents does vary among the cities. I looked for cities that were among the top twenty largest downtown office markets with relatively low current vacancy rates, to reinforce comparability in terms of downtown workers and businesses.

Next I looked for cities that utilized regulatory tools like zoning requirements, incentives, and design guidelines to influence the retail environment in the downtown area. I tried to find cities whose approaches varied:

- Washington D.C. has an aggressive approach in terms of use requirements with fewer design elements and incentives only for large stores.
- Boston utilizes a discretionary approach to use and design with only a small set of design guidelines and very few incentives.
- Seattle takes a comprehensive approach with many design guidelines and offering a multitude of incentives.

Within these cities, I identified the most important district in terms of retail, typically the “retail core” and focused on this area for my study.

As I turn the focus to a deeper exploration of each of these cities, I will cover how these approaches to retail interacted with a wide range of other forces.

## *Chapter Three: Case Study: Washington, D.C.*

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In an effort to restore the vibrancy of the city's traditional compact shopping district, the Washington, D.C. Zoning Commission adopted a new zoning overlay district in 1989 which required roughly 20 percent of each building to be dedicated to retail, entertainment and related uses and providing incentives for additional uses of this type. To support the retail uses, new street level design standards were included as part of the new development standards. Although there was a strong demand for office space in this area, retail had been shifting consistently out of the area. The intention of this zoning provision was to reverse this trend.

The introduction of new zoning regulations coincided with the recession of the late 1980s/early 1990s. In contrast to the city's hope when it instituted the zoning, the downtown saw only a continuing exodus of its retail uses. The retail space that was created often sat vacant for years and the densities to support renewed retail were not achieved. The interventions intended to revive the retail core were not enough to overcome the weak market. In 1996, the development community finally succeeded in relaxing the use requirement and increasing the incentives for retail.

Today, with an improved economy, a new and more competent city administration, and a deluge of development, there is a stronger foundation upon which the retail core can be reestablished. In 1998 the city created a Business Improvement District, which has been instrumental in efforts to improve safety and maintenance and to work with and educate the development community about good design and development plans. With a stunning \$5.4 billion currently being invested in the downtown in some 52 projects, city leaders and developers alike possess great hopes of filling the streets of downtown with retail and entertainment-oriented uses to serve as a regional destination.

### **PROFILE OF WASHINGTON, D.C.**

Created as home to the nation's seat of government and envisioned as a noble city of beauty and importance, Washington D.C. has always been somewhat at odds with its original intention. George Washington himself chose the land that was to become the nation's shiny new capital. Pierre-Charles L'Enfant designed the city of diagonals, placing much symbolic importance on the axial relationship between the three seats of power. However, due to significant delays in development and lacking funds, Washington, D.C. was perceived as a remote, undeveloped and

unpleasant place in its early years, when sewers ran down the roads, the pestilential swamps of the Potomac estuary were still close at hand, and the cultural scene was yet to be developed.

Modern D.C. has evolved into a true cultural and governmental capital, with D.C.'s central and northwestern districts having become the site for grandiose developments attracting visitors from around the world. Development dollars, however, have not been spread evenly throughout the district, and some areas face grave poverty and crime. Much of the population migrated to the suburbs of Maryland and Virginia in the 1950s and 60s, and D.C.'s population became 75% black by the mid-1970s. Deeply scarred by the 1968 riots, D.C. became known as a city of social unrest with unsafe conditions.

Washington D.C. still faces unique municipal challenges. Its property tax base is greatly limited as the government, which pays no taxes, owns approximately 40% of the land. Attempts to raise income taxes push residents to the nearby suburbs of Maryland and Virginia. The sales tax is slightly higher in D.C. than in the surrounding counties as well, increasing the appeal for shopping outside of the district. With a local economy that is largely connected to the national government, D.C. is home to few national corporations and little manufacturing.

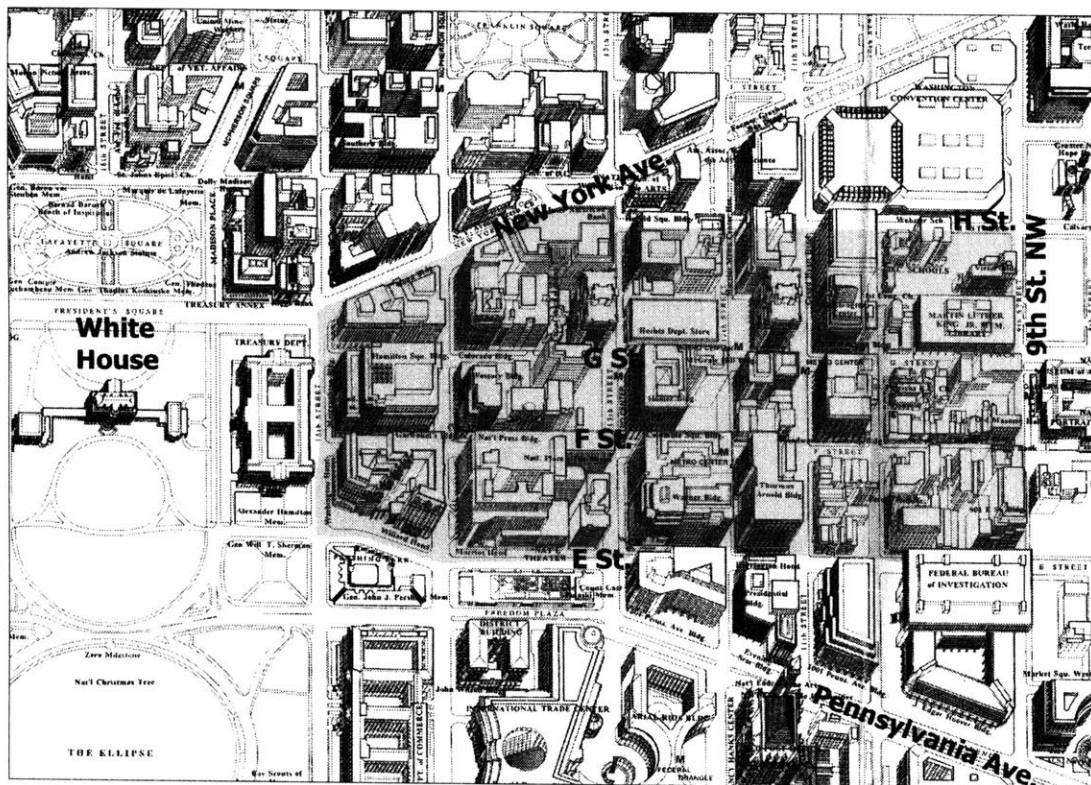
While it has a mayor and city council form of government, Congress has assumed direct control over the city at various times in history. Even now, after more recent fiscal crises and questionable leadership, an appointed financial control board oversees many city affairs. However, D.C. now boasts investment grade municipal bonds and budget surpluses.

## **PROFILE OF DOWNTOWN D.C.**

Washington's traditional downtown is considered to be north of Pennsylvania Avenue, east of the White House, south of New York Avenue and west of 6<sup>th</sup> Street NW. It is contiguous with the Mall, which is home to the Smithsonian Museums, the National Gallery, and the vast expanses of grass where visitors and residents congregate. It is also referred to as the "East End" or the "Old Downtown". At one time, Downtown D.C. was an unrivaled shopping hub, supported by the area's office workers and the region's residents. However in the past decades, the shopping areas have migrated away from the downtown's growing office district. The downtown retail sector competes with retail centers in other parts of the city, particularly the "New Downtown" which is close to George Washington University, as well as Dupont Circle, Georgetown, Pentagon City, and the many suburbs.

As the central business district to the nation's capital with its 70 million square feet of office space, its daytime population swells to over 185,000 people including 83,500 Federal government employees. As a city whose main industry has always been government, its diplomats, bureaucrats, and lawyers exist alongside a larger population with a limited alternative employment base downtown. With a sharp segregation of uses, downtown's buildings predominantly accommodate office uses with very few housing units. Without a 24-hour population, many perceive safety as a problem in downtown D.C., since it also has an above-average number of homeless individuals. Yet, the downtown offers the region's best transit access as it is where all five Metrorail lines converge. After a wave of new development and rehabilitation, downtown D.C. now has its own cultural offerings with seven museums, five theatres, the National Law Enforcement Officers Memorial and the National Aquarium.

The Retail Core, one part of Washington's downtown, is this area on which I will focus in this study. This compact district, whose vibrancy the city has been trying for years to reinvigorate, is the traditional shopping center of D.C. It is defined by 15<sup>th</sup> Street on the west, New York Avenue and H Street on the north, 9<sup>th</sup> Street NW on the east, and E street on the south.



*D.C.'s Retail Core is the area highlighted, located in the city's East End.*

## HISTORY AND PLANNING CONTEXT OF THE RETAIL CORE

From its golden age in the 1950's, when Washington's 100% corner was 14<sup>th</sup> and F Street, the downtown Retail Core slipped into serious decline well into the 1980s. While new office development symbolized investment in the downtown, it also resulted in the demolition of numerous existing structures, often failing to replace the street level life that they had once engendered. According to an article in *The Washington Post*, the District lost more than three million square feet of retail downtown in the 1980s, mostly due to the office development boom.<sup>1</sup> This also contributed to the growing number of large surface parking lots downtown, which broke up the urban fabric and deterred retailers and shoppers from the area. Downtown became known as "the old downtown" as its department stores and shops shifted towards Dupont Circle, George Washington University and to the suburbs. With a stretched-out, T-shaped retail core that had become the "most extended core outside of Memphis", shoppers were forced to walk some 3,000 feet from one department store to another. Its diminished retail base had to struggle with its declining image, its seedy adult entertainment area, and gaps in the continuity of the urban retail fabric.

In 1982, the Mayor formed the Downtown Committee to create a downtown revitalization strategy consisting of a range of professionals and community members. This committee recognized that the downtown was becoming increasingly segregated as an office center, spurred in part by the Pennsylvania Avenue Development Plan of the 1970s, which had called for larger setbacks and office uses. At that time, the downtown had been zoned for high-density office uses that swallowed up many other less lucrative uses. In its Downtown Plan, this new committee created the idea of implementing various zoning overlay districts in the downtown to promote and protect certain uses such as cultural, arts and housing. This plan formed the basis for the Comprehensive Plan adopted in 1985.

One of the overlay districts articulated in the Downtown Plan was designed to create a more concentrated retail core. In envisioning the Retail Core, the Downtown Committee imagined that its reinvigoration would result from a range of stipulations and initiatives. The Downtown Plan called for reducing the distance between department stores by half. It recommended recruiting a fourth department store and creating a festival marketplace in the east near Gallery Place. And finally, it suggested the elimination of the adult entertainment uses. Given the many theaters in the area, the goal was to reinforce them by infilling restaurants into the retail and cultural core. The concept of

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<sup>1</sup> Pyatt, 1992.

“retail” uses was a broad one, including entertainment, restaurants, and bars to complement the cultural and sports attractions in the downtown. It was generally accepted that downtown could not really compete in terms of traditional retail goods, such as apparel.

Subsequently, the Downtown Committee focused on Hecht's department store on the corner of 7<sup>th</sup> and F Street, whose location was a sizable distance from the other department stores. Utilizing an urban renewal site, the City facilitated Hecht's move to a new downtown location, thus lessening the walking distance between department stores.

In the late 1980s Mayor Marion Barry signaled his willingness to begin a rezoning effort to make the downtown zoning consistent with the newly adopted Comprehensive Plan. Throughout the entire downtown development district, the city planned to introduce a number of new zoning requirements specific to various subareas. The development community, which in a city with few national corporations has tremendous influence, was nervous about the new regulations and was particularly displeased with the new housing requirements in certain subareas. For this reason, the city instituted an overlay district in the Retail Core, then known as the SHOP overlay district, which focused on retail with no housing requirements as the first case.

The tough decisions about these overlay zones were played out in meetings of the Downtown Partnership, an organization co-chaired by the Deputy Mayor and a local business leader that was created to enhance communication between local government and the business community. They struggled with the amount of retail, entertainment and service uses they would require. The Partnership funded a formal retail market study that indicated that 3,000,000 square feet of retail in the SHOP overlay district could be supported by residents, workers, and tourists given the expected future growth of the office market. With a 2.0 FAR for retail, retail uses would generally constitute twenty percent of the gross leasable area and occupy three floors: the basement, first and second in the typical 10-story building. Developers were willing to accept a use requirement, but they argued that the requirements were arbitrary and the upper floors, including the second floor, should be reserved for office space.

Despite a fierce zoning battle, the SHOP overlay district requiring multiple levels of retail uses was formally adopted in 1989.

## REGULATORY GUIDELINES

The rezoning efforts were based on goals articulated in the Downtown Plan and Comprehensive Plan.

- It sought to achieve a healthy mix of uses and buildings in order to support a truly “living downtown”. Buildings should be porous and penetrable at the street level, and active more than 8-hours a day. A compact and concentrated shopping core was vital to this vision.
- The rezoning hoped to curb the trend towards “formless office sprawl” and all of the concomitant degradation of the public realm and dependency on the automobile.
- The new zoning regulations set out to build upon and retain Downtown’s major assets, which included its location between the White House and the U.S. Capitol, its Metrorail access, its street and open space pattern based on the L’Enfant Plan, its abundance of cultural establishments, historic buildings, and monuments, and the diverse existing uses in the area such as churches, hotels, stores, and theaters.

The Downtown Development District (DDD), adopted in full in 1991, is comprised of a series of subareas, each with its own requirements and incentives. Among the subareas focused on historic preservation, housing, or the arts, the Retail Core, also known as the SHOP overlay district, aimed to create a compact shopping district between E to H Streets and 9<sup>th</sup> to 15<sup>th</sup> Streets, NW by creating continuous ground-floor retail stores that would be anchored by the district’s existing department stores and major retail and entertainment uses. F and G Street were identified as the two “spines” of the shopping districts – the most important shopping streets.

### *Use Requirements*

New or altered buildings, other than hotels or residential buildings, had to include a 2.0 floor area ratio (FAR) of retail, entertainment, and related uses out of a maximum 10 FAR for the building. (See Appendix B.) This ratio would decrease to 1.5 FAR in historic buildings and on streets without heavy pedestrian traffic. As the zoning’s intent was for active, pedestrian-oriented retail, a maximum of 20% of the required retail uses in each building could serve as banks, financial institutions, travel agencies, fast food restaurants, delicatessens, printing or copy shops, newsstands, dry cleaners, and the like, for they would not serve to enliven the street or draw visitors.

Except in the historic districts and purely residential zones, D.C.’s maximum height is based on the 1910 Height Act formula (street right-of-way + 20’). As building heights cannot exceed ten or twelve stories based on these strict height limitations, this retail use requirement usually meant

retail on three stories, but such required uses would not count toward the building’s total permitted maximum density calculation.

***Design Guidelines***

In addition to attempting to control and shape uses, the new zoning also sought to affect street level design. The new downtown design standards were implemented to create safe, visually exciting, “animated” pedestrian streets in key locations. This would be achieved by creating active sidewalks to accommodate pedestrians and “suitable to support successful retail, service, entertainment and arts uses at the ground level of buildings.” In the SHOP district and on other key pedestrian streets, the design guidelines were as follows:

<b>Outcome Sought</b>	<b>Design Guideline</b>	<b>Intent</b>
<b><i>Transparency</i></b>	Each building must have at least 50% of the ground level street wall as display glass and retail entrances	To discourage blank walls or office lobbies.
<b><i>Frequent Entrances</i></b>	There should be no more than 50 feet on average between store entrances along the linear frontage of a building.	In contrast to impenetrable facades, this serves to make a building more porous to passers-by.
<b><i>Setbacks</i></b>	New buildings will be constructed to the property line.	To define the street edge and redirect activity to the street.
<b><i>Curb Cuts</i></b>	The key pedestrian streets would be allowed no new curb cuts, channeling loading and vehicular access to the back alley where possible.	To create a safer and less interrupted pedestrian experience.

D.C. has no requirements limiting such features as façade height or sky plane setbacks presumably because the maximum height limits are comparatively low.

## *Incentives*

Finally, the City sought to encourage the development of shopping and entertainment uses above and beyond its requirements. As a reward, it offered incentives to developers for the following uses:

<b>Qualifying Public Amenity</b>	<b>Bonus Ratio</b> (for every square foot of amenity provided, the developer was awarded this many bonus square feet)
Department Store Bonus	3
Anchor Store of 60,000 square feet or more	2
Retail or preferred uses exceeding the SHOP requirements	1
Small, minority or displaced business	0.5
Performing arts or movie theater	0.5
Transfer of Development Rights (TDR): Preferred uses earn extra development rights that could be transferred to other locations in the DDD and two receiving zones, the New Downtown and Downtown East.*	

\*Zoning places a maximum amount of density allowed, but with the incentive structure a project might earn well above and beyond that limit through bonuses. For these incentives to remain valuable, the City introduced TDRs as a way to sell this extra density to projects in other areas in order for them to increase their size.

Regardless of the bonus density earned, the maximum FAR was 10.5 for a building that was permitted a height of 130 feet and 9.5 for a lesser height.

When all of the Downtown Development Districts were adopted in 1991, the SHOP overlay district was folded into the larger zone and became known as the Retail Core.

## **DEVELOPMENT CLIMATE AFTER REZONING**

Unfortunately, the adoption of the new zoning coincided with a national recession. Along with much of the national economy, the office market in downtown D.C. collapsed. The prescribed amount of retail space, which had been based on a market study from the 1980s, no longer could be supported by the area's other existing and expected uses. This study had been premised on the idea that the office market would continue to move east, but the demand for this office space did not materialize. Already at a disadvantage because of the height restrictions that cause office space to spread horizontally rather than vertically, D.C.'s densities could not meet the expectation.

Moreover, because of the downtown's height limitations, developers must generate all of their income from ten floors without the possibility of building up. In an effort to maximize leasable space, developers do not want use their limited development potential on high-ceilinged retail spaces, so the retail that is provided often has short ceiling heights. This poses a significant problem



because many regional and national stores have standard store formats that vary little across the country. Moving to a space in downtown D.C. often means a store might have to retrofit its format, which is timely and costly, often encouraging them to look elsewhere for space.

While some of the specific goals for downtown retail were met, the Retail Core did not succeed in transforming into a retail haven and a “living downtown.” With the move of Hecht’s department store, the city did reduce the distance to 1500 feet between the major



*Woodwards & Lothrop's 8-story department store closed in 1995. It is seen facing G Street above and F Street to the left.*

department stores, but this was unrelated to the zoning initiative. But even this became somewhat irrelevant because the two other department stores, Garfinkels and Woodward & Lothrop’s, both went out of business in the early 1990s. With these spaces vacant, for over nine years in the case of Garfinkels while Woodward’s remains entirely empty, the city has not been

able to achieve its goal of recruiting a fourth department store. Moreover, zoning made it difficult to convert department store spaces, as it stipulated that department stores in existence at the start of the DDD in 1991 could not convert to other uses without approval from the Board of Zoning Adjustment other than to convert the same aggregate amount of retail and entertainment uses in subdivided retail space. One of the greatest barriers to recruiting a downtown department store has been the lack of incentive by developers who preferred the competing office use that offered higher profitability and greater stability. The City’s Economic Development Office tried for years to recruit a department store, offering a developer \$20 million in one case, to no success.

The D.C. Offices of Economic Development, Planning, and Housing and Community Development have traditionally fallen under the oversight of one Deputy Mayor. The functions of the economic development division have usually rested directly in the Deputy Mayor’s office, while the others work separately. Based on interviews with people who worked under the Barry administration, the Deputy Mayor in this administration was a strong advocate of new development, with less concern for its location, function or design. Because the Deputy Mayor, whose influence

and authority were strong, supported these developments, development decisions often had primacy over the weaker planning department's attempts to implement consistent and sound planning.

One barrier to retail success in downtown had been the preponderance of adult entertainment uses. In 1994, the city weakened the red-light district by establishing a cap on the number of liquor licenses available for nude-dancing establishments. Many of the existing establishments were eliminated as land prices rose, encouraging owners to sell out to office developers. Adult entertainment uses remain only in scattered sites downtown.

In the six years after the adoption of zoning to reinvigorate the Retail Core, its retail sector rather than strengthening had reached its weakest point. In 1996, the development community fought for and won various zoning amendments, rolling back the retail requirements, instituting new incentives, and making the existing incentives more flexible and useful. The major zoning amendments introduced in 1996 in the Retail Core overlay district:

1. Reduced retail requirements from 1.5/2.0 FAR to 0.5 FAR.
2. Amended the bonus for big box retail, giving bonuses of 1:1.5 (For every 1 square foot of big box, the developer earns 1.5 square foot of bonus density) for single user stores of 25,000 to 59,000 square feet. Formerly, the minimum square footage had been 60,000, which excluded many stores.
3. Created a new incentive for either an anchor store of 60,000 square feet or more, or a single building with at least 90,000 square feet of retail consisting of four or fewer individual stores. Awarded two square feet of density bonus for every one square foot of anchor store(s).
4. Created three more receiving zones of Transfer of Development Rights (TDR) in addition to the two existing zones. The intent of creating additional receiving zones was to create a seller's market with more receiving zones than sending zones, thus ensuring the value of TDRs.

#### **LATE 1990s - NEW MOMENTUM IN DOWNTOWN D.C.**

While many felt that these amendments were quite reasonable considering the difficulty downtown was facing in attracting any retail at all, City Councilor Charlene Drew Jarvis was among many who felt the need for other tools besides zoning to revive the Retail Core. Recognizing the inherent disadvantages that downtowns face compared to shopping malls, namely the fragmented management structure, the lack of parking, and the narrow mix of stores, she helped to spearhead D.C.'s efforts to institute a 110-block Business Improvement District (BID) in 1998. The

Downtown D.C. BID levies an assessment on its area-wide property owners in exchange for providing services for a cleaner, safer, and better-managed district. It undertakes a range of services including safety, maintenance, marketing, physical improvements, transportation, and homeless services. Moreover, the BID is involved in educating the development community and shaping the downtown development agenda. The BID has now been functioning for over two years.

At the same time, a new administration led by Mayor Anthony Williams was elected in D.C. Williams, who has past professional experience in planning and development, is closely involved in planning issues. Because of his passion for creating a vibrant downtown, he became the first D.C. mayor to go to the national conference for the International Conference of Shopping Centers to recruit retailers.

After undertaking a nationwide search for a planning director, the City has hired a much larger professional planning staff under Williams' administration. The Deputy Mayor of Planning and Economic Development still oversees economic development within his own office, but communication with the planning department is much better than before. The administration's proactive nature and its cooperation with the BID and the development community have contributed to the changing development climate in D.C.

A growing economy and a few high-profile development projects lent confidence to the downtown and renewed the momentum of downtown D.C. by the late 1990s. Since the opening of the new MCI Center, a sports and entertainment arena, which was supported by \$150 million in governmental assistance in the form of bonds, infrastructure, land takings, and tax relief, visitors to downtown have increased from 3 million to 8 million



*MCI Center*



*Rendering of Gallery Place*



*F Street sidewalk in front of The Shops at National Place*

annually and 29 new restaurants have opened.<sup>2</sup> After almost ten years of vacancy, the empty Garfinkel's building finally welcomed a Borders into its retail space in 1999. An ESPN Zone sports and entertainment center and a Barnes and Noble are neighbors on E Street, after years of vacancy at this site.

While some key redevelopments are fully completed, there are many more under construction or in the planning phase. Next to the MCI Center, Gallery Place is a 540,000 square feet mixed-use development including three levels of retail, entertainment, and restaurants with a cinema, a large residential component, and a parking garage. The Stops at National Place, a multi-level shopping center with an interior shopping arcade, is putting \$10 million in private dollars into streetscape improvements to its F Street frontage as well as an interior reconfiguration that will enhance its overall relationship with F Street. The Woodward & Lothrop building, which has been entirely empty since its closure in the early 1990s, is in the process of announcing a new department store tenant (possibly Macy's) as part of a mixed-use redevelopment. A new interactive news museum, called the Newseum, will bring a new destination site to the downtown when it opens in a few years. In addition to other significant mixed-use office/retail developments, a new convention center that is expected to be the nation's eighth largest convention facility is under construction in the downtown. It too will include a significant retail component. There are also a few limited projects bringing new housing to the downtown. According to the Downtown D.C. BID, 52 separate projects including those already mentioned represent more than \$5.4 billion of current investment in downtown D.C.

With the office/retail development boom and the growth in visitors, retailers are responding to the changing marketplace in downtown D.C. The BID now boasts that downtown D.C. has 170 sit-down restaurants and 764 retail stores "including Chanel, Banana Republic, Ann Taylor, the Discovery Channel Flagship store and Hecht's department store" which generate \$306,000,000 in retail sales.

However, my observations indicate that there are still quite a number of vacant ground floor spaces in both newly developed office buildings and in older format, low-rise retail spaces. Nevertheless, D.C. retail brokers state that the vacancy rate is as low as 3-4%, excluding buildings under construction, and that many spaces are rented; it just takes retailers and restaurants longer to build-out their space and move in. With a feeling that there are more than enough interested tenants, brokers are anxious to get more retail space that would meet most national tenant specifications on

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<sup>2</sup> *Downtown Action Agenda*, p. 10.

line. This would include higher floor-to-ceiling heights and larger square footage. With the explosion of new development in D.C., much of the current retail space simply did not exist a few years ago.

The BID is in the process of doing a full retail survey of the downtown to understand both the supply side and the demand side. They estimate that there is currently 2 million square feet of total retail capacity in downtown D.C., of which:

- 400,000 is planned
- 200,000 is under construction
- 150,000 is empty
- 50,000 is used as office
- 30,000 is used as day care

Of the 1.4 million square feet of currently existing retail space, this survey indicates that 10.7% is empty, and 5.7% is used as office or day care. In contrast to the broker's estimate of a 3% vacancy rate, a figure which might take into consideration only those retail spaces properly marketed and identified, the BID's survey is couched in its philosophy of utilizing *all* ground floor space for true retail purposes, regardless of its current use. With 600,000 square feet of newly built retail to be filled, the BID also sees the importance of converting this empty or noncompliant 16% of existing retail space to active and lively spaces.

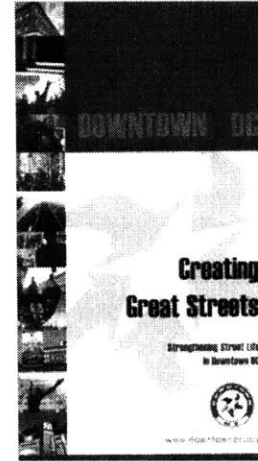
The Downtown D.C. BID has been important in coordinating many of the activities aimed to reinvigorate the downtown. It has worked directly with the city and developers to facilitate downtown development and improvements, in addition to undertaking a wide range of initiatives on its own. It has assembled a large uniformed staff of downtown safety and maintenance workers, called the Downtown "SAM" (Safety and Maintenance). Their presence



*Empty street level retail spaces on E, F & G Streets*

on the streets is meant to make the area safer. The BID has created a whole portfolio of marketing materials for the downtown, aimed at reshaping its identity as a special district that is easy and comfortable to access and navigate and that offers unique experiences.

Recognizing that how people respond to the experience of the physical environment is key to ensuring return customers, the BID has started a campaign to educate the development community about how buildings interact with the streetscape. Its clear and well-illustrated booklet, “Creating Great Streets”, addresses a wide range of issues beginning with basic notions of what makes a great street to specific recommendations for signage and façade design. The BID distributes this booklet widely to developers and retailers as they consider their design decisions.



In its quest to overcome the perceived disadvantages of shopping downtown, the BID questioned why there were never any available on-street parking spaces despite having 1,600-2,000 existing parking spaces. Unlike other cities with designated handicapped parking spaces, D.C. allows those with a handicapped license plate to park anywhere for an unlimited amount of time. The BID estimates that long-term “handicapped” parkers fill 40% of all the on-street spaces. Interviews with the BID revealed that this was a real problem in downtown, and the abuse of this law hurts the city in lost parking meter revenue, estimated at \$16.0 million a year, and deprives shoppers of a place to park with ease, stifling activity. Having brought this to the attention of the City Council, the BID expects action soon. Tackling small but key issues like these will eventually break down the barriers to developing a more active area.

In order to reposition F Street as the true heart of the retail core, the BID has outlined its approach in its *Historic F Street Retail Revitalization Project*. It has articulated an ambitious vision for the area:

Historic F Street will be home to a cross-section of the city’s best retailers, restaurants, entertainment venues, and vendors, be lively seven days a week from 10am to 10pm, and be an unbroken retail experience on both sides of the street between 6<sup>th</sup> and 15<sup>th</sup> streets. It will have a strong mix of high quality stores. The streets will have the look and feel of a high quality retail street with engaging storefronts and signs, and pedestrian-friendly streetscape elements including information kiosks, public art, clocks and fountains. It will also be managed as a retail street. It will have a unified leasing strategy, marketing program, and high quality maintenance and security services.<sup>3</sup>

It aims for higher occupancies, higher rents, major streetscape improvements, more parking, and continuous storefront retail between 6<sup>th</sup> and 14<sup>th</sup> Streets. To achieve this, the BID has outlined a very

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<sup>3</sup> Downtown D.C. Business Improvement District, *F Street Retail Revitalization Project* brochure.

detailed plan of merchandising and clustering, physical improvements, financing, marketing, transportation, and management.

This plan is dependent on property owners and retailers agreeing on a common vision. The challenge is that most of D.C.'s office buildings are owned by pension funds or huge conglomerates that place a priority on Triple A, national credit tenants with deep pockets and great stability over the funky, locally-owned restaurants and retailers that make a place special and interesting. In addition, the management and organization of a retail district work best under cooperative management and ownership of all retail spaces, to emphasize the welfare with a unified approach. A publicly traded corporation is unlikely to be willing to cede this kind of control.

Recently a group of public and private organizations created yet another initiative, the Downtown Action Agenda, which sets forth a strategy for creating a dynamic downtown. The Agenda looks at downtown from a variety of perspectives, recognizing that its mix of uses must collectively be honed to create a healthy downtown. In addition to its crosscutting strategies to enhance downtown D.C. in terms of its residential options, cultural amenities, tourist attractions, commercial uses, public spaces, and transportation links, the Agenda also positions downtown D.C. as a center for retail and entertainment. A key recommendation to facilitate retail development is the establishment of a Downtown Development Corporation, organized as a non-profit entity that could pursue housing and retail development in and near the downtown. The Agenda also presents a strategy to improve the streetscape environment through simplifying the public space regulations, developing a set of downtown design guidelines, and implementing a streetscape plan among other recommendations. The overall retail plan supports the BID's efforts on F Street and encourages other retail development around Gallery Place and 7<sup>th</sup> Street. The Williams Administration and the development community have accepted this collective effort as its downtown strategy.

## **DEVELOPMENT EXAMPLE**

Keeping in mind the district-wide zoning and development issues, I will now examine one particular building in greater depth in order to illuminate the zoning's impact in the dynamic economic, political and development climate in D.C. This example, the Thurman Arnold Building, is appropriate to this study as it is a mixed-use building developed in the Retail Core overlay district and subject both to the original and amended zoning regulations.

### **Thurman Arnold Building, 555 11<sup>th</sup> Street NW**

12 stories, 770,000 total square feet

*Developer and property manager:* Manulife Financial

The Thurman Arnold Building is a 770,000 square foot office building spanning an entire city block, with more than half of its office space leased to Arnold & Porter, the largest law firm based in the District. With frontage on both E and F Streets and close to the Woodward and Lothrop's Building, this office building went beyond the 2.0 FAR retail requirement to build an extra 75,000 square feet as bonus density in exchange for providing a department store space. As it began construction, the developer, Manulife Financial, did not have any tenants for the 137,000 square feet of retail space designed



*Thurman Arnold Building*

to serve as the area's fourth department store. Nevertheless, it was optimistic because of the solicitations it had received from various retailers.

Manulife had made a decision to make the best of the new zoning regulations when it began construction in the early 1990s. Rather than simply comply with the 2.0 FAR of assorted retail uses, it would develop a department store and earn transferable development rights as a significant subsidy. The reserved department store space of 107,000 square feet earned 321,000 square feet of bonus density (TDRs). Of this amount, 75,000 were constructed on-site, leaving 246,000 available for transfer. In the early 1990s TDRs sold for \$35 per square foot, so the potential value was \$8.61 million. If the 75,000 square feet of on-site, pre-leased retail is conservatively valued at \$100 per square foot (\$7.5 million), the total subsidy is \$16.1 million, or \$150 per square foot of department store space. The intent of the Office of Planning was for this funding to close the gap between the developer's desired office and ground floor retail rent expectations and the lower rents plus build-out costs for the department store.

By its completion in 1993, the retail market in downtown had suffered some serious blows; the nearby department store Garfinkels had been sitting vacant for over a year among other empty storefronts. According to the real estate brokerage firm Smithy Braedon/Oncor International, the retail vacancy rate in the eastern end of downtown, essentially the heart of the Retail Core, was an overwhelming 30 percent by late 1994.<sup>4</sup> Shortly thereafter, in 1995, Woodward and Lothrop's closed down its flagship department store across the street that had been open since the late 1800s. At one

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<sup>4</sup> Pressler, 1995.

time it was thought that J.C. Penney would lease space in the Thurman Arnold Building, despite their pattern for choosing suburban mall locations, not free-standing urban spaces. This, along with



*ESPN Zone on E Street.*

other prospects, never came to fruition. Manulife received other inquiries from major retailers, but it could not pursue lease negotiations for its largest retail spaces with retailers other than true department stores because anything else would not fulfill the zoning requirements of a department store tenant, for which it received bonus density. Though some claim that Manulife did not market the space properly, its 137,000 square feet of ground floor retail remained empty for



*Empty F Street retail space*

seven years.

By 1996, the D.C. Zoning Commission approved zoning changes to the Thurman Arnold Building that would allow it to modify its retail format from one department store to as many as four retail tenants. With three vacant department stores within a few blocks, city officials finally recognized that the market for a department store was simply not there. By 2000, the majority of retail space on E Street

was finally leased to two large format tenants: Barnes and Noble and ESPN Zone sports and entertainment complex.

From the outset, the F Street retail space was considered separately from the department store space on E Street, and it was not included in the original incentive. The grade change between E and F Streets made it difficult to connect the two sides. However, because F Street is viewed as the main shopping street, its street frontage was expected to be lined with smaller stores. In contrast to the goal that continuous retail would “spill out onto the street”, the only F Street tenant is a day spa with a fully frosted glass façade that makes its use a mystery to passers-by. The rest of the space is finally in its build-out phase after eight years of vacancy and will become a restaurant called Tasca. A Manulife representative noted that despite the inherent risks of high turnover with restaurant tenants without collateralization, it welcomes Tasca because of its solid financial backing and the

deep experience of its chef and operator. With the prospect of a new office building diagonally across the street opening up, management is holding off its final exterior retail space, located on 12<sup>th</sup> Street, in the hopes of achieving higher rents because of the new neighboring offices. After nine years, the Thurman Arnold Building's ground floor is finally close to being filled with entertainment- and service-oriented retail tenants.

## CONCLUSION

In a market in which office demand was so strong that it had been a main factor in the loss of three million square feet of retail space in the 1980s, the City felt it was appropriate to intervene to protect the existence of this important but less lucrative use. Desiring a downtown that served as more than an office park, D.C. stakeholders agreed that retail was an important ingredient for a more liveable and active downtown.

Against the wishes of the development community, D.C. instituted a fairly aggressive use requirement mandating that all buildings in the Retail Core provide up to 2.0 FAR of retail, entertainment and related uses. This requirement met with strong resistance from the development community, particularly as it was introduced at the start of a multi-year recession that stifled any remaining demand for retail. More importantly, this requirement was flawed as it fought against basic principles of market demand, forcing retail into areas to which retailers are typically not attracted, namely basement-level spaces and upper floors.

The Retail Core formerly boasted three anchor stores and hoped for a fourth to strengthen the retail base. After the loss of two of the three, the buildings that formerly housed these large department stores were still required to provide multiple levels of retail from one large single user. The inability to subdivide the space or change its use resulted in years of vacancies in these buildings. It was not until the zoning was amended to recognize that urban anchor stores more often come in the form of 30,000 square foot big box retailers than in full-scale, 100,000 square foot department stores. Introducing this greater level of flexibility along with an improving economy allowed the City to fill two empty department store spaces with a number of large national tenants such as Barnes and Noble.

Developers in D.C., who once fought to roll back the zoning's required retail uses, are now in the planning and development stages of many mixed-use retail projects. The sheer scale of development activity focused on entertainment, retail and culture speaks to the marked shift in confidence in downtown D.C. While D.C. started by trying to reinvigorate its Retail Core by

requiring vast amounts by zoning, positive results were not felt until after the zoning became more flexible and a host of other factors fell into place, most importantly the economy. A renewed spirit of cooperation between the city and the development community and the initiatives they have undertaken have created momentum and encouraged public and private investment. One outgrowth of this cooperation, the Downtown D.C. BID, has taken on a wide range of targeted initiatives to reposition the downtown. Through its efforts concerning safety, maintenance, parking, physical space, and retail recruiting, stakeholders have a growing sense that every key barrier can be surmounted with resources and persistence. Most of the new buildings are of a mixed-use nature, incorporating retail uses on the street level and in many cases, beyond. Many developments demonstrate attention to design that contrasts markedly from their predecessors. Large buildings are humanized by breaks and changes in their facades. Street-level entrances to retail spaces predominate over internally oriented urban malls.

Without the zoning in place, there would be no question of the quality of retail and pedestrian environment; quite simply, much of it would not have existed. With the consistent demand for office space, more of the ground floor retail spaces would have been converted to office use if it had been allowed. Though D.C. has had to endure years of vacant building spaces, its zoning requires developers and planners to create these retail spaces, and other forces are now seeing to it that they are filled with liveliness and activity.

## *Chapter Four: Case Study: Boston*

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In 1989 Boston created the Midtown Cultural District. Its aim was to revitalize the city's shopping and theater district as part of a larger rezoning process. Along with bonuses for theater restoration and provision of social services, the district introduced a new requirement for street-level retail uses in all buildings and design guidelines to reinforce the pedestrian nature of the environment. At the time, demand was reasonably strong for retail in the heart of the district, Downtown Crossing, and a number of the district's theaters had come back to life, albeit marginally. However, other parts of the Midtown Cultural District still struggled from decades of neglect. The remnants of a once thriving red-light district continued to degrade the physical and social fabric of Midtown. Unfortunately, just as the zoning was introduced, Boston along with the nation went into a recession and Midtown was hard hit.

As the economy strengthened into the 1990s, the City implemented other initiatives to support the retail environment in Midtown, undertaking streetscape improvements and making efforts to create a business improvement district. While the relatively prosperous shopping area at Downtown Crossing had widened its tenant base in a few key locations, the more marginal areas of the district had changed very little in terms of occupancy, physical character, and general vitality since the adoption of the rezoning.

Today, five years into a building boom, many again believe Midtown has great potential to become the city's center of nighttime activity. This renewed interest is in large part because of Millennium Place, a massive new upscale hotel/residential/entertainment project under construction in the area, in addition to other redevelopments designed to incorporate active ground level uses. Many developers and brokers are betting that together these investments will finally be the long-awaited catalyst to turn around this area from its current downtrodden environment into an extension of the vibrancy of upper Washington Street, bringing new residents and visitors to the area to make it active twenty-four hours a day. The Boston Redevelopment Authority has been uncompromising in its mandate to create a penetrable and active ground floor. The retailers, however, still harbor great insecurities about this area in flux, and are waiting for more material signs of a turnaround.

## PROFILE OF BOSTON

When Boston was settled in 1624, less than four years after the Pilgrims arrived in nearby Plymouth, it was but a small peninsula in Boston Harbor. Boston became a major commercial trading port in the late 1700s through the mid-1800s, and as it prospered from its booming shipbuilding, textile and shoe manufacturing industries, its land mass grew along with it. From both filling in (swamps and water bodies) and “wharving out” (developing wharves farther and farther out into the harbor), Boston gained over two hundred of acres of land, including the districts that are now known as Back Bay, the South End, and South Boston.

Although Boston’s industrial prominence was eventually overtaken by cheaper competition to the south, its current economic base is enviably stable and well diversified. Boston is among the nation’s leading centers in health care, higher education, financial services, biotechnology and information technology.

The 2000 Census cites Boston’s population at 589,141, a 2.5% jump from 1990, and a 4.6% increase from 1980.<sup>1</sup> Unlike other cities that have suffered population losses in the last decades, the growing resident population in Boston is attributed to the return of “empty nesters” and young professionals, as well as to immigration.

Its 10 million annual visitors further boost its population. The City is currently building an enormous new convention center in South Boston, meant to attract conventions and trade shows of a much larger scale than can be accommodated in its existing convention center in Back Bay, the Hynes Auditorium. As the new convention center is located in the city’s last undeveloped frontier, psychologically but not physically distant from Boston’s center, the city is also building a new transit line to connect the facility to the downtown.

Although unrivaled as the region’s chief city, Boston competes with its suburban neighbors as a place to live, work and shop. True to American urbanization patterns, major employment, shopping and residential development have migrated to the “ring roads” that encircle the city, Routes 128 and I-495. The Burlington Mall, at the intersection of two major highways some thirteen miles outside of Boston, is rated Massachusetts’ second busiest retail site by number of shoppers, after Boston’s Quincy Market/Faneuil Hall Marketplace. Sales tax throughout Massachusetts is 5% on consumer goods, excluding food and clothing.

Boston has a Mayor/City Council form of government, and as the state’s capital, it is home to the State House. The Boston Redevelopment Agency (BRA), established in 1957, now acts as the

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<sup>1</sup> Boston Redevelopment Authority, *Boston’s Population – 2000*, March 2001.

City's development and regulatory agency, and is responsible for a wide range of duties, from reviewing development proposals and drafting master plans, to issuing revenue bonds, acquiring, selling and leasing real estate for economic redevelopment, and providing business financing. When the Economic Development and Industrial Corporation (EDIC) merged with the planning and regulatory agency of the BRA in 1995, many criticized the BRA's new expanded role as having an inherent conflict of interest in both promoting and regulating development. City officials focused on the efficiency gained by merging two offices that provide complementary services.

With respect to the real estate development climate, Boston is known as a highly political city. Interviews with professionals who work in planning and development in Boston suggest that the approval process is greatly facilitated for developers who know and support the mayor and who contribute to the city councilors' campaigns. It is widely believed among those interviewed that the development process does not play out the same for every person because zoning in Boston allows for a high degree of discretion in the design review and large project review process. At the same time, developers are generally aware of the political rules of this game. Because of this, a small subset of lawyers and lobbyists with important political connections are consistently hired to represent developers. Even for small projects, the process is highly unpredictable, costing time and money. It is unclear, however, whether developers prefer this level of discretion. While unfair to many, such "flexibility" from the City has no doubt rewarded certain developers handsomely.

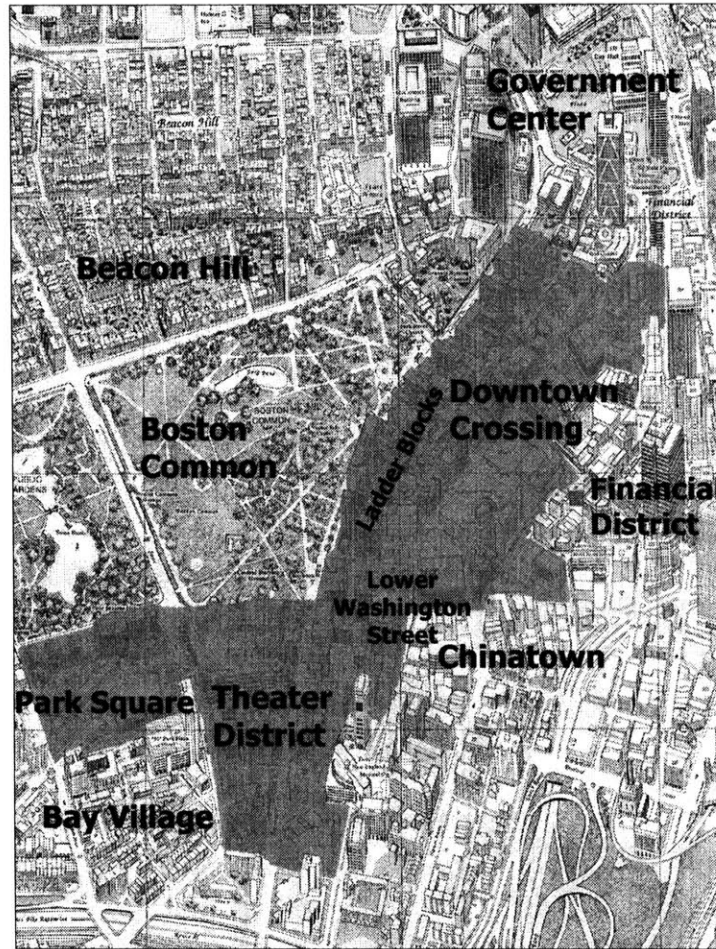
## **PROFILE OF MIDTOWN**

Enveloping the nation's first public park, the Boston Common, on two sides, Midtown is Boston's traditional retail and entertainment center. Midtown is organized along the corridors of Washington Street and Tremont Street heading north to south, and Boylston and Stuart Streets going east to west. To the south, Midtown merges with Chinatown, the New England Medical Center complex, and the Theater District. It is contiguous to the Financial District and Government Center on its northern and western sides. Although I will refer to Midtown as one district, its 25 blocks comprise a collection of rather different urban neighborhoods with diverse characters and uses. In this study I will discuss Midtown in terms of its four subareas: Downtown Crossing and upper Washington Street, the Ladder Blocks, the lower Washington Street area, and the Theater District.

From its vantage point in the center of downtown Boston, Midtown possesses many strategic assets that support it as a retail and entertainment center. Boston's downtown

neighborhoods have a comparably large population; the area comprising Beacon Hill, the Waterfront, the North End, Chinatown, the Fort Point Channel, and Midtown has more than 27,000 residents and over 240,000 workers. According to a BRA report, this area contains almost 50 million square feet of office space, a dozen hotels with over 4,500 rooms, and over 200 arts and cultural venues. The downtown's small land area of only 1.5 square miles is predominantly traversed by foot; approximately 75% of all trips are made by people walking.<sup>2</sup>

Just as it is centrally located in Boston, it is also well connected to the metropolitan region. It is well served by multiple stops on three of the region's subway lines and is only a short walk from South Station's regional rail terminus. As the hub of the city's transit system, the corner of Washington and Summer Street at Downtown Crossing has historically been Boston's 100 percent corner. Approximately six million of the city's ten million square feet of retail are located in downtown



*Boston's Midtown Cultural District is highlighted. (Source of base map: [www.futureboston.org](http://www.futureboston.org))*



*Photo of Washington Street in 1906 (Source: Campbell & Vanderwarker, 1992)*

<sup>2</sup> Boston Redevelopment Authority, *Downtown Boston – Dynamo of the Hub*, November 1997.

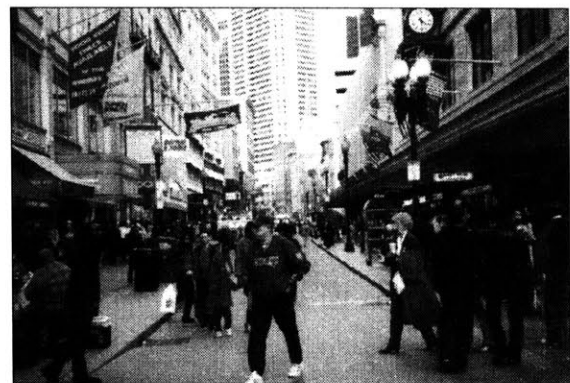
Boston and the neighboring Back Bay.<sup>3</sup> The downtown retail industry generates \$2 billion in annual sales.<sup>4</sup> Though not the city's most upscale retail, the retail space on Washington Street is the city's most expensive because of its unrivaled pedestrian traffic. According to retail brokers, retail rents generally fall by at least half once off of Washington Street and into the Ladder Blocks. This is attributed to the lack of visibility on many of these side streets, and the older and more outdated conditions of the spaces that often require more expensive renovation and build-out.

As a retail center, Downtown Crossing competes with other areas in Boston. Faneuil Hall, just steps away, was developed in the 1970s as the nation's first festival marketplace, offering an array of eateries, crafts and higher-end retailers. With its private management and attention to safety, cleanliness and activity, Faneuil Hall has attracted an unprecedented number of tourists and suburbanites to taste the diversity of the city without fear of the urban ills that would otherwise keep them away. The combination of Newbury Street's upscale boutiques and Copley Plaza's cosmopolitan flair offer shoppers not only higher-end retail and restaurants but also a promenade to stroll and people-watch.



*Wilbur Theater*

The shopping district meets with the Theatre District as one moves south on Washington Street. In the first half of the twentieth-century, the Theater District's Colonial landmark buildings contained more than fifty theaters<sup>5</sup>, a handful of which still operate today (the Wang Center, Colonial, Wilbur, Majestic and the Shubert). Offering a range of stage performances and cinema shows, Midtown had a vast array of cultural and entertainment venues within a small walking distance, serving as the region's unparalleled center of nightlife. Its glory days faded, however, after struggling through the Depression and the wars.



*Washington Street at Downtown Crossing*

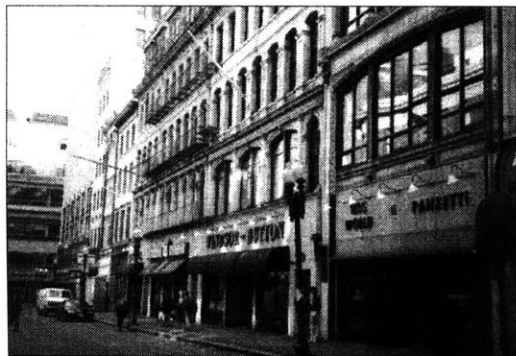
By the 1950s and 1960s, Boston along with its Midtown was in a decline. The market share of downtown retail decreased dramatically as residents moved to the suburbs and the shopping malls

<sup>3</sup> Boston Redevelopment Authority, *Boston's Strong Economy – 2000*, 2000.

<sup>4</sup> Boston Redevelopment Authority, *Downtown Boston – Dynamo of the Hub*, November 1997.

<sup>5</sup> Berry, p.23.

followed them to suburban highway junctions. The Midtown shopping district lost some of its department stores and smaller shops, though its most prominent department stores, Filene's, Filene's Basement, and Jordan Marsh, survived this period in their key location at Downtown Crossing. With the loss of many other stores, the shopping district subsequently became more compact, its core on Washington Street shrinking to just the area between Temple Place and State Street. Those department stores that did remain often contracted in size, such as Jordan Marsh; once a 5-story department store, it now operates as a Macy's on only two levels, with office uses above.



*Watch, button and joke shops on Bromfield Street and Temple Place, among the "Ladder Blocks".*

The retail character shifted from family-owned stores to chains and franchises, particularly on Winter, Summer and Washington Streets. On the small Ladder Block streets connecting Tremont to Washington Street, a range of small, locally owned shops survive from an earlier era. Joke shops, button stores, fabric outlets, and knife shops are some of the remaining specialty stores that have stubbornly survived in the area while more and more of the side-street retail space has become underutilized or vacant.

The vacuum left by the new shopping and theater vacancies in the lower Washington Street area were filled by the displaced red-light district. Scollay Square was razed in the early 1960s as part of an urban renewal project to create Government Center, and many of the burlesque houses and x-rated cinemas were left without a home. As they migrated to the underutilized lower

Washington Street area, it became known as the Combat Zone, presumably for all of the sailors from the Charlestown Navy Yard who paid a visit to the area.

The Combat Zone, with its sleazy atmosphere and accompanying crime from prostitution and drug dealing, did further damage to area property values and slowed redevelopment efforts. Yet, the imminent death of the Zone was pronounced numerous times, by administration after administration from the 1960s and beyond. When the U.S. Supreme Court gave protection to adult entertainment uses, it prohibited the city from outlawing such uses outright. Instead, the city designated the small, compact area in which the majority already existed as an official "adult

entertainment area” and thus attempted to limit its growth. The down-and-out character of the southern half of Midtown persisted and the unwanted uses outlasted all of the efforts that were meant to eliminate them.



*Adult entertainment shop on lower Washington St.*

Though some elements still remain, the Combat Zone has met its slow demise, primarily because of the widespread availability of x-rated video rentals and satellite television channels, rendering a visit to the Combat Zone unnecessary. Also, a growing adult entertainment scene had emerged just miles away on Route 1, offering larger venues and the ease of large parking lots, which the Combat Zone lacked. The growing fear of AIDS may have kept others away. Perhaps the most

important factor was the aggressive sting operations by police to target crime in this area, which used the fear of public humiliation, namely the publication of visitors’ names and license plates, to scare customers away.

### ***Early Efforts To Revitalize Midtown***

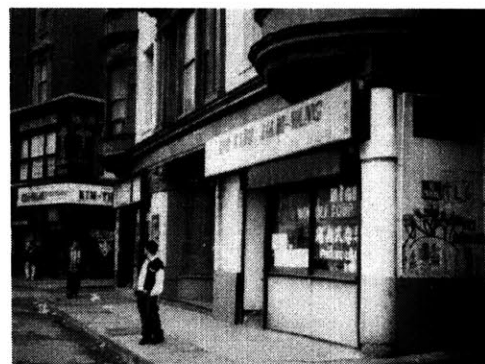
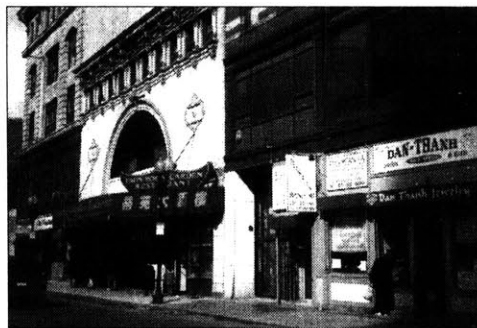
In the late 1970’s, working together the City of Boston’s Traffic and Parking Department, the state’s Massachusetts Bay Transportation Authority (MBTA), and the federal Urban Mass Transit Initiative collectively created downtown’s “Pedestrian Mall”. This revitalization effort entailed closing off upper Washington Street, Winter Street, and part of Summer Street to most vehicular traffic, and repositioning it with a new brand name, “Downtown Crossing”, and decorating it with festive banners, outdoor vendors, and live music at times. While some pedestrian malls are criticized for draining the activity from an area after the loss of vehicular traffic, Boston’s is more permeable than others as there is little enforcement of violations from cars driving through the pedestrian zone. One BRA representative felt that, ironically, the non-enforcement has been a key ingredient to the area’s success. The occasional vehicle combined with many pedestrians creates a healthy mix of activity, but pedestrians have unquestioned priority over cars in this zone.

At that time of its establishment, however, many feared that the loss of vehicular traffic would further drain life from the area. Recognizing this, the federal government offered the private sector a dollar-for-dollar matching grant to create an entity to actively promote and organize this area; the Downtown Crossing Association (DCA) was created in 1980. The main intent of the DCA was to strengthen the retail sector in Midtown and to give it a voice in decision-making. Though

officially a private, non-profit organization with voluntary members that pay dues, the DCA is recognized by the city. Its members consist of downtown retailers, businesses and institutions that share a concern for the civic and economic development of the downtown. The DCA focuses primarily on marketing and promotions for Downtown Crossing, but also acts as a monitor of the physical environment, and it advocates and lobbies for improved neighborhood services and enforcement of city rules and regulations. As a voluntary organization, not all of the downtown stakeholders are members of the DCA. This causes some resentment between due-paying members and non-members, whose businesses receive the same benefits from the improvements, yet who bear no burden for them.

In the 1980s various forums were held to consider ideas for the physical and economic revitalization of lower Washington Street. The Greater Boston Chamber of Commerce convened a series of meetings that led to the formation of the Center City Task Force.<sup>6</sup> The City of Boston and the Center City Task Force together published *Center City: Goals & Guidelines for Revitalization*. A few years later, the BRA hired Skidmore, Owings and Merrill to prepare *Downtown Crossing: An Economic Strategy Plan*, which called for, among other things, an extension of the pedestrian environment toward lower Washington Street and presented a detailed overall development strategy. These precursors eventually led to the zoning changes.

During the building boom of the 1980s its neighbors in the Financial District, Back Bay and on the waterfront saw tremendous new investment. Midtown, on the other hand, particularly the area around the Combat Zone, benefited little except for a few new demolitions resulting from license violations or club owners selling out. Some dying adult entertainment businesses were converted to Asian-owned businesses, but others were in buildings that were demolished and converted to surface parking lots



*Asian-owned shops on lower Washington Street*

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<sup>6</sup> Berry, p. 38.

awaiting future investment. Of the more than five billion dollars in new investment in Boston between 1984 and 1987, only six percent of it was directed to Midtown.<sup>7</sup>

One of the few examples of investment in this area was the State Transportation Building, built close to Park Square on Stuart Street. This building has ground floor uses, mostly restaurants, and an interior public lobby with a small food court and tables. In addition, some of the theaters had reopened by the 1980s to breathe new life into the performing arts. Most of Midtown including Downtown Crossing, the Ladder Blocks and lower Washington Street, however, remained dead at night. Without a significant resident population in Midtown to keep things alive, the many homeless people were often the only ones on the streets and in the Boston Common after dark. This contributed further to an undesirable atmosphere. Despite all of the area's advantages and despite the steady decline of the Combat Zone, the physical and social fabric of the southern part of Midtown remained blighted and downtrodden throughout the 1980s.

## **DEVELOPMENT ENVIRONMENT AND REGULATORY CHANGES IN MIDTOWN**

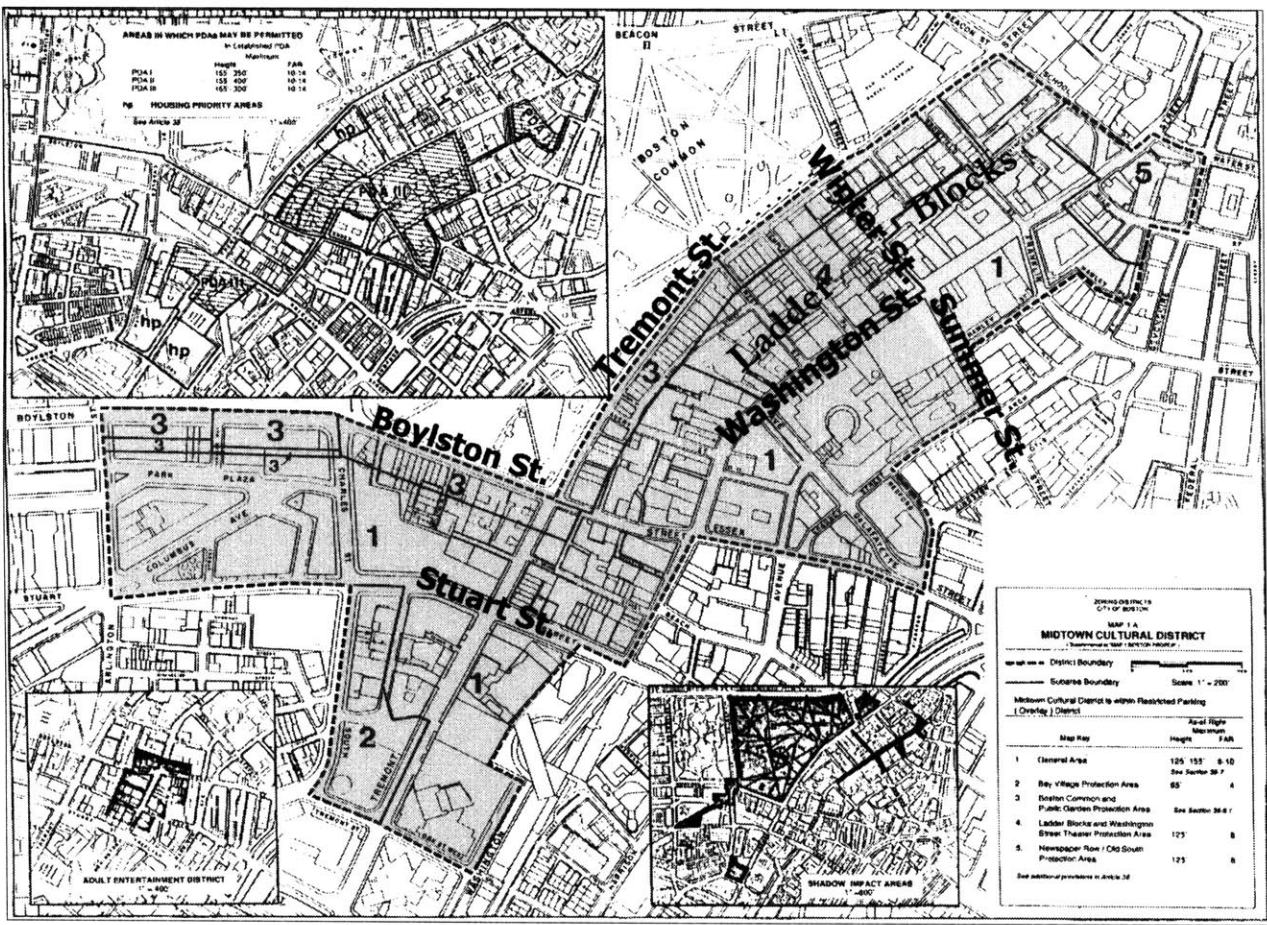
By the 1980s, the 1964 Boston Zoning Code was in need of revision after two decades of growth that had changed the city. The preservation community had acquired a strong position in Boston after the heavy-handed federal Urban Renewal program demolished Boston's working class West End to create upper-income residential towers, with the misguided intention of creating a clean and modern city from the ground up. The West End was the first of ten neighborhoods slated to be demolished, but a furious public backlash against this type of development effectively ended the program in Boston, and eventually nationwide. Steve Coyle, the Director of the Boston Redevelopment Authority (BRA) during most of the 1980s, understood the qualities that made Boston special, namely its fine-grained architecture unique to each neighborhood, its masonry construction, its walkable streets, and its historic context. At the same time, for Boston to thrive, Coyle recognized that it also had to continue growing to make room for emerging industries and new population.

At that time, high-rises in downtown required one acre of land and usually had an enormous footprint of 25,000-30,000 square feet. As people moved farther from the city center, Boston suffered from major congestion as many took their cars to urban jobs. Coyle conceived of the idea to target the dense development in areas with the best transit access, namely North Station, South Station, and Midtown.

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<sup>7</sup> Boston Redevelopment Authority, *Draft Midtown Cultural District Plan*, July 1988.

Midtown was one of the few downtown districts with significant growth potential because of its abundance of underutilized sites. The aim of calling this new zoning district the “Midtown Cultural District” was to promote controlled growth in the area while encouraging cultural, consumer-oriented and housing uses. Years of efforts from the arts community, with wide support from developers, retail groups, financial institutions and downtown residents, had underscored the importance of revitalizing the area’s theaters through zoning incentives. According to Article 38 of the Boston Zoning Code and Enabling Act, the goals of the Midtown Cultural District Plan are to channel mixed-use development towards Midtown while revitalizing its cultural facilities, providing new community resources, creating new housing opportunities, and protecting historic and open



*Zoning map of the Midtown Cultural District, shown here highlighted*

space resources.

The Interim Planning Overlay District (IPOD), which governed Boston during its rezoning process, mandated a thorough community participation process to inform the new zoning. The BRA met with a wide range of interest groups and community stakeholders to decide on the elements of the Midtown Cultural District. These stakeholders were most interested in new public benefits like day care, theater restoration, and issues of growth, which were addressed with regulation and incentive.

### ***Zoning Framework***

In the Midtown Cultural District, the basic as-of-right height limit is 125 feet with an FAR of 8. This limit can be exceeded in certain situations.

All buildings over 50,000 square feet must go through “Large Project Review”, governed by Article 80 of the Boston Zoning Code, which requires a comprehensive review of the project in terms of transportation, environmental protection, urban design, historic resources, infrastructure, site planning, and tidelands. While providing an opportunity for public review and comment, approvals under Article 80 are subject to much negotiation between the developer and the City. The city usually negotiates for the developer to provide public benefits, such as donations to an affordable housing trust and the inclusion of street level retail. In return, the developer is often allowed build at greater heights, up to 155 feet, and FAR of 10. All commercial projects greater than 100,000 square feet are required to pay “linkage” fees for affordable housing and job training, calculated at a cost per every square foot over 100,000 square feet.

Much of the Midtown Cultural District is designated as an area in which “Planned Development Areas” (PDA) may be permitted. These districts are set aside for more intense development to attract large-scale projects and allow more flexibility in the zoning. The four PDA zones offer densities up to 14 FAR and maximum heights between 275 and 400 feet. In the Midtown Cultural District, unlike in other areas, the development plan of a PDA must outline a plan for “public benefits,” either the development or restoration of a theater or cultural facility, the provision of affordable housing (through the construction of housing or the contribution to a neighborhood housing trust), or the provision of open space. In addition to the components of large project review, PDAs in Midtown are subject to additional standards for shadow and wind impacts, transportation access, skyline plan, landmark and historic buildings, and enhancement of pedestrian environment. The attention to the pedestrian environment is outlined in the zoning as follows:

Each Proposed Project shall enhance the pedestrian environment, by means such as: (a) pedestrian pathways connecting to mass transit stations; (b) spaces accommodating pedestrian activities and public art; (c) materials, landscaping, public art, lighting, and furniture that enhance the pedestrian environment; (d) shopping or entertainment opportunities, including interior retail uses; (e) pedestrian systems that encourage more trips on foot; (f) other attributes that improve the pedestrian environment and pedestrian access to mass transit stations; (g) appropriate management and maintenance of public space within the Proposed Project; and (h) preservation or recreation of the historic street pattern of the district through exterior or interior pedestrian passageways and through-block corridors.<sup>8</sup>

While high-density development is allowed in much of the Midtown Cultural District, the community sought to protect existing residential neighborhoods like Bay Village, open spaces near the Boston Common, and clusters of historic buildings from such development. To this end, the zoning outlines nine “Protection Areas”, some covering many acres, some only one block, each with height and density restrictions more strict than the as-of-right.

The Midtown’s Use Regulations stipulate that the ground floor or floor entered by stairs from a sidewalk entry of all buildings with street frontage must have “Ground Level Uses”: a long list of stores, eating and drinking establishments, services, or cultural uses. (See Appendix B for full listing.) All other uses on the ground floor are conditional uses, requiring authorization by the Board of Appeals.

According to a planner at the BRA, the dimensional elements of ground floor uses are decided in the design review process. Unlike other cities that specify a square footage requirement for retail uses, or specify a percentage of street frontage, the BRA does not specify any amount. Rather, it leaves flexibility in the requirement to allow the building to address its other needs such as lobbies and loading areas. This requirement is geared to enhance the pedestrian environment; therefore, the BRA’s rule of thumb is for as much of the façade to have active pedestrian uses as possible. All of the space dedicated to such ground floor uses is eligible for a density bonus at a ratio of no more than one square foot of bonus for every one square foot of ground floor use. The BRA has required active ground floors for decades, so these codified requirements are just a continuation of the longstanding policy.

Density bonuses are also given for other things like on-site day care facilities, community service organizations, community health centers or clinics, substantially renovated theaters, temporary housing shelters, or nonprofit cultural uses.

The BRA’s Deputy Director for Zoning claims that conditional uses rarely override these ground floor uses, because in most areas there is a market for these retail spaces, although the

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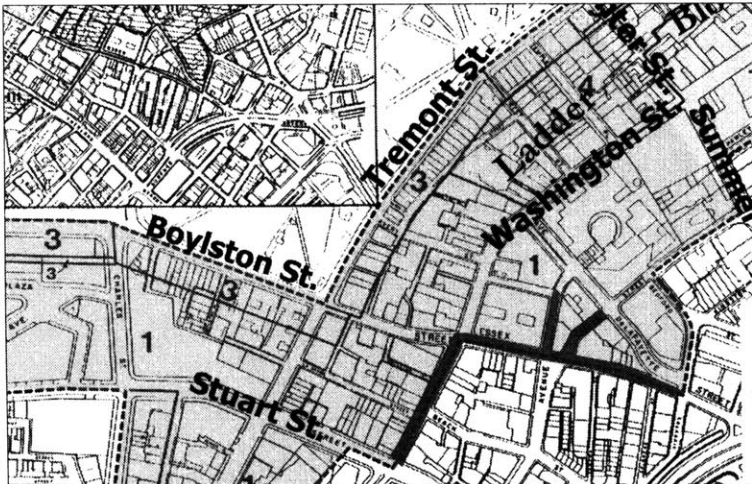
<sup>8</sup> Article 38-16, Boston Zoning Code.

pricing structure varies greatly. In his view, these requirements are in harmony with the basic economics of the city. It is admittedly more difficult in areas on the edge.

### ***Design Guidelines***

The City has also instituted specific design guidelines to protect and enhance the public realm in Midtown. The Zoning Code states that no zoning relief is granted to these guidelines, although the BRA informally suggests that developers should design to the spirit and not necessarily the letter of these guidelines.

<b>Outcome Sought</b>	<b>Design Guideline</b>	<b>Intent</b>
<b><i>Street wall continuity</i></b>	At least 80% of a project's street wall must align with that of existing buildings on the rest of the block. If the project stands alone on its block, it must look to the alignment of adjacent blocks. At most 20% of the street wall can be recessed at a maximum depth of 15 feet.	To create a well-defined and consistent edge to the street.
<b><i>Street wall height</i></b>	Street wall height shall not exceed 90 feet.	To create a well-defined edge to the street, without it feeling cavernous by extremely high street walls.
<b><i>Display window area Transparency – officially applies only to buildings over 50,000 s.f.</i></b>	The display window area shall be appropriately glazed and transparent for attractiveness to pedestrians.	To provide pedestrians a visual connection to the interior ground floor uses.
<b><i>Display window area Continuity - officially applies only to buildings over 50,000 s.f.</i></b>	The display window area street wall shall be sufficiently coextensive with the street wall line, to spatially reinforce such street wall line. For sections of the display window street wall that are recessed, there is a limit of 30% of the total surface area if the wall is recessed up to 10 feet. There is a limit of 50% of the total surface area if the wall is recessed up to 2 feet.	As BRA Architect, David Carlson, notes, "The intent is to have transparency and animation at the ground level, but this is hard to do in a cave."
<b><i>Display window usage area- officially applies only to buildings over 50,000 s.f.</i></b>	There shall be an area for the display of goods or exhibits behind the display window area street wall for a depth of at least 2 feet.	To create animation on the street level.
<b><i>Sky plane setbacks</i></b>	Wedding-cake like sky plane setbacks are required at varying depths for areas above the street wall.	To avoid a cavernous feeling along the street, and to hide some of the building's bulk.
<b><i>Street frontage and floor area limits in Small Business Expansion Area – see below for area's definition</i></b>	The maximum street frontage of any single use is fifty feet, and the maximum ground level floor area to be devoted to any single use with street frontage is 3,000 square feet.	In what the Zoning Code calls its Small Business Expansion Area, the intent is to facilitate small business development in ground floor spaces.



*The highlighted streets in the lower right corner indicate the Small Business Expansion Area.*

The BRA reviews and approves the design of all development projects, and in this process, ensures the presence of a pedestrian orientation in most projects. For example, even though the display window guidelines officially apply only to projects with 50,000 square feet or more, the BRA representative who sits on the Design Review Committee noted that it would be expected in all projects, large

and small. In addition to BRA design review, large projects of significant impact are subject to additional design review by the Boston Civic Design Commission (BCDC). The BCDC, an 11-member commission appointed by the mayor, is composed of design professionals, preservationists and citizens. Formed under the new zoning to provide a public forum to discuss issues of design, the BCDC aims to uphold the highest standards of how projects affect the public realm. While the design decisions of the BCDC can be ultimately by overridden by the BRA, the BRA's longstanding Director of Urban Design, Homer Russell, reports that he has only exercised this right once in over a decade.

On a final note, it is important to mention that the Boston Zoning Code is an extremely difficult tool to use and access. The unclear language in which many parts are written serve not to clarify the zoning, but only frustrate the reader. Some BRA planners were even unable to clarify certain elements of the Midtown's Design Guidelines. The organization of the very long and obtuse document is often confusing, especially if one compares it to the clear and concise zoning tools of other U.S. cities, including those that I investigate in this study. In addition, the Boston Zoning Code is not easily accessed. This enormous document and its accompanying maps are available only at the BRA. Many other major cities across the country have complete zoning information available on-line, allowing all interested parties to understand the development process and rights easily and quickly. It is not inconceivable that the BRA intentionally has made the Zoning Code difficult to understand and access. Such barriers ensure the necessity of BRA involvement in every step of a development project.

## DEVELOPMENT CLIMATE AFTER NEW ZONING

Just as the zoning was accepted in 1989, the economy plunged into a recession. The recession of the late 1980s and early 1990s hit Midtown particularly hard. Many businesses failed, and the demand for retail fell precipitously to a startlingly low rate of \$20 per square foot. Other parts of Midtown, including the Combat Zone, remained in a decline.

It is the 1990s, and I am back in the Combat Zone, if not dark and totally vacant, at least a tired place. It has the look and feel of someone who's just plain worn out. A few porn shops, a droopy movie house with x-rated films and a couple of strip joints coexist with boarded up buildings.<sup>9</sup>

By the mid-1990s, little had changed in Midtown other than the addition of a few new retailers in Downtown Crossing. Among the new stores such as Loehmann's, HMW Music, Aldo Shoes, and Lechter's kitchen accessories, the addition of Border's bookstore and cafe had the most impact. Formerly a lifeless bank building, the Border's Books at the strategic location on the corner of School and Washington Streets activated both the building and the civic space in front of it, Reader's Park.



*Formerly a bank, now Borders bookstore and cafe*

In spring of 1995, Mayor Menino nominated three Washington Street theaters to the National Trust for Historic Preservation's list of America's most endangered historic places, the Opera House, the Paramount, the Modern Theater. The City, in partnership with the National Trust and the Boston Preservation Alliance, coordinated a charette on reuse options for these three theaters. The guiding principles for a reuse strategy that emerged from this charette were to (a) create sense of place and community, (b) focus on a mix of uses to restore activity, (c) coordinate the reuse and phasing of development in the district, and (d) identify a leadership entity to coordinate the effort.<sup>10</sup>

New university residences moved to the Tremont Street area. Emerson College continued to consolidate its campus in this area by moving a 750-student residence hall to the corner of Tremont and Boylston Street. Suffolk University also opened a new 274-room dormitory on Tremont Street in September 1996, and developed a stately new law school on the corner of Tremont and Bromfield Streets.

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<sup>9</sup> Lupo, 1995.

<sup>10</sup> Boston Redevelopment Authority, *Washington Street Public Realm Plan: Strategy for Implementation*, p. 4.

### ***Washington Street Public Realm Plan***

By 1996, the City was again prepared to shift its attention back to Midtown and consider ways of revitalization. Downtown Crossing had developed a slightly worn image despite its many stores; the unfounded perception of unsafe conditions detracted from its attractiveness, and it needed improvements in maintenance and overall management. The many deteriorated, underutilized, and vacant sites lower on Washington Street perpetuated the neglect and disinvestment. In 1996, the BRA prepared a *Washington Street Public Realm Plan*, with its focus on the public spaces and the activities occurring within them.

One of the most important assets of Washington Street and its environs is the quality of and potential for enhancement of its public realm. It is the look and feel of the public spaces, the quality and design of street furnishings, the activities of street vendors and performers, the urban design quality of the park spaces and centers of activity, and the safety and comfort of the pedestrian that define the character of the public realm. The accessories of linear public spaces on Washington Street include pavers, benches, lights, signs, banners, trees, planters, trash containers, newspaper vending boxes, bollards and kiosks. The street zone is shaped by building facades and defined by the cornice line, forming the backdrop for the urban scene.<sup>11</sup>

While recognizing that the tremendous investment required to turn around Midtown would be determined by its market viability, the Plan also recognized that initial investment in the public realm might enhance its overall marketability. Thus, the Plan was founded on a six-point strategy:

1. Physical improvements to the streetscape and cultural programming.
2. Increased maintenance and code enforcement.
3. Improved public safety program.
4. Establishment of a business improvement district.
5. Marketing of Business and Investment Opportunities, including the creation of an Economic Opportunity Area.
6. Establishment of a Special Design Overlay District, outlining design guidelines for façade designs and materials, and the details of signage and lighting.

### ***Efforts To Create A Business Improvement District***

Pursuant to the strategy outlined in the *Washington Street Public Realm Plan*, in 1996 Mayor Menino assembled the Washington Street Improvement Committee to examine the feasibility and desirability of creating a business improvement district (BID) in the Washington Street corridor. The Committee, consisting of forty representatives of property owners, retailers, developers and public officials, spent over a year learning more about BIDs and considering their applicability to downtown Boston. After the review, the Committee recommended the establishment of a BID in this corridor. The Committee came to a consensus that the BID should be a non-profit

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<sup>11</sup> Ibid, p. 5.

organization, whose jurisdiction would be most of the Midtown District excluding the area west of Tremont Street in the Theater District where a majority of Theater District and Chinatown merchants did not support the establishment of a BID. In its initial 5 year term, the management would focus its primary energies on acting as a clearinghouse for the area's issues and problems, as well as removing litter, providing a uniformed community service staff to assist the police, performing public safety training between police, businesses and private building security, providing additional evening security, marketing the area, assisting with code enforcement, and providing services to the homeless. Like most BIDs, it would be funded by special assessments on all property owners in the district, calculated according to each property's lot size and gross building floor area. One of its staunchest supporters, the Downtown Crossing Association would be discontinued if a BID were established, and its role and responsibilities would be folded into the BID.

The City Council voted to accept the BID, but its establishment also required approval of the state legislature, where it has been disputed for more than two years. Unions saw the BID as a move to replace unionized city workers with private staff, even though the City signed an agreement to continue providing a minimum level of public services, thus ensuring current public sector staffing levels. Various state lawmakers on the Committee for Local Affairs, where the BID bill is stalled, view the mandatory assessment on property owners as a tax, which they feel a corporation has no right to levy. The highly influential Boston Police Patrolmen's Association has been the most formidable opponent, advocating against the BID as it fears it will lose jobs to the BID's security staff, even with assurances to the contrary.

At this time, the BID legislation is being redrafted, and the Executive Director of the Downtown Crossing Association sees encouraging indications that its future remains viable. Even so, it would still have other hurdles to cross. After an approval from the legislature, then it must be accepted in a vote by 75 percent of the taxable owners in the district, representing 51 percent of the district's taxable value.

### ***Results Of These Efforts***

Some material achievements have resulted from the *Washington Street Public Realm Plan*. The BRA has completed extensive streetscape improvements including sidewalk widening from Downtown Crossing to Avenue de Lafayette. The police patrol car that had formerly sat at the center of Downtown Crossing, ironically adding to the perception of crime in the area, has been replaced with a more discreet police kiosk. The BRA has also worked with Chemical Bank, which

owned the vacant Lafayette Place mall, to place vivid storyboards in the windows and add lighting to enliven an otherwise lifeless behemoth on the distressed end of Washington Street.

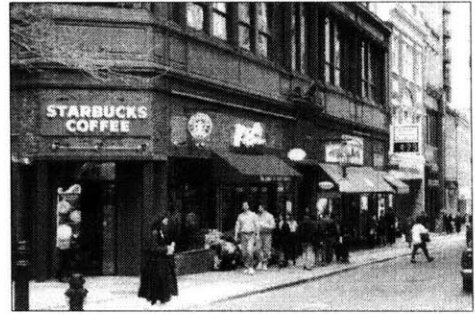
Other aspects of the plan, however, have still not been implemented five years after the plan was prepared. The Special Design Overlay District, conceived of as an updating of the Midtown Cultural District's guidelines, has never been created. The BRA did initiate a new façade and signage program; however, its momentum was lost when the BID failed to materialize. Likewise, the BID was expected to coordinate the creation of an Economic Opportunity Area; therefore the City has made no progress on that strategy. Many downtown stakeholders focused their energies on creating the BID. With its critical management role, the BID

was intended to spearhead many of the initiatives outlined in the *Washington Street Public Realm Plan*. Because the BID has been stalled for over two years in the state legislature, some of the momentum has been drained out of the area. In interviews with the BRA, it is clear that the BRA relies on the energy and perseverance of area stakeholders to follow up on initiatives in the Washington Street corridor, as it does not have the capacity on its own.

### ***New Investment And Prospects***

In sharp contrast to the economic woes of the early 1990s, the economy rebounded strongly in the mid-1990s nationwide. Boston has seen record low unemployment rates, an expansion of new business development led by small high-tech start-up companies, and rising rents in all sectors as the supply of space has not kept up with demand. Consequently, construction in Boston has skyrocketed in the late 1990s, and Midtown is finally benefiting from the flurry of new investment activity.

Driving much of this activity in Midtown is the \$350 million Millennium Place project. This 1.2 million square foot "urban living/entertainment center" will house a 250-room Ritz Carlton hotel, 400 luxury condos, a Sony cinema, 300,000 square feet of other retail, and underground parking for 1,000 cars, all within its two 36-story towers. Currently under construction on a former



*While some areas of Downtown Crossing thrive...*



*...other areas struggle with unattractive storefronts that remain shuttered all day.*

parking lot, this development is surrounded by three empty landmark theaters, a surface parking lot, modest Asian-owned stores, the occasional x-rated video rental shop, and St. Francis



House, a day shelter for the

*Millennium Towers, the tower on the left, sits next to three empty theaters including the Paramount Theater, which is currently undergoing façade restoration underwritten by Millennium.*

homeless whose clients often congregate on the nearby sidewalk. Millennium's introduction of upscale living and entertainment is radically different from the area's current mix.

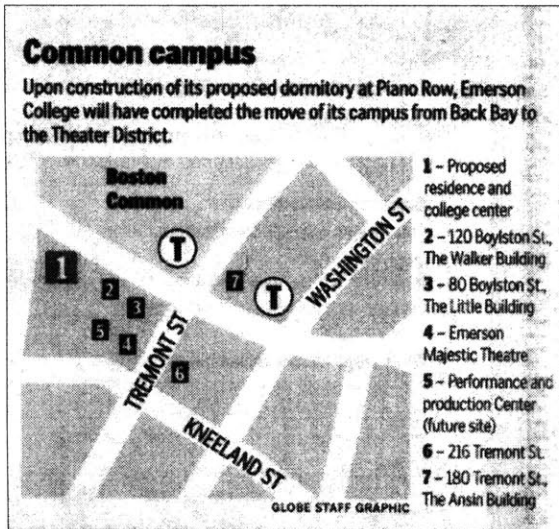
Other former derelict sites on this stretch of lower Washington Street are also undergoing changes. The once-abandoned Lafayette Place mall has recently been redeveloped into a 500,000 square foot office / retail center, with more than 60,000 square feet of retail space, most of which has sat empty awaiting tenants for two years. (See Development Example.) After Mayor Menino named the nearby theaters endangered landmarks, their reuse has been a subject of more attention. The Paramount Theater is undergoing \$1.0 million of façade restoration underwritten by Millennium Partners as part of an agreement with the City, and it will be sold to a local performing arts organization for \$1. Its theater activity will be delayed until an additional \$20 million in interior renovation work brings it up to standard. The neighboring Boston Opera House is now under agreement with a Dallas-based Theatre Management Group, which is in the process of renovating and expanding it. The Hayward site across the street remains as a large surface parking lot owned by the BRA. Although a few years ago the BRA issued a Request for Proposal for this site, it received no viable bids; it is expecting a more positive response when it solicits development proposals again soon.

Just south of the Millennium site, the state underwrote the rehabilitation of the historic Liberty Tree Building, serving now as the Registry of Motor Vehicles. In the southwest corner of the Midtown district next to the Park Plaza Hotel, the Motormart parking garage was also recently renovated. Its ground floor retail boasts upscale eateries such as Legal Seafoods. Back in Downtown

Crossing, two large format apparel stores, Old Navy and H&M, are moving in, supporting the trend of a rising presence of national retailers in the area.

In addition to Millennium Place, other sites have been converted to housing to expand the population in Midtown. Emerson College has recently made an offer for a site on Boylston Street to

construct a 14-story dormitory with ground floor retail. If the deal is approved, the communication and performing arts school will have completed moving its campus from Back Bay to this area of Midtown in the Theater District. The BRA is in the process of encouraging further residential redevelopment of the upper floors of some downtown offices, especially those in the Ladder Blocks. The introduction of more students and downtown residents is expected to bring more life to the area.



Source: Boston Globe, April 5, 2001

## DEVELOPMENT EXAMPLE

To understand how these broader forces of the economic, political and regulatory environment in Midtown have affected individual buildings, I will now focus on one specific example. Straddling the border between the healthy Downtown Crossing and the distressed lower Washington Street, Lafayette Place's recent redevelopment is an attempt to reposition itself through design and use changes.

**Lafayette Corporate Center and The Shops at 500 Washington**, 500 Washington Street, Boston  
 6 stories, 500,000 total square feet  
*Developer:* Patriot Games LLC  
*Property manager:* Amerimar Enterprises and Centrum Properties



The redeveloped Lafayette Center, 2001

After sitting vacant as a failed retail mall since 1992, and after various failed redevelopment schemes, Patriot Games LLC purchased Lafayette Center in 1996 to create an entertainment center with a cinema and retail tenants. Once it became clear that attracting retail/entertainment was proving difficult and that the office market was heating up, the development plans changed to an office/retail format. Lafayette Corporate Center and The Shops at 500 Washington opened in 1999. While the office space has been fully occupied since its opening, the 60,000 square feet of retail remains largely vacant. Only one retail space is now occupied with an Eddie Bauer Outlet store.

Despite its seemingly prime location steps away from Downtown Crossing, this site on lower Washington Street has a history of misguided intentions. A former Jordan Marsh warehouse, the city purchased the site in 1979 to create a major mixed-use development consisting of a mall, a hotel, and a parking garage.

The resulting mall, the predecessor to today's building, was a three-story structure called Lafayette Place. Its design was like a fortress. It had few windows, few entrances, poor lighting and almost a bunker mentality, attributed in some part to its location close to the Combat Zone. Inside, its circular design has been described as disorienting, so much so that shoplifters found it a perfect place to operate without fear of being caught. Its design already felt outdated when it opened in 1984. Never exceeding a 60% occupancy rate and without any anchor tenants, Lafayette Place became more of a hangout for the homeless instead of for downtown shoppers. Only eight years after opening, Lafayette Place closed its doors in 1992.



*The former Lafayette Place mall in the late 1980s, seen here to the right. (Source: Campbell and Vanderwarker, 1992.)*

Vacant and eerie, its enormous presence on lower Washington Street quickly became an even greater symbol of blight and stagnation. As one reporter put it, Lafayette Place "...isn't just an eyesore, it's perhaps the most embarrassing symbol of downtown Boston's development doldrums."<sup>12</sup>

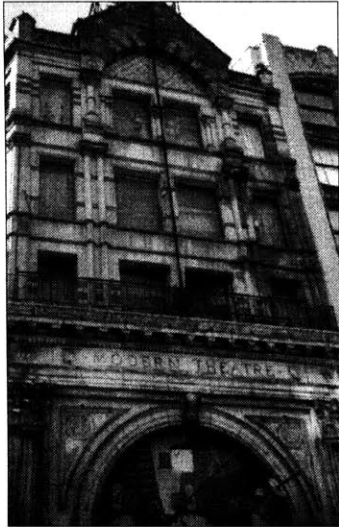
There was great desire by local merchants and by city officials to redevelop

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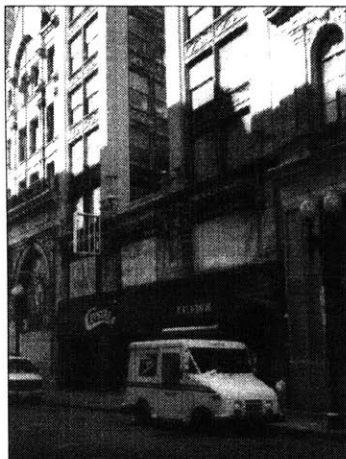
<sup>12</sup> Vennoch, 1996.

this white elephant in the center of Midtown. While a few redevelopment schemes were proposed for Lafayette Place, none came to fruition, even as the commercial real estate market was growing at a fast pace. After their expectations were raised a number of times only to see their hopes dashed, local business people became very cynical about the prospects for this vacant structure.

Finally, another redevelopment proposal emerged that was supported by the city. This deal was struck with involvement from various friends of Mayor Menino, including a longtime supporter



and another old friend who had served as one of his advisers during the last mayoral campaign. “They may not be friends enough to star in a TV sitcom. But they are friends on the political stage, which is much more important when you’re doing business in Boston.”<sup>13</sup> The redevelopment proposal came from Patriot Games LLC, a partnership between brothers Keith Barket of Philadelphia-based Amerimar Enterprises and Sol Barket of Centrum Properties in Chicago. They originally conceived of a big box entertainment/retail format, although after a year of tenant negotiations, they still had not signed up a movie theater. With the office market growing and after serious inquiries from a range of back-office financial institutions, Patriot Games changed its plan to a mixed-use office / retail format. Its redesign included adding three additional levels, adding many windows to the façade, and replacing its circular design with retail space more oriented to the street. Two office tenants have fully leased the upper story office space, State Street Bank and Massachusetts Financial Services.



*Retail brokers cite the downtrodden nature of Lafayette’s neighbors as the main obstacle to finding retail tenants.*

According to the Boston Globe, the retail brokers Schaffer & Associates had the goal of delivering the space to tenants by August or September 1998, hoping that tenants could be in for that year’s Christmas season. They expected to have no trouble finding tenants.<sup>14</sup> The developer had owned other downtown property in the past and had always viewed Lafayette Place as having great potential. The prospect of a new business improvement district was also valuable, but more important was its great location and transit access.

<sup>13</sup> Ibid.

<sup>14</sup> Kindleberger, 1998.

Up until late 2000, all of the 60,000 square feet of retail remained empty, well over a year after the space came on line. In December 2000, The Stores at Lafayette Place leased space to the Eddie Bauer Outlet, which relocated from its much smaller space a few blocks away. Joe Levanto of Schaffer & Associates cites the lack of supporting retailers in the neighborhood as the reason for the current difficulty in leasing. There is strong interest in the future of this area, however, as many envision it as the entertainment-oriented end of Washington Street. With its proximity to the Theatre District and the 900 hotel rooms from the future Ritz Hotel and the existing Swissotel, risk-taking developers predict that this time the daytime activity on upper Washington Street will migrate to nighttime activity on the street's lower end, punctuated by cinemas, performing arts theaters, restaurants, and clubs. As many wait for Millennium to catalyze a turnaround in the area, much of the neighboring space remains downtrodden and underutilized. After years of desolation, all fingers are crossed hoping that the combined energy of the Lafayette redevelopment and Millennium Towers will extend the vitality of Washington Street southward.

## **CONCLUSIONS**

The Midtown Cultural District's requirement of ground floor retail on all streets was an attempt to leverage the area's existing shopping and cultural anchors to get a more consistent vitality throughout the district. It was intended to weave the disjointed parts of Downtown Crossing and the Theater District back into one vibrant downtown. Since the BRA has demonstrated a serious commitment to the presence of ground floor retail, the discretionary nature of the requirement has the potential to work well. More so than regulations that specify required amounts, a discretionary approach can be more sensitive to a building's location and its ability to attract tenants. The downside of this approach comes when the commitment of the BRA's leadership or the design review committee, or the economy, changes; then there is the potential for street level uses to be overlooked. The City also rewards developers for complying with this retail requirement in the form of bonus density equal to the amount of retail provided. On a few streets on the Chinatown border of Midtown, the BRA has set aside a Small Business Expansion area for local businesses, requiring small spaces with limited frontage. This would ensure the continuation of local businesses in the event of massive gentrification.

Midtown is a fairly large district, composed of 25 blocks in various different downtown subareas. While the area in general has substantial pedestrian traffic, the amount varies greatly depending on the street. Washington Street, as the primary shopping spine, is a clear candidate for

retail spaces, even in its current marginal state. Other streets, however, lack the same traffic and visibility, and offer little attraction to retailers. As such, it might be more effective for Midtown to identify its key pedestrian streets where retail requirements are mandated. Streets with less pedestrian traffic might be relieved of this requirement, while also being provided the opportunity to earn incentives if incorporating retail uses is viable. Given the discretionary nature of the policy, this calibration is presumably made during design review, where the BRA staff make recommendations based on the realities of foot traffic and demand.

The hope of the zoning was that a continuity of shops with more cohesive design elements would revitalize the shopping district and create an exciting shopping and entertainment destination for residents and visitors. Without investment for years and without strict code enforcement for signage at existing shops, many of the cohesive design elements have not been activated. Much of the area's physical environment remains in poor condition, with sidewalks in disrepair, shuttered storefronts, empty buildings and serious gaps in the urban fabric caused by the abundance of surface parking lots. Other than streetscape improvements that did not go far beyond the already prosperous Downtown Crossing area, much of Midtown's physical space remains marginal.

Midtown has also lacked the benefit of a powerful organization like a business improvement district to undertake large-scale cooperative initiatives. The DCA has served an important role in organizing some of the area's stakeholders; however, its voluntary nature, small staff and budget have not been enough to affect major change. Attempts to create such a BID in Midtown have been stymied by politics, though it still may have a chance at being established.

Today there is significant new investment activity in Midtown, with a few projects that incorporate significant retail and entertainment components. At a time when retail spaces earn more rent per square foot than other uses, developers are welcoming a retail component to their projects. The underlying feeling is that the long-awaited goal of revitalized shopping will finally materialize once the neighborhood goes upscale to serve the clientele of Millennium Place, with the potential to price its current tenants out of business.

Subject to design guidelines that force these buildings to have a street orientation rather than an internal orientation, street life is expected to become more active at new developments. Washington Street, a busy shopping street and a main connector street, is positioned to receive a new infusion of retail once construction ends and the new developments open up. However, the many small side streets have a greater challenge to accommodate retail with less pedestrian traffic and visibility.

## *Chapter Five: Case Study: Seattle*

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Seattle's 1985 *Downtown Plan* set forth an intricate array of guidelines for implementation to maintain Seattle as the region's thriving center supporting a diversity of uses. The Plan sought to reinforce a concentration of shopping and to encourage retail in areas with an active pedestrian environment. Sensitive to a wide range of factors from viewscales to "green streets", the Plan set a framework that was incorporated into the zoning that required ground floor retail in the compact Retail Core and on designated pedestrian streets, and attended to elements of urban form that regulated street level development standards. It also introduced a long list of public amenities that would qualify for development incentives to expand the retail sector and enhance the pedestrian environment.

While the economy has fluctuated since the institution of these new use and design regulations, its overall strong performance brought a tremendous amount of new development to the downtown. The Retail Core, whose future was bleak until the mid-1990s, has had a remarkable turnaround and a doubling of its retail base through new public and private development. No doubt the strong economy has been the biggest factor driving the creation of new retail, but the fact that this retail located directly in the downtown is the real achievement. The zoning and use requirements ensured that that activity remained oriented to the street. This upscale urban retail center filled with "destination" retailers has, however, come at the cost of many locally owned retailers and services for residents.

### **PROFILE OF SEATTLE**

Overlooking the waters of Puget Sound to the west and embraced by the Olympic Mountains to the east, Seattle's access to the sea and the wooded highlands have been important since its settlement in the mid-1800s. It started as a small, remote logging and fishing, and later, shipbuilding outpost and evolved into Boeing aerospace's company town, eventually becoming the largest city in the Pacific Northwest. In the early 1990s, Seattle was thrust into national spotlight as the home of software giant Microsoft, coffeehouses, and grunge music. Its attraction as a place to live and work is underpinned by the lifestyle it promises, offering a rare combination of cultural amenities, natural beauty and economic opportunity.

Now a national leader in aerospace, software development, bio and medical technology, and telecommunications, Seattle is well known by its brand-name companies like Boeing, Microsoft, Amazon, Nordstrom, and Starbucks. The multiplier effect of these growing companies in the last two decades has been a fast-growing economy and many related start-up companies. According to the Puget Sound Regional Council, the number of full-time employment positions in the city of Seattle, has jumped 36% from 1980 to 2000, while the number in the whole of King County has increased over 69%, indicating growth outside of the city as well. The city's largest employer, Boeing, recently announced that after more than half a century in Seattle, it plans to relocate its corporate headquarters elsewhere. Although Seattle's economy is considerably dependent on its largest companies, its economy has diversified in a wide range of sectors, thus cushioning it from this blow.

The state of Washington has no income tax, so it looks to other sources, including sales tax, to support its tax base. Compared to other U.S. cities, sales tax in Seattle is high at 8.6%, however it is only slightly more than its regional neighbors. The sales tax in Seattle supports many levels of government:

State of Washington	6.50%
City of Seattle	0.85%
Metro	0.60%
Regional Transit Authority	0.40%
King County	0.15%
King County criminal justice levy	0.10%
Total Sales Tax	8.60%

Metro Transit provides an excellent bus system that serves the large metropolitan Seattle area. The Sound Transit agency is in the process of expanding the mass transit system to include light rail. This project is not without its critics, as it must pass through dense neighborhoods on surface grade until it goes underground in the urban core. Nevertheless, it was approved in 1996 as an alternative to the unbearable congestion faced by urban residents and workers.

Seattle has a mayor / city council form of government. The Economic Development Office, which is an arm of the Mayor's office, is the city's advocate for promoting economic development. Washington State has a law that prohibits the lending of state dollars to private organizations, so Seattle does not have the power to use many of the economic tools used by other cities. Its only loan programs are federal programs, which require a substantial benefit for people of low and moderate income. For downtown commercial development the city does not offer any direct tax breaks or subsidies. EDO partners with the nonprofit Economic Development Council of Seattle and King County, which helps in attracting and retaining businesses through technical assistance programs.

On the regulatory side of development, the Seattle Department of Design, Construction, and Land Use (DCLU) oversees permitting, design review and construction projects. Under the DCLU umbrella, the Seattle Design Commission advises the Mayor and City Council on the design of projects that involve city property and funding to incorporate high standards of urban design, open space, and public access. The Commission has produced a handbook to help people through the steps and decisions of a design project.

Responding to unchecked suburban growth of residential subdivisions and commercial development far away from basic services, both of which were costing taxpayers a lot of money, the voters of Washington State approved the Growth Management Act (GMA) in 1990. The GMA stipulates that each fast growing municipality has to submit and follow a comprehensive plan in accordance with state goals for managing growth. The costs of growth must be in line with the expected new revenues; communities cannot rely on large tax increases to fund such growth. Furthermore, each city and county must establish an “urban growth boundary”, within which new development shall be channeled.<sup>1</sup> While the GMA has not had a dramatic effect on Seattle after King County adopted its urban growth area in 1994, it has prompted the development of new programs, such as the transfer of development rights from rural parts of King County to the Denny Regrade, a growing residential area of downtown.

The GMA has also articulated a philosophy behind moving back to the city, a growing trend in Seattle. Seattle’s population grew over 9% in the 1990s, increasing from 516,259 in 1990 to 563,374 in 2000<sup>2</sup>. The downtown portion of this population increased from 2.3% of the city’s population to 3.8%, to an estimated population of 21,765 persons<sup>3</sup>.

## **PROFILE OF THE RETAIL CORE IN DOWNTOWN SEATTLE**

With its gridded street pattern oriented toward Elliott Bay, downtown Seattle has relatively small blocks and walkable streets, notwithstanding the steep incline as one walks east away from the waterfront. Seattle’s downtown is comprised of different districts. Belltown, also known as the Denny Regrade, sits in the city’s northern section; here the former Denny Hill that was leveled around the turn of the last century to capture new downtown growth. Farther south, the city’s oldest neighborhood, Pioneer Square, retains its historic architecture. The downtown office core has over

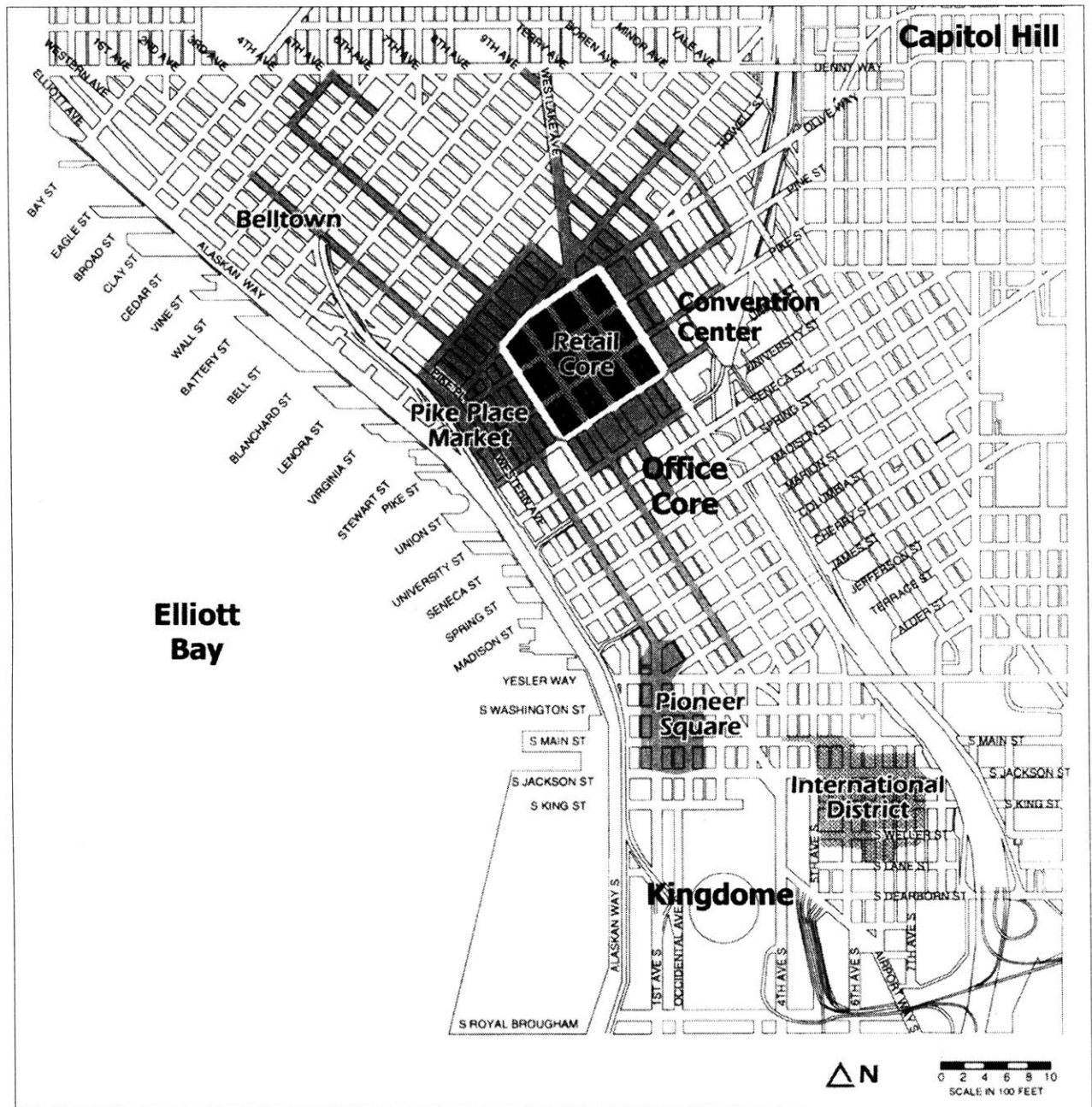
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<sup>1</sup> 1000 Friends of Washington website, [www.1000Friends.org](http://www.1000Friends.org).

<sup>2</sup> U.S. Census Bureau website, 2001.

<sup>3</sup> Downtown Seattle Association, 1998.

16 million square feet of office space. Strategically in the middle of the downtown, sit Pike Place



*Areas in Seattle's downtown. (Source: The Downtown Plan, 1995)*

Market and the downtown Retail Core, where the city shops.

As mentioned earlier, downtown's population is growing, up to over 20,000 in 2000 from only 11,873 in 1990<sup>4</sup>. Downtown, like the whole region, is predominantly white, and most downtown households are single persons. Of the newly built housing downtown, an increasing

<sup>4</sup> Ibid, 1998.

number of units are for moderate and upper-income households, though the downtown still has the region's highest percentage of low-income.

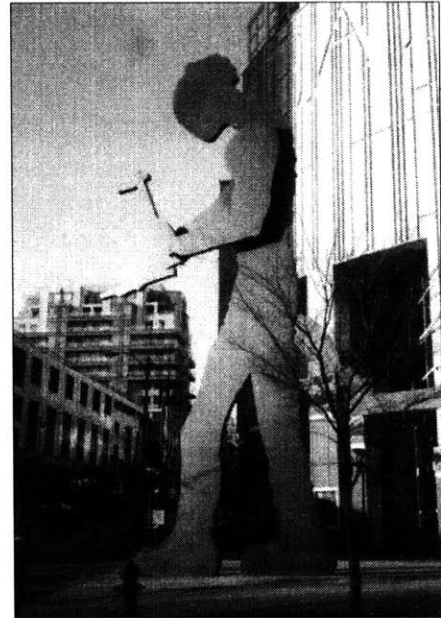
In 1997, the Washington State Convention and Trade Center located in downtown Seattle brought nearly 500,000 annual visitors to its downtown location overlooking the Retail Core.<sup>5</sup> Cultural venues, such as the waterfront Aquarium, the Seattle Art Museum, Benaroya symphony hall, art galleries, movie theaters, performing arts theatres, and sports stadiums also attract many visitors to Seattle.

Most of downtown Seattle constitutes Metro Transit's "ride-free-zone" that offers free circulation on its buses from 6am to 7pm. The congested Interstate 5 runs directly through downtown linking Seattle with Portland and other cities along the coast.

The city's Retail Core consists of 12 compact blocks located in the center of downtown. It is defined as the area from 2<sup>nd</sup> to 6<sup>th</sup> Avenue, and Stewart Street and Olive Way on the north to Union Street on the south. This traditional shopping district is connected by Pike Street to the historic Pike Place Market, a fish, produce and craft market of locally owned enterprises that was saved in the 1970s by a broad-based community initiative to protect it from the wrecking ball of the federal Urban Renewal program.

In the 1950s, Seattle's Retail Core was a thriving, upscale district with five department stores. Frederick and Nelson's full-block emporium sold everything from furniture to apparel and was the area's most important anchor. Shoppers could choose from various other large stores as well: Best's, Bon Marche, I. Magnin, Klopfenstein's, and Nordstrom. The streets were not only filled during the days with shoppers, but also during the nights with entertainment. This area was home to many movie palaces like the Music Hall, the Coliseum, the Paramount, among others, and bars and restaurants.

The vibrancy of this district had diminished by the 1970s. The exodus of residents to the suburbs had hurt downtown Seattle and was followed by the stores' migration to outer points like the Northgate, Bellevue Square and Southcenter malls. Although three of the department stores had survived in downtown, much of the Retail Core had transformed into an area of surface parking



*The Seattle Art Museum, here shown with its enormous hammering figure, is one of Seattle's cultural institutions.*

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<sup>5</sup> Ibid, 1998.

lots, vacant properties, and low rent buildings. The gap left by the death of the movie palaces meant the evenings were quiet.

The Downtown Seattle Association (DSA), a private, non-profit membership organization, had been formed in the late 1950s to advocate for a vibrant, economically strong urban core. For its first three decades it concentrated solely on the area's economic health. The DSA oversaw numerous committees focusing on a range of downtown issues such as development, safety, transportation, marketing and events, and maintenance. Although the DSA had no formal authority, its committees were often composed of business and government leaders; for that reason it continues to be a powerful voice in the downtown. Despite the efforts of the DSA at that time, market forces were too strong to counter the exodus of life and investment in the once-thriving Retail Core.

## THE 1985 DOWNTOWN PLAN

Seattle's first bonus incentive program was established in 1966, allowing downtown developers to build more by constructing public plazas or arcades on their property, or by designing voluntary building setbacks. Shopping plazas and shopping arcades became bonusable features in 1976. With little city discretion or review, and without height limits, the tower, placed in wide plazas with blank walls and little relation to the urban context, became the standard building form in the central business district, complying with the city's rules but providing limited true public benefit.

An eight-year citywide rezoning effort began in the late 1970s to update the outdated 1960s-era code. The city undertook an intricate urban design and land use analysis of the whole downtown in order to understand what elements needed protecting, enhancing, or changing. The resulting document, *The Downtown Plan: Land Use & Transportation Plan for Downtown Seattle*, set out detailed policies concerning land use, transportation, housing and human services, urban form, and economic development. Combining clear policies with detailed guidelines for implementation and accompanying maps to illustrate the affected areas, *The Downtown Plan* attended to the competing concerns of downtown while remaining sensitive to



*Example of an earlier generation office tower without any street level activity.*

the variations in different districts and on different streets. It was adopted, along with new zoning, in 1985.

*The Downtown Plan* sought to create a lively and sustainable urban center that offered more housing, coordinated transit, and urban form emphasizing a human scale. It expanded the palette of public benefit features qualifying for bonuses from 5 to 28, while reducing the amount of additional floor area that could be earned by each public benefit feature. It established base FARs for each downtown zone, with the densest commercial zone allowed a limit of 20 FAR. Other downtown zones were given height restrictions. The Retail Core, for example, was allowed to build to 240 feet but could go up to 400 feet by including a department store or performing arts center.

In order to identify and prioritize policies and capital improvements, *The Downtown Plan* categorized downtown streets by 1) traffic function, 2) transit function, and 3) pedestrian function. “This classification system shall integrate multiple vehicular and pedestrian needs, minimize modal conflicts, reflect and reinforce adjacent land use, and provide a basis for physical change.”<sup>6</sup> The pedestrian street classification, divided into three graduated levels, forms the basis for regulating street level development.

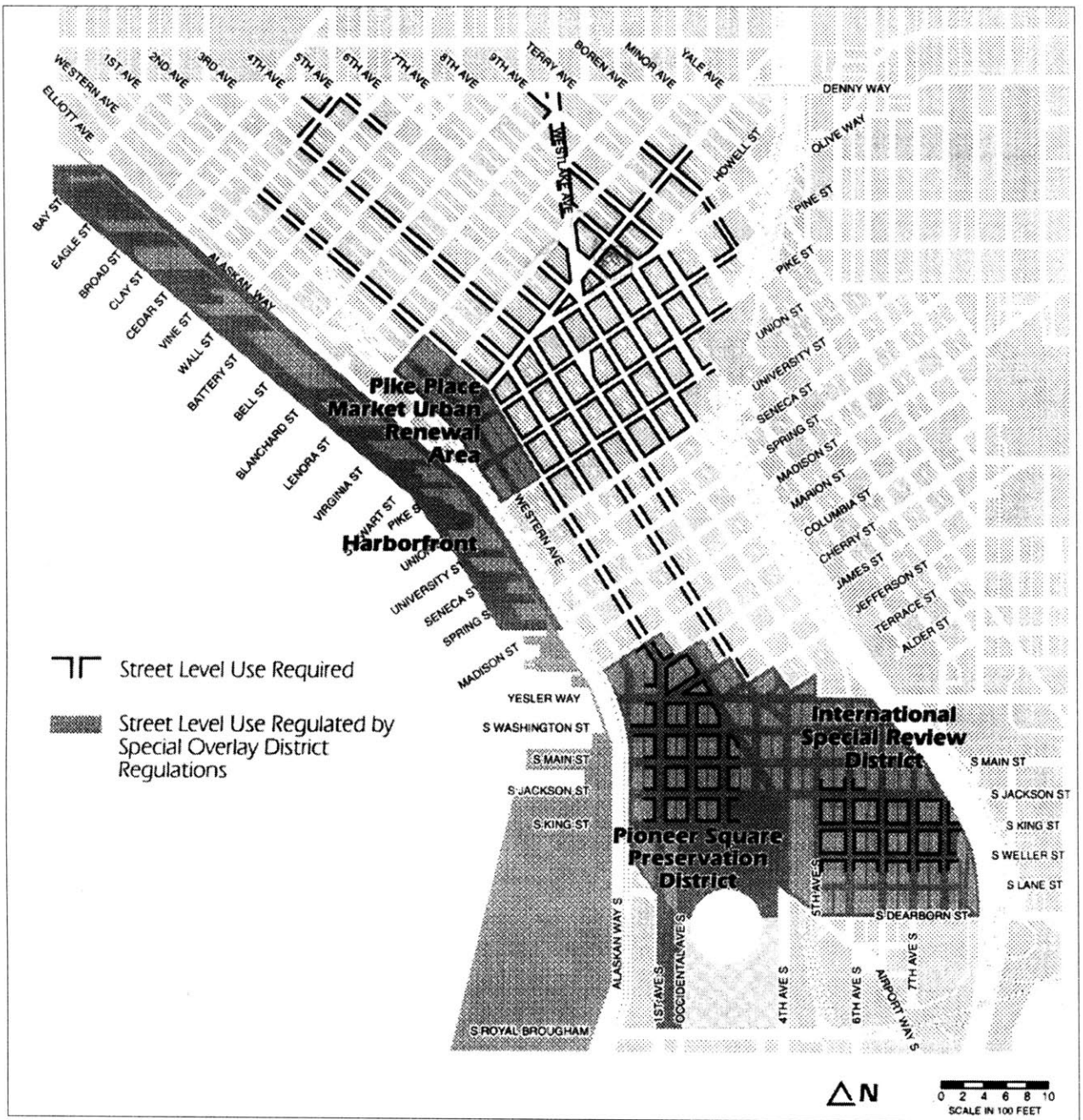
On these streets where the continuity of retail is considered important, the Plan requires street levels uses to provide pedestrian interest and generate activity. Qualifying uses are:

1. Retail sales and services, except lodging;
2. Human service uses and child care centers;
3. Customer service offices;
4. Entertainment uses, including cinemas and theaters;
5. Museums and libraries; and
6. Public atriums (only in the downtown office core I and II).

At least 75% of the street frontage must be occupied by these uses to fulfill the requirement. The City awards both a floor area bonus *and* an exemption from the total allowed density for the inclusion of these specified street level uses in the Retail Core and on all Class I Pedestrian Streets and Green Streets in office, retail and mixed-use areas. This is essentially a double bonus for these uses.

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<sup>6</sup> City of Seattle, Office of Management and Planning, *The Downtown Plan*, p. 16.



Map indicates streets subject to street level use and design requirements. (Source: City of Seattle, Office of Management and Planning, *The Downtown Plan*, 1995.)

## ***Design Standards***

Complementing the street level use requirements, *The Downtown Plan* sets out to establish a high quality pedestrian oriented street environment through its urban form guidelines. The zoning's design stipulations are applied to downtown Pedestrian Streets as follows:

<b>Outcome Sought</b>	<b>Design Guideline</b>	<b>Intent</b>
<b><i>Frontage</i></b>	75% of the street frontage shall be occupied by uses listed above. The remaining 25% may contain other uses an/or pedestrian or vehicular entrances.	To make the streets an enjoyable and pleasant place to be and to provide visual interest for the pedestrian.
<b><i>Setbacks for Street Level Uses</i></b>	Required street level uses shall be located with ten feet of the street property line or shall abut a bonused public open space.	To bring the activity occurring within buildings into direct contact with the street environment.
<b><i>Street access</i></b>	Except for a childcare facility, pedestrian access to required street level uses shall be provided directly from the street or bonused open space.	To bring the activity occurring within buildings into direct contact with the street environment.
<b><i>Minimum façade height</i></b>	35 Feet, except in buildings that are shorter than 35 feet.	To provide a comfortable sense of enclosure along the street.
<b><i>Maximum façade height and upper level setbacks</i></b>	Upper level setbacks and maximum façade heights required at varying levels for buildings of different height intervals.	To provide a comfortable sense of enclosure along the street.
<b><i>Setback limits</i></b>	No setback limits apply up to an elevation of 15 feet above the sidewalk grade. From 15 feet to 35 feet above sidewalk grade, at least 60% shall be within 2 feet of the street property line, and the maximum setback is 10 feet at a maximum width of 20 feet.	To provide a comfortable sense of enclosure along the street.
<b><i>Façade transparency</i></b>	Only clear or lightly tinted glass in windows, doors and display windows shall be considered transparent. At least 60% of the street-level façade shall be transparent.	To maintain an attractive and diverse pedestrian environment.
<b><i>Blank facades</i></b>	Blank facades shall be no more than 15 feet wide (except for garage doors or if deemed architecturally rich otherwise). Blank segments shall be separated by transparent areas of at least 2 feet. The total blank area shall not exceed 40%, or 55% if the slope is more than 7.5%.	To prevent the disruption of existing patterns of use and avoid an uninviting street environment.
<b><i>Screening of parking</i></b>	Parking not permitted at street level unless separated from the street by other uses. The perimeter of each floor of parking garages above street level shall have an opaque screen at least three and one-half feet high.	To ensure an active and visually pleasing pedestrian street environment.
<b><i>Street trees</i></b>	Street trees are required on all streets abutting a lot.	To provide a visual amenity for pedestrians as well as a psychological buffer from the noise and dirt of street traffic.
<b><i>Overhead weather protection</i></b>	The entire length of the façade where street level uses are required must include continuous weather protection.	To shelter pedestrians from weather elements.

***Incentives***

Among the 28 development incentives articulated by The Downtown Plan, many were related to the creation of retail and the enhancement of the pedestrian environment along important streets. The City set the bonus ratio schedule in rough proportion to the cost of the amenity’s inclusion, though a ceiling was in place to how much was eligible for a bonus.

<b>Public Benefit Feature</b>	<b>Bonus Ratio</b> (rate of additional floor area granted per square foot of public benefit feature provided)	<b>Maximum Area of PBF Eligible for Bonus</b>
Cinema	7	15,000 square feet
Shopping Atrium *	6 or 8 (depends on height of atrium)	15,000 square feet
Shopping Corridor *	6 or 7.5 (higher bonus granted if skylights are provided.)	7,200 square feet
Retail Shopping *	3	0.5 times the area of the lot, not to exceed 15,000 square feet
Sidewalk Widening	3	Area necessary to meet the required sidewalk width
Overhead Weather Protection	3 or 4.5 (higher bonus granted if skylights are provided.)	10 times the street frontage of the lot
Short-term parking, above grade	1	200 spaces
Short-term parking, below grade	2	200 spaces
Museums	5	30,000 square feet

(Lassar, Terry Jill, *Carrots & Sticks: New Zoning Downtown*, Washington, D.C.: ULI - Urban Land Institute, 1989)

\*only on Pedestrian Streets outside the Retail Core

In addition to the public benefit features listed above, the City granted development bonuses for human services, daycare, rooftop gardens, and sculptured building tops. Developers could negotiate from a smaller set of special public benefits that cost more and required more discretionary input, such as a performing arts theater, an urban plaza, or a department store.

The incentive system was tiered in the downtown office and retail cores such that density in each tier above the base FAR was achievable through a different menu of options for the developer. The developer had to provide amenities in each lower tier before the menu for the next tier would be available. When this system was created in 1985, there were essentially two tiers above the base FAR. The first tier contained a wide array of non-housing amenity options, such as retail shopping or parking, while the second tier contained a Housing Bonus and a Transfer of Development Rights (TDR) option. This system ensured that housing or TDRs, considered very important, would have to be underwritten by every developer wanting to build to a maximum density.

## **RETAIL CORE AFTER LAND USE PLAN**

The new development rules introduced by *The Downtown Plan* came into effect during a strong economy in Seattle. In 1986 alone, five office projects were completed and another five million square feet broke ground in 1987.<sup>7</sup> One of these new downtown towers, the Washington Mutual Tower, earned 295,000 additional square feet by providing a long list of amenities eligible for incentives, growing to 55 stories. After a surge of new development similar in scale, many citizens became concerned about the downtown's ability to support many more buildings of this size without burdening the infrastructure and degrading the environment.

### ***Citizens Alternative Plan***

The Citizens' Alternative Plan (CAP), approved in 1989 by 62% voters who feared the "Manhattanizing" of downtown Seattle, placed an annual cap on the square footage of office development, limiting it to 500,000 square feet annually for the first period from 1990-1994 and 1,000,000 square feet for the second period from 1995-1999. The CAP initiative also permanently reduced the height and density limits in the downtown and mandated a comprehensive growth management plan. The Retail Core, which previously had a height limit of 400 feet, was reduced to a maximum height of 150 feet, while the densest office zone, formerly without a limit, now could build to only 450 feet. The Retail Core's density was lowered to a base of 2.5 FAR and a maximum of 7 FAR. The densest office core zone was reduced to a base of 5 FAR and a maximum of 14 FAR.

Just as the CAP significantly reduced the base FAR and the maximum FAR permitted, it also required a change in the incentive tiering system. Under the CAP, the tiering system was modified to introduce a third tier. Now the first tier, which accounted for an even smaller amount of bonus FAR, included most of the public amenities. The second tier comprised the housing bonus and the third tier was reserved for a low-income housing TDR. In essence, the CAP reduced developers' incentive to include non-housing public benefits in their buildings.

### ***Dismal Times in the Early 1990s***

All of the new downtown office development introduced in the 1980s struggled as the nation went deep into recession at the end of that decade. The Retail Core, whose only new investment had been the U.S. Bank Centre, which introduced 130,000 square feet of new retail space. (See Development Example.) In 1992 Frederick & Nelson went out of business nationally,

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<sup>7</sup> Lassar, 1989.

leaving its enormous downtown Seattle department store empty. Two years later, I. Magnin also closed, leaving only Nordstrom and Bon Marche in the Retail Core.

Although never hitting the depths of urban decay, the Retail Core was in serious decline. Once the economy began improving, national retailers were attracted by the region's growing economy. However, they did not have confidence in the future of Seattle's downtown and opted instead to locate further outside of the core.

At this time, the DSA formed the Retail Core's Business Improvement Area (BIA), with a focus on marketing and maintenance of the public realm. Other BIAs existed in the downtown as well, including one focused on 1<sup>st</sup> and 2<sup>nd</sup> Avenues and another on Pioneer Square. The DSA's transition of leadership in the 1990s expanded its overall scope to include a research component and a human service dimension, along with a larger staff.

### ***Turning Point***

Jeff Rhodes, a veteran shopping center developer with experience in downtown retail projects like Boston's Copley Place and Chicago's Watertown Place, saw great potential in Seattle's floundering Retail Core. Forming a new company called Pine Street Development (PSD) and working closely with city and business leaders, he masterminded a complicated land swap that could redevelop key sites, stabilize a retail anchor, and reinvigorate the Retail Core.

The plan was for PSD to purchase the enormous but empty Frederick & Nelson's building and then trade it to Nordstrom's in exchange for its smaller store and the adjacent 10-story office building. On an abutting block, PSD would demolish an existing parking garage and replace it with a five-level, 335,000 square foot shopping, dining, and entertainment complex, now known as Pacific Place, and underground parking. The old Nordstrom's would be converted into new retail in the lower floors and office above, while the office building would be totally renovated.

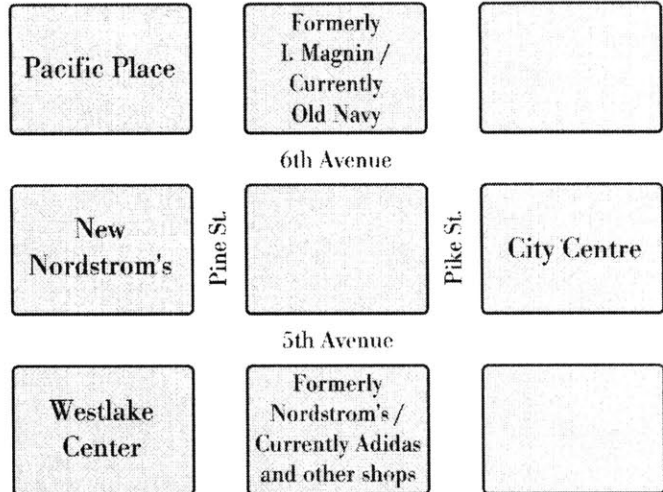
Seattle's mayor, Norm Rice, was a staunch advocate for the plan, viewing it as a way to curtail the downward spiraling of the Retail Core. He pledged city support for its implementation. The price of city participation, however, was controversial.

Almost every study of downtown retail conducted in the early 1990s cited the lack of affordable, convenient, short-term parking as a major deterrent to bringing shoppers downtown. The Pacific Place plan called for the developers to build a parking facility and for the city to chip in by purchasing it from the developers. Opponents insisted the price of \$73 million was too high, exceeding the developers' cost to build it. Although cities routinely encourage urban revitalization projects by directly subsidizing the cost of developing supporting parking, in Seattle this type of public/private partnership is stymied by the state's unusually strict constitutional ban against gifts of public money to private business. As a result, cities in Washington State have had to devise alternative ways to make private development attractive, as Seattle then did with the Pacific Place parking garage. After a

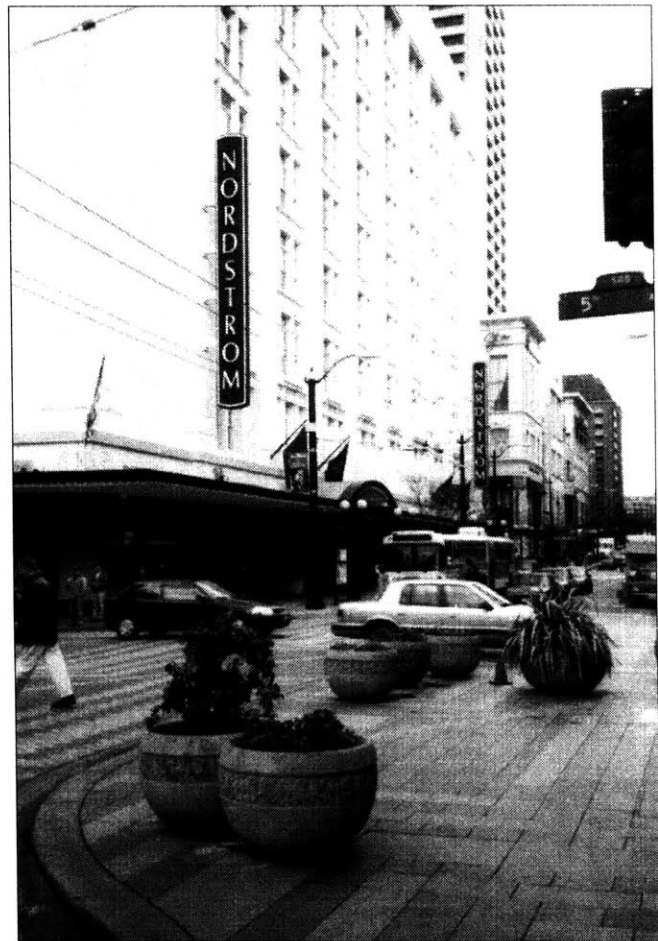
barrage of negative press, audits by city and state departments, and legal battles, the garage deal finally was approved by the state attorney general's office.<sup>8</sup>

A second stipulation by Nordstrom and the developers for the deal to work was for Pine Street to be converted from a pedestrian-only zone back into a through-street for vehicular use. Most downtown businesses agreed that the street's closure had made access difficult to the Retail Core. "Moreover, Nordstrom Inc. maintained that it could not justify investing \$100 million in a downtown that was hampered by the closure of a critical thoroughfare."<sup>9</sup> The Downtown Seattle Association partnered with the developers and most downtown businesses to champion the cause of reopening Pine Street, which ultimately was approved by the voters in a public referendum.

According to interviews and articles, many believe that this \$500 million, three-block, public-private development was the turning point for the Retail Core, transforming it from a declining "has-been" to the most coveted retail location in the region. While private developers initiated this redevelopment project, many felt that it would not have worked without the city's support and participation. When the new Nordstrom opened in August 1998 with Pacific Place to follow two months later, it was alongside many other new retailers that had been



*This diagram illustrates the location and movement of key retail centers in Seattle's Retail Core.*



*Pictured here is the new Nordstrom's flagship store on Pine Street. Formerly a pedestrian mall, this street is now open to vehicular traffic, but employs traffic calming measures.*

<sup>8</sup> Lassar, 2000.  
<sup>9</sup> Ibid.

attracted by the area's new momentum.

Other observers cite the city's 1996 decision to expand the convention center as the key turning point for the Retail Core.<sup>10</sup> The Washington State Convention and Trade Center is located in Seattle's downtown, overlooking the Retail Core on Pike Street and spanning Interstate-5. "Retailers' records showed that their sales volumes were tremendous on days when a convention was in town," explains John Christianson, president and general manager of the Washington State Convention and Trade Center.<sup>11</sup> The 105,000 square foot expansion, which is currently under construction, will nearly double the size of the facility. For a cost of \$170 million, the expansion is estimated to bring an added 70,000 delegates every year.

### REVIVAL SINCE 1995

As Niketown, Adidas, Planet Hollywood, Old Navy, and a multitude of other "destination" retailers squeezed in between Starbucks and Tully's coffeehouses, Seattle has been praised as a model of vibrant urbanism. The retail base has almost doubled in terms of square footage in only the past five years. According to the DSA, the retail vacancy rate in downtown is very low at 4%. The average rate per square foot of retail in 2001 was cited at \$60 per square foot and up to \$100 in some locations, answering the question why national retailers almost exclusively comprise the Retail Core. "The Puget Sound area continues to appeal to national retailers because personal income, retail sales and consumer confidence are all above average and growing. Seattle-area residents have discretionary income to spend. Retail sales totaled \$26 billion in 1999."<sup>12</sup> The local boutiques have



*Old Navy, in the former I. Magnin building, sits across from Pacific Place at 6<sup>th</sup> and Pine, Seattle's new 100 percent corner.*

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<sup>10</sup> Schweiger, 1999.

<sup>11</sup> Ibid.

<sup>12</sup> True, 25 February 1999.



*The exterior of Pacific Place is broken up into many individual facades with many entrances.*

migrated to 1<sup>st</sup> Avenue between Pioneer Square and Belltown where the spaces are smaller and the rents are less expensive.

The street environment complements the concentration of retail both along the street and in urban malls. “Storefronts along the street are done exactly the way they should be: generous expanses of glass, high bays, a substantial sill line, wood casing and mullions.”<sup>13</sup> The wide sidewalks and coffee carts are

considered an attractive element of urban design. The combination of *The Downtown Plan’s* explicit design expectations, the attention to design by the DSA and the DCLU, and the cooperation of the development community in this regard all result in high standards. Pacific Place is a good example:

Although Pacific Place occupies one of the largest blocks in downtown Seattle, it was designed to resemble a collection of smaller buildings that grew up over time. Tenants such as Pottery Barn, Tiffany & Co., and Starbucks display signature storefront designs and separate street entrances. The shopping center was designed to be highly permeable, with more than a dozen entry points that lead from the surrounding streets into the building; this serves to entice pedestrians to take short cuts through the building and to use the ground floor as an extension of the sidewalk.<sup>14</sup>

In 1999, the City Council and Mayor enacted the Metropolitan Improvement District (MID), thereby consolidating the seven individual business improvement areas in the downtown into one coordinated improvement district. Financed by a self-imposed property assessment, the MID was able to take advantage of the consolidation of revenues and economies of scale to retain existing services in maintenance, expand marketing efforts, and add security patrols and a research component. Its day-to-day operations are managed by the DSA.

While some herald the turnaround in the Retail Core, others see it as catering solely to high-income-bracket shoppers, tourists, and conventioners. Without basic services like a grocery or drug store for residents, the Retail Core functions more like an upscale mall. Unlike a private mall, the Retail Core still contends with the unpredictability of the city, such as panhandlers and drunks. The

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<sup>13</sup> Hinshaw, p. 65.

<sup>14</sup> Lassar, 2000.

city and the MID have tried to instill a sense of security, comfort, and control that the mall consumers enjoy by outfitting a security staff to patrol the streets.

Because the majority of the bonusable public benefits fall into the first tier, only a limited range of these public benefits are built. “Developers typically earn most or all of the 2 FAR available by providing the two PBFs (public benefit features) that are required by the Land Use Codes in those zones: ground-floor retail shopping and sidewalk widening. Overhead weather protection is also used frequently.”<sup>15</sup> These are arguably things that a developer would build anyway. A review advisory committee has recommended that many public benefit features be eliminated in order to focus bonuses only on housing, which is sorely needed. Human services, childcare, open space, hillclimb assist, transit access, and building setbacks on “green streets” are among the PBFs the Advisory Committee has also recommended to be preserved. The DSA advocates even more strongly for the elimination of all incentives except those for housing. Market conditions are so strong, the need to induce developers to create many of these things is no longer necessary. There are already enough cinemas and retail needs no inducement. On the other hand, it may be important to set a precedent so it is easier to ensure the continuation of such uses if the economy worsens.

Deep in another building boom, nearly 100 projects with some 12 million square feet of new construction have been built in or planned for downtown Seattle since 1998.<sup>16</sup> The success of retail is also linked to the development of other cultural, entertainment, and housing projects in the downtown. In addition to many new restaurants and cinemas, other major projects include new sports stadiums, a new symphony hall, and the planned renovation of the Pacific Northwest Aquarium. Furthermore, the growing downtown population adds a 24-hour life to the city. “Since last year, nearly 18,000 new mid- to high-end condominium or apartment units have been added or planned, principally along First and Second Avenues in Belltown and Denny Regrade on the north side of downtown. With its concentration of trendy shops and restaurants, Belltown already is home to many of downtown’s office workers. City forecasters estimate that, by 2014, the number of Seattle’s urban dwellers will double to around 36,000 from the current 15,000.”<sup>17</sup>

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<sup>15</sup> City of Seattle, TDR/Bonus Program Review Advisory Committee, 2000.

<sup>16</sup> Lassar, 2000.

<sup>17</sup> Schweiger, 1999.

## DEVELOPMENT EXAMPLE

From the discussion of Seattle's evolving development climate, I would like to narrow the focus to one building's experience. For this investigation, I have chosen to look at City Centre, 130,000 square feet of retail within a large office tower. City Centre is the only mixed-use development in Seattle's Retail Core developed since the 1985 *Downtown Plan* was instituted.

### **U.S. Bank Centre featuring City Centre**

1420 Fifth Avenue, Seattle, Washington

44 stories, 1,055,000 square feet

*Developer:* Prescott Development Co.

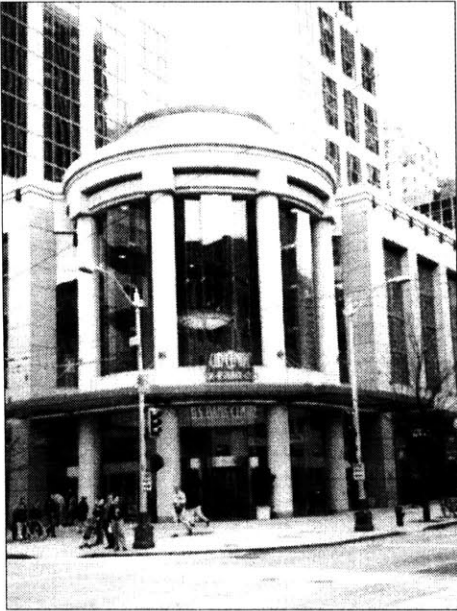
*Owner and Property Manager:* Bentall Real Estate Services

In 1989 one of Seattle's first upscale shopping centers opened within the U.S. Bank Centre office tower, strategically located between the Retail and Office Core. The developer earned bonus density by providing 130,000 square feet of retail along with other pedestrian amenities. Its grand opening, however, coincided with a national recession, impeding its ability to attract retail and office tenants. Despite the early struggles, City Centre is now one of the most thriving retail centers in Seattle.



*U.S. Bank Centre featuring City Centre*

The Prescott development company saw beyond the many marginal uses on the block between Pike and Union Streets and Fifth and Sixth Streets. Other than two movie theaters and a long established jewelry store, the site hosted a low-end hotel, seedy bars and other small shops. When Prescott acquired the site, it was allowed under zoning to build 1.0 million square feet at a height of 583 feet, although the CAP initiative and subsequent zoning changes now only allow a maximum of 85 feet of height in that location. Sitting smack dab in the Retail Core, Prescott envisioned a high-end office space, called U.S. Bank Centre, combined with high-end retail, named City Centre. At that time, both products were lacking in downtown Seattle.



*The open arcade entrance to City Centre*

Located across from the Nordstrom's flagship store, Prescott viewed this department store as a retail anchor upon which City Centre could build. Because of the site's grade change, Prescott realized that it could feasibly develop two levels of retail, one fronting on 5<sup>th</sup> Street, the area's prime shopping street at the time, and the other level fronting on 6<sup>th</sup> Street. It built a through-block interior arcade to link the retail spaces, and this, along with its retail space, was rewarded by a density bonus. To take advantage of this bonus, "active" retailers, rather than banks or ticket offices must occupy all of its retail space.

Required by the City's master lease, City Centre had to relocate the cinemas that had been located on the site. As Prescott realized that the cinema would not be able to pay as much rent, it located it on the third floor, alongside the building's restaurants and day-care. Against the wishes of the developer, the City also forced it to build an open arcade on 5<sup>th</sup> Street for public open space. This arcade, with its 80-foot glass opening that allows the public to view into all three floors of retail, actually ended functioning as a dynamic space and a great asset for the building.

With its commitments from high-end retailers, City Centre saw itself as poised for success as a unique addition to the Retail Core. Unfortunately, its timing could not have been worse. As it opened in 1989, the economy was in deep decline, vacancies in the downtown retail and office sectors were growing, and the character of the Retail Core was deteriorating. Along with the office component that was considered a failure for its first seven years, City Centre also struggled initially, though it did successfully recruit high-end retailers like Barney's and Gucci at the beginning.

When the economy started to turn around in the mid-1990s, the neighboring Nordstrom's struck a deal to relocate its flagship store a few blocks away. What seemed initially like a stroke of bad luck was actually the first step in a series of major capital investments in the Retail Core that ultimately strengthened City Centre. As the neighborhood added an unparalleled number of new destination stores, sales at City Centre also increased. While it occasionally has turnovers, and the movie cinema recently went out of business, its main anchor stores are prospering. City Centre, now viewed as one of the area's most successful retail spots, sits strategically in the middle of Seattle's old

and still active retail center at Rainier Square and its new destination of Pacific Place. Bentall Real Estate Services, a publicly traded real estate development and asset management firm, purchased the entire U.S. Bank Centre complex in 1998.

## CONCLUSION

Seattle's strong economy combined with its regulations rewarding developers handsomely for incorporating retail and entertainment uses resulted in a true revival of its Retail Core in the 1990s. The City requires the frontage of all buildings in the compact retail core to be occupied predominantly by customer-oriented uses, and it rewards developers by both exempting this space from the overall density count and giving density bonuses for providing this space. In addition, Seattle has a long list of other public benefit features that provide retail and entertainment uses and contribute to the comfort of the pedestrian environment. With a relatively low as-of-right density limit, developers actively employ these incentives in order to build at higher densities. As the market has already provided an abundance of the desired public benefit features, the City is now considering eliminating many of the incentives targeted to retail and entertainment. While cited as a glowing example of urbanism, some residents complain that only the upper-income population benefit from its services now. Most of the small and local retailers have moved to other Seattle locations to find smaller spaces and lower rents.

The strong attention to the pedestrian environment has had widespread benefits. Developers are required to adhere to strict street-level design guidelines and to provide unconventional amenities such as overhead weather protection, street trees, and screened parking. Incorporated on a district-wide basis, however, such requirements have transformed the walking environment and attracted shoppers near and far. The design guidelines have also resulted in the unique combination of urban malls and active streets. Pacific Place, for example, is from the outside a collection of individual shops with different storefronts and many windows. Once inside, shoppers discover an upscale urban mall with structured parking attached. The attractive environment has no doubt contributed to the area's retail success, with few vacancies and high retail rents.

Beyond these regulations, Seattle has been blessed with a few key factors working in its favor. Most importantly, Seattle's strong economy positioned it for growth in consumer spending and as an attractive market for retailers. The cooperation of the City, the Downtown Seattle Association/Metropolitan Improvement District, and a host of developers spurred both private and public investment that catalyzed a resurgence of retailers in the urban core rather than a bleeding of

them to the suburbs. Some refer to Seattle as having a “retail culture” which has been cultivated by City’s reliance on sales tax. It is in the best interests of the City and its residents to channel buying into the city limits.

## Chapter Six: Summary & Conclusions

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While each of my case study cities relied on similar zoning tools to achieve its goals, each city exhibited subtle differences in how and where it applied such regulations, and which elements it emphasized more heavily.

Washington D.C. started out with a fairly aggressive retail use requirement and only a few pedestrian-oriented design guidelines in the Retail Core. Its incentives focused squarely on large format stores. The zoning amendments of 1996 went on to reduce this amount of retail required and expanded the incentives to introduce greater flexibility.

In Boston’s Midtown Cultural District, the zoning’s retail use requirement is entirely discretionary, but applies to a large area made up of neighborhoods of different character. Its street-level design guidelines focus mainly on street wall continuity, street wall transparency and façade height. Retail incentives are limited to just the required amount of retail at a modest bonus ratio of 1:1.

Seattle demonstrates a strong orientation to issues of street-level design as laid out in the comprehensive *Downtown Plan*. As such, it requires a long list of design elements to be incorporated into all “pedestrian streets” and it offers incentives to provide further design amenities. Zoning requires most of the street frontage in the Retail Core to house retail or related uses, which are both bonusable *and* exempted from the overall density calculation. It offers other incentives for a number of retail, cultural, and entertainment uses.

To compare the zoning frameworks of the three different cities, I have laid out the basic elements of each city below.

### Use Requirements in the Retail Core

	Washington, D.C.	Boston	Seattle
<b>Use requirement</b>	Formerly required 2.0/1.5 FAR of retail, entertainment and related uses. Modified to 0.5 FAR required.	Ground floor must have “Ground Floor Uses” or “Cultural Uses”, but no amount is specified.	75% of street frontage must be occupied by the following uses: retail, human service, child care, customer service, entertainment, museums or libraries.
<b>Further restrictions on use</b>	No more than 20% of this required space can serve as banks, financial institutions, fast food restaurants, delicatessens, printing or copy shops, newsstands, dry cleaners and the like.	None.	No more than 20% of the total street frontage can be used by human service uses, child care, customer service offices, entertainment uses, or museums.

## Design Guidelines in the Retail Core

	<b>Washington, D.C.</b>	<b>Boston</b>	<b>Seattle</b>
<b>Transparency</b>	50% transparency	“Appropriately” transparent	60% transparent
<b>Blank facades</b>	None	None	Blank facades shall be no more than 15 feet wide and shall be separated by a transparent area at least 2 feet wide.
<b>Display window continuity</b>	None	Display window must be coextensive with street wall line. There is a limit of 30% of total display window surface area that can be recessed up to 10 feet.	None
<b>Display window usage</b>	None	There shall be an area behind the display window of at least 2 feet in depth for the display of goods.	None
<b>Street wall continuity</b>	The building’s build-to line is the property line.	80% of the street wall must align with the street wall of abutting buildings.	Ground floor uses must be within 10 feet of the street property line.
<b>Street access</b>	There should be no more than 50 feet on average between store entrances.	None	Pedestrian access to all street level uses should be directly from the street.
<b>Minimum façade heights</b>	None	None	35 feet
<b>Maximum façade heights</b>	None	90 feet	125 feet
<b>Limit on curb cuts</b>	No new curb cuts allowed on key pedestrian streets.	None	None
<b>Overhead weather protection</b>	None	None	The entire length of the façade where street level uses are required must include continuous overhead weather protection.
<b>Street trees</b>	None	None	Street trees are required on all streets abutting a lot.
<b>Screening of parking</b>	None	None	Parking is not permitted at street level unless separated by other uses. Structured parking requires an opaque screen at least 3.5 feet tall.

## Retail-related Incentives in the Retail Core

	<b>Washington, D.C.</b>	<b>Boston</b>	<b>Seattle</b>
<b>Required retail exemption</b>	The preferred retail, entertainment and related uses are exempted from the overall density calculation.	None	All retail is exempted from the overall density calculation.
<b>Required retail bonus</b>	None The required amount of retail is not bonusable. Retail only receives a bonus if it (a) is one of the specific uses listed below or (b) it exceeds the 0.5 FAR amount.	Retail receives a bonus, except for any single use occupying more than 10,000 square feet.	All retail receives a density bonus.
<b>Other incentives for retail related amenities</b>	<i>D.C. gives bonuses for:</i> Department store Anchor store Amount of retail exceeding requirement Small, minority or displaced business Performing arts theater Movie theater	<i>Boston gives bonuses for:</i> Chinatown Neighborhood business Rehabilitation of a performing arts theater	<i>Seattle gives bonuses for:</i> Shopping atrium Shopping corridor Cinema Museum Sidewalk widening Overhead weather protection

When comparing each city’s guidelines side-by-side, certain commonalities and differences stand out. In terms of use requirements, Washington, D.C. focuses solely on the density of retail, while Seattle requires an active street frontage, and Boston employs discretion on a case-by-case basis. Washington, D.C. provides an exemption of this space from the building’s overall density and Boston provides a bonus equal to the amount of retail space incorporated, so as to reward the property owners for its inclusion. Seattle both exempts *and* bonuses retail space, thus rewarding owners even more handsomely.

In terms of design, each city required a degree of transparency and continuity of the street wall to create an aligned and visually interesting pedestrian environment. Boston and Seattle, which have buildings of substantial height in their Retail Cores, limit the height of the street façade to prevent a cavernous street environment. D.C. and Seattle both aim for penetrable buildings by controlling the frequency of street-level entrances. Compared to the other two, Seattle’s zoning includes an even wider range of design guidelines, requiring such amenities as street trees and overhead weather protection. The public realm is also supported in Seattle by incentives for incorporating design elements.

As for incentives, Boston offers few that are directly related to retail, other than for small local businesses in Chinatown. Washington, D.C. provides more incentives for retail uses, but they focus primarily on larger retail uses of at least 25,000 square feet. Seattle's list of incentives is long and includes design elements, retail spaces, and cultural venues. The high bonus ratios Seattle offers are capped by its tiering system, which favors housing-related amenities.

## **WHERE ZONING CAN MAKE A DIFFERENCE**

Clearly the power of zoning is limited, but these cases suggest that it can achieve certain goals, as outlined below.

***Creating and setting aside retail spaces.*** Zoning has the power to create retail spaces through requirements and incentives. When other uses can pay higher rents per square foot, zoning can serve as a powerful tool to carve out retail spaces where the market would have created single use zones. After D.C. lost over 3 million square feet of retail to office development in the 1980s, the zoning requirement expanded the inventory of retail spaces in new developments such as the Thurman Arnold Building. In Boston, even when retailers hesitate to move to the lower Washington Street area of Midtown and office space is in great demand, ground floor retail spaces have been included in two key developments in anticipation of the change in retail demand.

***Orienting retail to the street.*** Where developers and retailers might steer downtown retail towards enclosed urban malls, zoning can reorient retail toward the street. Windows and transparency create visual links and doors allow access. Seattle, for example, requires pedestrian access for all required retail directly from the street, rather than solely from an internal corridor. Each of the three cities required a level of transparency of street walls to ensure that pedestrians on the sidewalk have a direct visual connection to inside the shops.

***Improving the pedestrian environment.*** Zoning has the potential to enhance the pedestrian environment in other ways as well. D.C. prohibits new curb cuts on main pedestrian streets to create a safer and less interrupted walking environment without loading activities and cars pulling in and out. Seattle's provisions for overhead weather protection and street trees provide downtown shoppers an added measure of comfort. Boston's limits

on façade heights ensure a human scale that lets in sunlight rather than allow a cavernous atmosphere on the street.

## **WHERE THE POWER OF ZONING IS LIMITED**

***Creating market demand:*** In all cases, economic conditions were the single-most important factor determining the vibrancy, health and activity of downtown retail. When the economy was down, zoning had little power to affect positive change, although it kept uses from migrating into areas targeted for retail. In essence, zoning can create an inventory of retail space that might lie vacant in the absence of demand but is set aside to capture retail when demand increases. Even if zoning succeeds in creating the retail spaces, as it did in Boston's Lafayette Corporate Center and D.C.'s Thurman Arnold Building, it cannot change the underlying economics to ensure tenants or activity.

***Creating compatible retail uses:*** While zoning can be used to require retail uses and to place restrictions on how much of certain uses are allowed, it has no power to ensure that a compatible mix of tenants will result. Retailers themselves take pains to lease space in an environment most appropriate for their services. However, a developer's interests in profitability, control, and image can sometimes lead to retail uses that offer only a narrow public benefit.

## **IMPORTANT THINGS TO CONSIDER WHEN CREATING ZONING FOR RETAIL DISTRICTS**

***Compact district with high pedestrian traffic:*** As the level of pedestrian traffic is a very important factor in attracting retail tenants, it is critical to target retail use requirements to streets with established pedestrian populations. Zoning works best where there is already a predisposition to have the kind of place that the zoning would require. The objectives of a vibrant retail district are more likely to succeed if the area is compact in size, thus allowing a dense concentration of retailers and a livelier shopping core. In larger districts, like Boston's Midtown, it is not always feasible to expect vibrant ground level uses on all of the many streets.

***Requiring vs. rewarding:*** When designing zoning regulations, cities must carefully consider when to require retail and when to reward it with incentives. Requiring retail might force the

creation of retail spaces that are dramatically out of touch with market demand and can place undue burdens on the development community. Rewarding it, on the other hand, might result in uneven results on a district-wide basis and gaps in the retail continuity, thus diluting its concentration. In Seattle's now thriving Retail Core, the City rewarded developers handsomely for incorporating retail uses and design elements in the form of bonus incentives. Although many would argue that developers would have included many of these amenities even without the incentives, it is interesting to consider whether the results would have been as successful and as consistent on a district-wide basis. Some cities combine requirements with rewards, as Boston does in providing a modest bonus for all required retail spaces. A relationship exists between requirements and rewards, although its nature is not exactly clear.

***Flexibility in size of retail space:*** Cities must take care when requiring or offering incentives for retail spaces of a certain dimension. As demonstrated in D.C., department stores can sit vacant for years, lacking the flexibility to subdivide the space for a number of smaller tenants. D.C. sought to attract department store anchors of significant size, however the demand for this particular type of retailer simply did not exist. When the City amended the department store incentive to qualify both individual stores of 60,000 square feet or more *as well as* a combination of four or fewer stores that created a total of 90,000 square feet of retail, it greatly expanded the market for tenants. This amendment allowed D.C. to leverage large format stores to serve as retail magnets. However, it also introduced more flexibility to allow a greater number of stores of smaller sizes while actually increasing the overall amount of retail space achieved from 60,000 to 90,000 square feet.

***Prescriptive vs. discretionary requirements:*** Trade-offs exist between a prescriptive approach and a more discretionary approach in zoning. A prescriptive approach creates clearer expectations for developers, but can less easily respond to the subtle differences in each project. A discretionary approach welcomes that sensitivity and flexibility, but leaves room for retail to be negotiated out of the picture, for the community to be uncertain as to the development outcomes, and can lead to charges of favoritism.

***Survival of small and local businesses:*** The process of solidifying a retail district can change local conditions that increase rents and create barriers for small and local businesses

to stay in or move to the area. This problem can be exacerbated by incentives that reward large format retail spaces, which can often only be afforded by national chains, or widespread building ownership by institutional investors who generally prefer national credit tenants. To protect such businesses, D.C. offers incentives for small and displaced businesses and Boston has set aside a small area for local businesses that limits the square footage and street frontage of each shop to ensure small enterprises. Seattle, without a mechanism for protecting small businesses, has a Retail Core that consists almost entirely of national retailers.

*Accessibility and ease of understanding zoning:* Zoning guidelines that are easily understood and easy to access go a long way toward helping with proper design and thorough enforcement of zoning mandates. This is achieved by employing clear language complemented by maps and renderings in the zoning code. Accessibility in this age often comes from internet access, which makes these rules and regulations more easily available to the larger public. A helpful staff in the planning office is also important. Seattle's very complex land use and zoning codes are made very clear by its wide use of maps and direct language. Boston, on the other hand, could use improvement in the language and organization of its code and its limited accessibility.

## **OTHER IMPORTANT ELEMENTS BEYOND THE SCOPE OF ZONING**

*Density of downtown population:* A dense and highly populated downtown can support a concentration of retailers. This point may be obvious, but it is critical. A city that has a substantial population of residents, workers, and visitors to its downtown offers retailers a wider base of customers. D.C., for example, has a large employee population downtown, but with very few downtown residents, finds it difficult to sustain activity on nights and weekends. Its solution has been to expand the visitor population through the development of new tourist attractions like the Newseum, the MCI Center, and the Convention Center. Seattle's downtown population is growing quickly and its incentive system targets the construction of even more housing downtown.

*The City's important role:* The case studies reveal the key roles played by cities in catalyzing change and reinvestment in the Retail Core. The city's role often includes tending to physical improvements in the downtown, overseeing site assemblage in advance of

development, ensuring a continued strong service of transit, and providing adequate enforcement measures of regulations. The dealmaker in Seattle's complicated property swap was the City's offer to purchase the downtown parking structure. In D.C., the City's investment in the MCI Center and a new convention center lent confidence to many developers who began other projects. In Boston, the City looks primarily to the private market to spur change in Midtown, which means waiting longer.

***Downtown management entity.*** As evidenced in the case studies, retail districts have an advantage in tackling complex issues if they are steered by a strong downtown entity, whether it is a BID or a downtown association. Such organizations can play a pivotal role in overseeing efforts to improve marketing, safety, management, and advocacy. The establishment of the Downtown D.C. BID has brought new attention to safety, maintenance and marketing. In Boston, downtown advocates are trying to transform the DCA, with its small staff and funding, into a BID, thus endowing it with significant new powers. Without a BID, many important initiatives have no entity to oversee them.

***Condition of the physical environment.*** If downtown retail were equated with a shopping mall, its aisles would be considered the city streets themselves. When the physical environment is neglected and deteriorated, it fails to attract both retailers and shoppers. Lower Washington Street in Boston's Midtown has a few key retail vacancies, which retail brokers attribute primarily to the blighted environment of that area. On the other hand, a well-designed and maintained downtown retail district can set the stage for a shopping experience that draws people from near and far. Seattle's attention to the physical environment in its Retail Core is a cornerstone of its success as a retail center.

## IN SUMMARY

- ***Zoning cannot cause retail but it can set aside retail spaces.*** Zoning can contribute to the creation of a vibrant retail district, but its realization will only come if other conditions exist, most importantly a strong economy. However, zoning can successfully maintain an *opportunity* for retail and serve as a placeholder for retail, thus preventing other uses from taking over space intended for retail when market conditions do not favor retail.

- ***Cities must be patient.*** Market performance will not always reward cities' efforts to create retail. Although zoning can require the spaces, a down market can discourage the tenants. Cities must be willing to take the political heat from developers when the zoned retail spaces remain vacant. However, if a city is serious about targeting a district specifically for retail, waiting for the market might be difficult but it is necessary.

## **AREAS OF POTENTIAL FURTHER RESEARCH**

In this thesis, I focused on zoning's impact on downtown retail. In the course of my research, I have come across a wide spectrum of issues that merit future research, but were beyond the scope of my work. The following are areas of potential further research suggested by some of the issues and concerns raised in these pages:

***Is zoning really necessary to solidify downtown retail?*** In this thesis I build my research on the evidence and perception that zoning intervention is necessary for a vibrant downtown. Many in the development community, however, feel passionately to the contrary. Further study could entail looking at places without use or design requirements to see what pattern retail has taken.

***Gentrification:*** As chain stores crowd out and price out locally-owned shops in downtown, what are the implications for entrepreneurs, for community economic development, for diversity of goods and services, as well as for unique places? What are alternatives for marginal downtown retail areas besides dramatic gentrification?

***Centralized retail management in the downtown:*** Although this seems like a very intriguing approach, I did not find a detailed study evaluating the success of CRM in a downtown setting. It would be worthwhile to understand how cities have succeeded in persuading property managers to participate in this arrangement, as well as understand its results.

***Big box retail in downtown:*** Accustomed to large parking lots in suburban locations, how will the migration of big box retailers into the downtown affect the city? It would be especially important to understand its impact on transportation, urban design, and the health of competing smaller retailers.

***The threat of e-commerce to store shopping:*** What will the true effect of e-commerce be on in-store retail? Will there be an overwhelming surplus of retail capacity? How will retailers respond to this threat?

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## List of Interviews

*All interviews were conducted between January and April 2001.*

### **Boston**

David Carlson, Executive Director of the Boston Civic Design Commission / Senior Architect, Boston  
Redevelopment Authority  
Jeffrey Hampton, Zoning Planner, Boston Redevelopment Authority  
Ed Hires, Real Estate Broker, Grubb & Ellis  
Bethany Kendall, President, The Advertising Group, former President of Downtown Crossing Association  
Melissa Kroeger, Retail Broker, Meredith & Grew  
Joe Levanto, Real Estate Broker, Schaffer & Associates  
Kimberly Levanto, Property Manager, Amerimar Lafayette  
Anne Meyers, President, Downtown Crossing Association  
Pat Paladino, Assistant Vice President, Meredith & Grew  
Jessica Pineo, Deputy Director for Strategic Planning, Boston Redevelopment Authority  
Homer Russell, Assistant Director, Urban Design and Downtown Planning, Boston Redevelopment  
Authority  
Rick Shaklik, Deputy Director for Zoning, Boston Redevelopment Authority

### **Washington D.C.**

Steve Ferguson, Regional Director, Manulife Financial  
John Fondersmith, Community Planner, Office of Planning, Washington D.C.  
Nathan Gross, Real Estate Specialist, Arnold & Porter  
Norman Jemal, Real Estate Broker, Douglas Development  
Terry Lynch, Executive Director, Downtown Cluster of Congregations  
Karen Nelson, Retail Broker, Grubb & Ellis  
Art Rogers, Special Assistant to the Director, Office of Planning, Washington D.C.  
Steven Sher, Attorney, Holland & Knight  
Joe Sternlieb, Director of Physical Improvements, Downtown D.C. Business Improvement District  
Ron Templeton, Retailer, Electronique  
Gerry Witticombe, Director of Development, Center City Partnership, Downtown D.C. Business  
Improvement District  
Ed Wyatt, D.C. Office of Research and Analysis

### **Seattle**

Gary Carpenter, President, Bentall Real Estate Services  
Susie Detmer, Retail Broker, CB Richard Ellis  
Arne Gillam, Director of Leasing, Unico Properties, Inc.  
Nicole Lindall, Senior Property Manager, Bentall Real Estate Services  
Vincent Lyons, Architect, Urban Design Planner, Senior Expert, Department of Design, Construction &  
Land Use, City of Seattle  
Sarah Pederson, Data Analyst, Downtown Seattle Association  
Tom Phillips, AICP, Town Meeting Direct.com  
Mike Podowski, Strategic Advisor 2, Strategic Planning Office, City of Seattle  
Nathan Torgelson, Manager of Community and Neighborhood Development, Department of Economic  
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<a href="http://www.ci.seattle.wa.us">www.ci.seattle.wa.us</a>	City of Seattle
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<a href="http://www.cnu.org">www.cnu.org</a>	Congress for the New Urbanism
<a href="http://www.planning.dc.gov">www.planning.dc.gov</a>	D.C. Planning Office
<a href="http://www.dcoz.dcgov.org">www.dcoz.dcgov.org</a>	D.C. Zoning Office
<a href="http://www.downtowncrossing.org">www.downtowncrossing.org</a>	Downtown Crossing Association
<a href="http://www.downtowndc.org">www.downtowndc.org</a>	Downtown D.C. Business Improvement District
<a href="http://www.downtownseattle.com">www.downtownseattle.com</a>	Downtown Seattle Association
<a href="http://www.edc-sea.org">www.edc-sea.org</a>	Economic Development Council of Seattle & King County
<a href="http://www.futureboston.org">www.futureboston.org</a>	Future Boston
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<a href="http://seattletimes.nwsourc.com">seattletimes.nwsourc.com</a>	Seattle Times
<a href="http://www.census.gov">www.census.gov</a>	U.S. Census Bureau
<a href="http://washington.bcentral.com">washington.bcentral.com</a>	Washington Business Journal
<a href="http://www.1000friends.org">www.1000friends.org</a>	1000 Friends of Washington

# Appendix A

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## Glossary of development and design terms

*From homeglossary.com and City Design, Seattle Design, Construction, and Land Use*

**Floor Area Ratio (FAR):** The ratio between a structure's total floor area and the total land area of the land upon which it is constructed. The FAR is calculated by dividing the total building floor area by the total building lot square area: floor area ratio = building floor area/building lot area. A maximum allowable floor area ratio is typically specified by the local building code or zoning

**Bonus:** The amount of additional square footage achievable by providing a public benefit feature.

**Bonus Ratio:** The proportional value assigned to a particular public benefit feature. For example in Seattle, the Bonus Ratio for the retail shopping *public benefit feature* in the Downtown Office Core-1 zone is 3, such that an additional 3 feet of Gross Floor Area would be provided for every square foot of retail shopping area provided on a project.

**Design Guidelines:** Standards of design or aesthetics that are used to guide development projects in a particular city, community, or neighborhood. Design guidelines are used by design review boards in evaluating new development projects in a particular city or neighborhood

**National Tenant:** A well-known and more substantial lessee with a presence in most of the U.S.

**Pedestrian Orientation:** The characteristics of an area where the location and access to buildings, types of uses permitted on the street level, and storefront design are based on the needs of persons on foot.

**Public Benefit Feature:** Amenities, uses, and other features of benefit to the public that are provided by a developer and which can qualify for an increase in floor area (the *bonus*). Examples typically include public open space, pedestrian improvements, housing, and provision of human services.

**Setback:** The required or actual placement of a building a specified distance away from a road, property line, or other structure.

**Streetscape:** The visual character of a street as determined by elements such as structures, access, greenery, open space, view, etc. The scene as may be observed along a public street composed of natural and man-made components, including buildings, paving, planting, street hardware, and miscellaneous structures

**Transfer of Development Rights:** A type of zoning ordinance that allows owners of property zoned for low-density development or conservation use to sell development rights to other property owners. The development rights purchased permit the landowners to develop their parcels at higher densities than otherwise. The system is designed to provide for low-density uses, such as historic preservation, without unduly penalizing some landowners.

**Transparency:** A street level development standard that defines a requirement for clear or lightly tinted glass in terms of a percentage of the façade area between an area falling within 2' and 8' above the adjacent sidewalk or walkway.

**Urban Form:** The spatial arrangement of a particular environment, as defined by the connectivity of built mass and form, the natural environment, and the movement of persons, goods and information within.

# Appendix B

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## Definition of allowed street level uses

### Ground Level Uses

Boston's Midtown Cultural District, Boston Municipal Code

*This list is intended to be illustrative of Ground Level Uses and not exclusive.*

Antique stores	Furrier shops, custom
Appliances, repair shops	General merchandise mart
Appliances, sales	Gift shops
Artists' supply and music stores	Hair products or headwear
Athletic goods stores	Hardware stores
Bakeries and pastry shops	Historical exhibits
Bank branch offices	Hobby shops
Bank machines, limited to two	Housewares stores
Barber shops	Household appliance repair shops
Beauty parlors	Ice cream stores
Bicycle shops: sales, rental or repair	Interior decorating establishments
Book stores and card stores	Jewelry shops
Cafes	Kitchenware stores
Candy stores	Lamp shops
Carpet, rug, linoleum, or other floor covering store	Laundromats
Churches	Leather goods stores
Cigar stores	Libraries
Clock sales or repair shops	Locksmith shops
Clothing retail establishments	Luggage stores
Clothing stores (men's, women's, children's apparel)	Millinery shops
Clubs, noncommercial	Newsstands, enclosed
Coffee shops	Office or business machine stores: sales or rental
Coin stores	Offices (only lobby space is allowed at grade on streets bounding blocks)
Community centers	Optician and optometrist establishments
Dance halls, public	Orthopedic stores
Day care centers	Paint stores
Delicatessens	Parish houses
Department stores	Parks, public or private
Diners	Party shops
Dressmaking shops, custom	Perfume shops
Drug stores	Pet shops
Dry cleaning establishments	Phonographic repair shops
Dry goods stores	Photographic developing or printing establishments
Eating or drinking places	Photographic equipment stores
Fabric stores	Photographic studios
Fire stations	Photographic supply stores
Fish tackle or equipment sales, or rental establishments	Photostating establishments
Florist shops	Picture framing stores
Food stores, including supermarkets, produce or grocery stores, markets, health foods, delicatessens, prepared food/special food, spices and herbs, coffees, teas, meat, fish, poultry, and cheese stores	Police stations
Furniture stores	Post offices
	Printing establishments
	Radio appliance shop: repair or sales
	Record store
	Recreational centers (noncommercial)

*Continued* – **Ground Level Uses** in Midtown Cultural District from Boston Municipal Code

Residences (only lobby space is permitted at grade on streets bounding blocks)  
Schools  
Sewing machine stores selling household machines  
Shoe repair and shoeshine shops  
Shoe stores  
Sign painting shops  
Skating rinks, outdoor ice  
Sporting goods stores  
Sports shops  
Stamp stores  
Stationery stores  
Tailor shops, custom  
Telegraph offices  
Television repair shops  
Tobacco stores  
Tour operators  
Toy stores  
Typewriter stores  
Typewriter or other small business machine repair stores  
Variety or convenience stores  
Video or motion picture store, sales or rental  
Wallpaper stores  
Watch sales or repair shops  
Yarn stores

**Cultural Uses**

Boston's Midtown Cultural District, Boston Municipal Code

*This list is intended to be illustrative of Cultural Uses and is not exclusive.*

Art galleries, commercial and nonprofit  
Art metal craft shops  
Art needle work shops  
Auditoriums  
Costume rental establishments  
Motion picture or video production studio  
Museums  
Music stores  
Musical instruments, repair  
Philanthropic and nonprofit institutions which provide direct support to the arts  
Public art, display space  
Studios: music, dancing, visual arts, or theatrical  
Theater  
Ticket sales

**Preferred Retail and Service Uses**  
District of Columbia Municipal Regulations

Anchor store  
Antique store  
Apparel and accessories store  
Appliance store  
Auction house  
Auto and home supply stores, excluding installations  
Bank loan office, savings & loan, credit union, or other financial institution  
Bakery, limited to baking of food sold on premises  
Bicycle shop  
Barber or beauty shop  
Candy store  
Child development center  
Computer store  
Cosmetic store  
Camera store  
Delicatessen  
Department store  
Dressmaking or tailor shop  
Drug store  
Drug store  
Dry cleaners  
Fabric store  
Fast food restaurant, excluding drive-through  
Florist and plant stores  
Furniture store  
Gift, novelty and souvenir shop  
Grocery store  
Hardware store  
Health or exercise studio  
Hobby, toys and game shop  
Home furnishings store  
Jewelry store  
Liquor store  
Luggage and leather goods store  
Newsstand  
Office supplies and equipment store  
Optician  
Paint store  
Pet store  
Printing, fast copy service  
Radio, television and consumer electronics store  
Secondhand store  
Shoe repair and shoeshine parlor  
Shoe store  
Specialty food store  
Sporting goods store  
Telegraph store  
Tobacco store  
Travel agency, ticket office  
Variety store  
Video tape rental  
Other similar personal/consumer service establishment or retail use, including assemblage and repair clearly incidental to the principal use.

# Appendix C

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## Web survey on the changing perception of downtown

The three case cities utilized zoning as one tool to strengthen their retail cores. Implicit in the notion of a strong and vibrant retail core is a range of factors such as the continuity of retail, level of pedestrian traffic, mixture of stores and activities, street-level occupancy, turnover rate, and overall impression of the district. Together, all of these factors create a retail environment that determines its retailers, its customers, the cost of retail space, and the overall vibrancy of the district. Because I could not gather hard data on most of these factors for each city that spanned the full twelve to sixteen year time period, I decided to measure how people's perceptions of these factors have changed over time. I was most interested to learn if changes in people's perception of these factors in the geographic area comprising each city's retail core coincided with changes in zoning. I developed a web survey, asking respondents to provide their impressions of these factors at the following intervals:

- One year prior to instituting new zoning laws
- Six years after the zoning introduction
- Current perceptions

This survey was not intended to be a systematic, random sample, but rather a tool to inform my research.

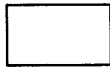
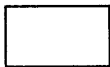
Although such a survey has the potential to be very insightful, in this case the survey was limited in its ability to give concrete evidence to my research. In retrospect, I conclude that my survey was designed in a way that led to uneven and inaccurate responses. The survey inquired about people's perceptions over a long time duration, as far back as sixteen years in the case of Seattle. Most respondents struggled to clearly remember such details from so long ago, leading to guesses rather than informed responses. The survey also asked respondents to comment on a fairly large geographic area comprised of many streets and subareas, some parts exhibiting drastically different characters from others. One response may not have been enough to accurately portray the district in its entirety. Finally, I was not able to collect a sufficient number of responses in the short time I worked on this study to present the results with confidence.

Although the survey results did not inform the case studies in this thesis, I have included the web survey overleaf as a way to look at results of interventions through the lens of perception, recognizing that any survey must be designed in a way to allow for more accurate results.

## **Downtown Surveys**

As part of student research at MIT's Department of Urban Studies and Planning, we have developed a short survey for three U.S. cities to inform our understanding about the changing perception of downtown. If you are someone who is familiar with Boston, Seattle, or Washington DC, we would appreciate it if you could spend a few minutes and respond to the survey questions concerning your city. Just click on one of the links below to navigate to the survey.

**[Boston survey](#)** **[Seattle survey](#)** **[Washington, DC survey](#)**

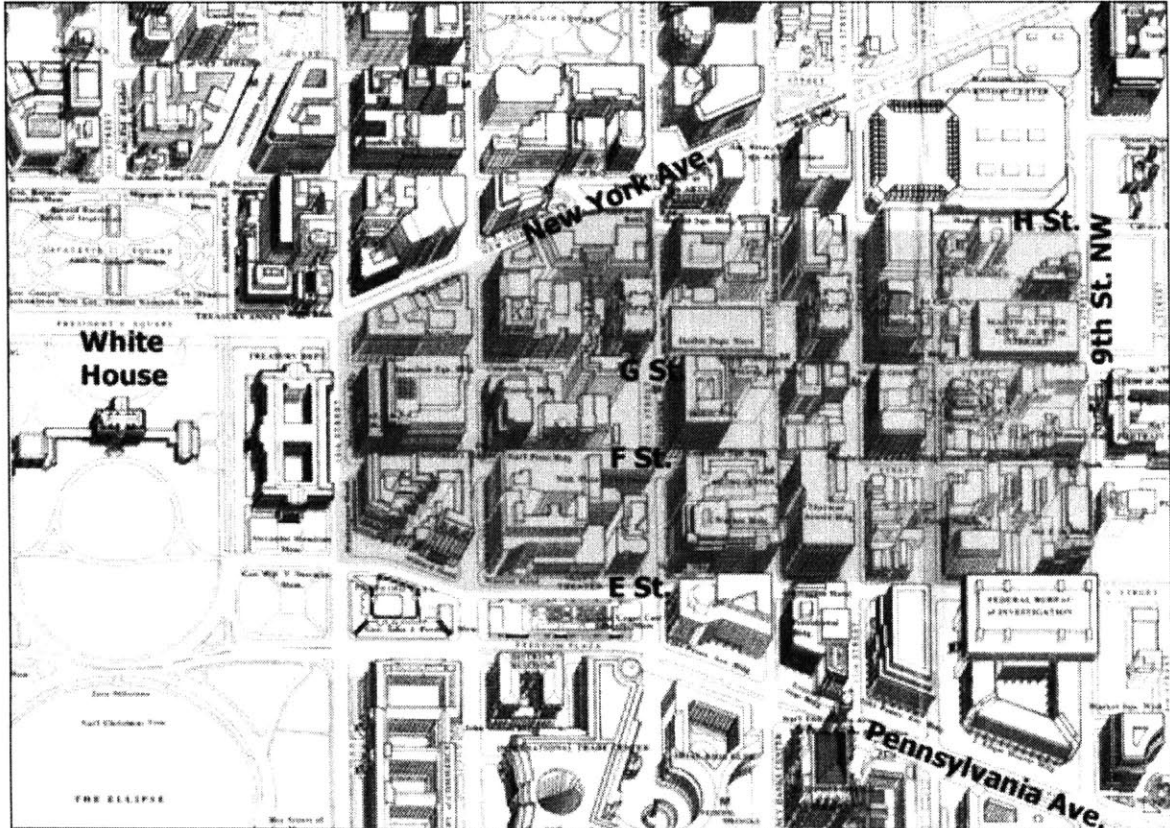


If you know others who have a familiarity with Boston, Seattle or Washington, DC, we would be grateful if you could also send them the link to this survey so they can also respond.

If you have any questions or comments, please contact Alexandra Jacobson at [abjacob@mit.edu](mailto:abjacob@mit.edu).

## Downtown DC Survey

Please review this map as this survey refers only to the area of downtown Washington, DC highlighted here.



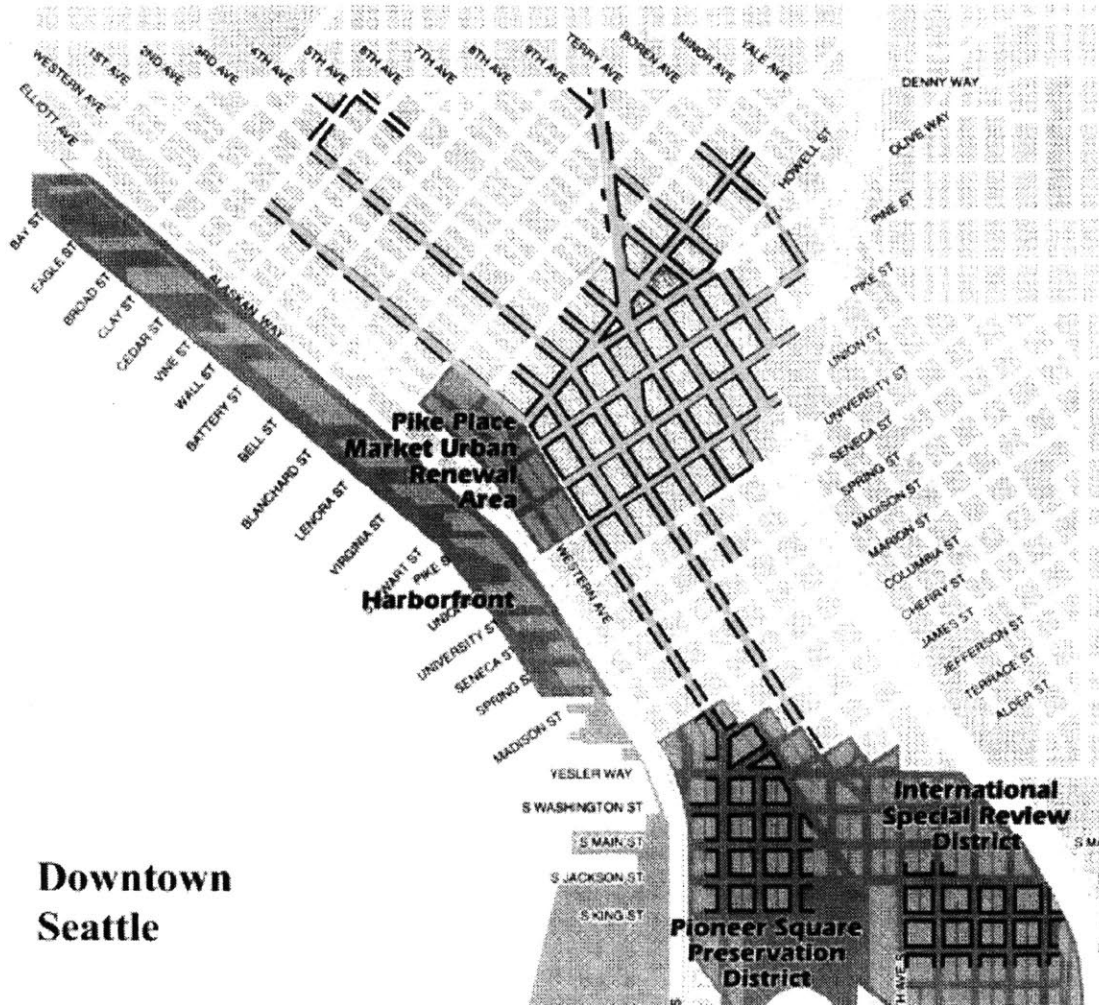
Through this survey, we are trying to understand how your perception of downtown Washington, DC has changed over the last dozen or so years. Referring only to the highlighted area in the map, please tell us your perception of each of the following attributes for the years 1988, 1995, and 2001. Please respond only to the years that you were truly familiar with this area.

**Are you familiar with this area of downtown Washington DC within the past 12 years (1988-2001)?**

- I am familiar with this area of downtown Washington DC and I have known it throughout the whole 12 year period.
- I am familiar with this area of downtown Washington DC, but I have only known it for part of the 12 year time period.
- I am not familiar with this area of downtown Washington DC.

## Downtown Seattle Survey

Please review this map, as the survey below refers only to the area of downtown Seattle highlighted in pink here.



**Downtown  
Seattle**

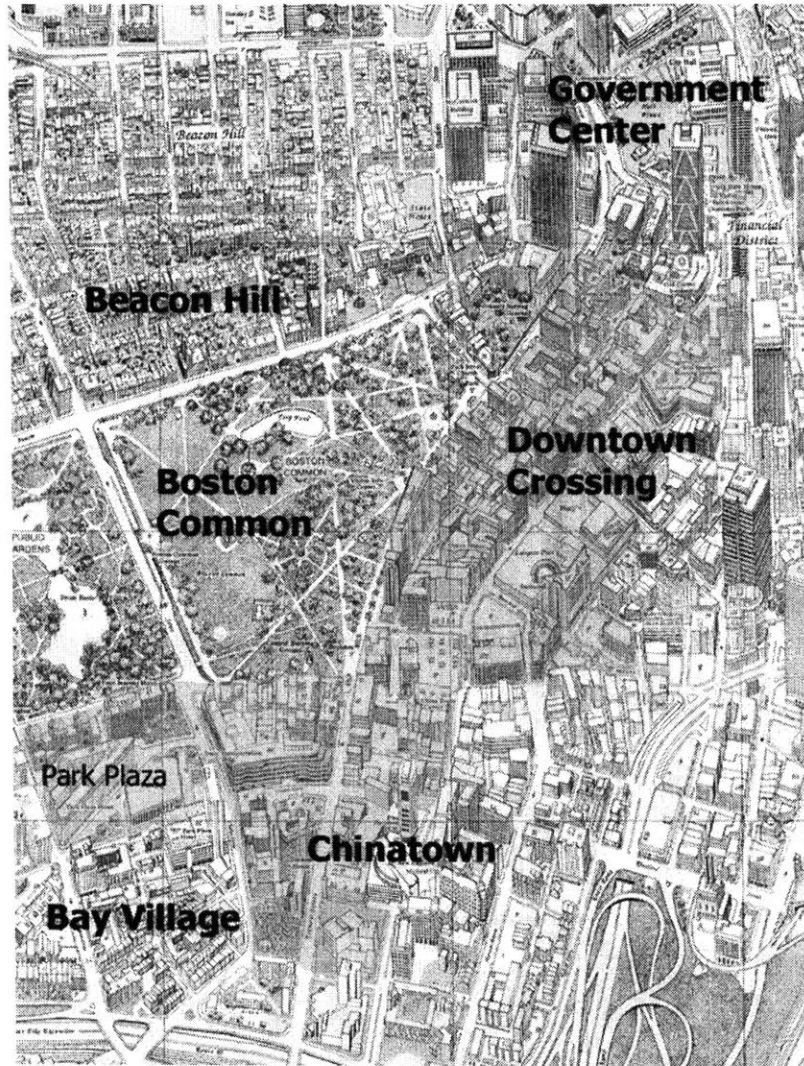
Through this survey, we are trying to understand how your perception of this part of downtown Seattle has changed since 1984. Referring only to the pink highlighted area in the map, please tell us your perception of each of the following attributes for the years 1984, 1991, and 2001. Please respond only to the years that you were truly familiar with this area

**Are you familiar with this area of downtown Seattle within the past 17 years (1984-2001)?**

- I am familiar with this area of downtown Seattle and I have known it throughout the whole 17 year time period.
- I am familiar with this area of downtown Seattle, but I have only known it for part of the 17 year time period.
- I am not familiar with this area of downtown Seattle.

## Downtown Boston Survey

Please review this map, as the survey below refers only to the area of downtown Boston highlighted here.



Through this survey, we are trying to understand how your perception of this part of downtown Boston has changed over the last dozen or so years. Referring only to the highlighted area in the map, please tell us your perception of each of the following attributes for the years 1988, 1995, and 2001. Please respond only to the years that you were truly familiar with this area.

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**Are you familiar with this area of downtown Boston within the past 12 years (1988-2001)?**

- I am familiar with this area of downtown Boston and I have known it throughout the whole 12 year period.
  - I am familiar with this area of downtown Boston, but I have only known it for part of the 12 year period.
  - I am not familiar with this area of downtown Boston.
-

Most of the street level is used for walk-in stores, services, and display windows. It feels like one store after another, all located closely to each other.

Most of the street level is not used for walk-in stores, services or display windows. There are large distances between storefronts and many blank building walls without windows.



**What is your perception of the ground level uses in this area of downtown?**

	5	4	3	2	1	n/a
1988	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1995	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2001	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Most of the storefronts are fully occupied and there are few empty spaces. There seems to be a low vacancy rate.

Most of the storefronts are empty and there are few shops and services. There seems to be a high vacancy rate.



**What is your perception of the occupancy level of street level uses in this district?**

	5	4	3	2	1	n/a
1988	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1995	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2001	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Most of the stores in the district have been here for a long time. There are not many changes.

The stores and services in this district are constantly changing. There are always new stores and services coming in and out of this area.



**What is your perception of how frequently street level uses change in the area?**

1988	5 ☐	4 ☐	3 ☐	2 ☐	1 ☐	n/a ☐
1995	5 ☐	4 ☐	3 ☐	2 ☐	1 ☐	n/a ☐
2001	5 ☐	4 ☐	3 ☐	2 ☐	1 ☐	n/a ☐

Many people are walking on the streets at all times of the day and evening.

Almost no one is walking on the streets except for during rush hour.



**What is your perception of the level of pedestrian activity in this district?**

1988	5 ☐	4 ☐	3 ☐	2 ☐	1 ☐	n/a ☐
1995	5 ☐	4 ☐	3 ☐	2 ☐	1 ☐	n/a ☐
2001	5 ☐	4 ☐	3 ☐	2 ☐	1 ☐	n/a ☐

This area has an excellent mix of stores and services. I am able to satisfy a wide range of needs here without traveling to other areas.

This area has a poor mix of stores and services. I am unable to satisfy most of my needs here. Instead I must travel to other areas.



**What is your perception of the mix of stores and services in this district?**

	5	4	3	2	1	n/a
1988	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1995	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2001	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

This is a place many people enjoy a lot. There are useful, interesting and appealing places to go.

This is a place people do not enjoy at all. There are very few useful, interesting or appealing places to go.



**What is your perception of the overall nature of the district?**

	5	4	3	2	1	n/a
1988	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
1995	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2001	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## Summary of Survey Responses

<b>Boston Survey Responses</b>	<b>Washington D.C. Survey Responses</b>	<b>Seattle Survey Responses</b>
<i>16 respondents</i>	<i>17 respondents</i>	<i>8 respondents</i>
<u>Average</u> <u>Change in Perception</u>	<u>Average</u> <u>Change in Perception</u>	<u>Average</u> <u>Change in Perception</u>
<b>Continuity</b>	<b>Continuity</b>	<b>Continuity</b>
1988    3.4	1988    3.7	1984    2.7
1995    3.3            lower	1995    2.9            lower	1991    3.7            higher
2001    3.9            higher	2001    3.5            higher	2001    4.8            higher
<b>Occupancy</b>	<b>Occupancy</b>	<b>Occupancy</b>
1988    3.5	1988    2.8	1984    2.7
1995    3.5            even	1995    2.7            lower	1991    2.9            higher
2001    4.1            higher	2001    3.4            higher	2001    5.0            higher
<b>Turnover</b>	<b>Turnover</b>	<b>Turnover</b>
1988    3.5	1988    3.4	1984    3.0
1995    3.2            lower	1995    2.8            lower	1991    3.6            higher
2001    2.9            lower	2001    2.6            lower	2001    3.1            lower
<b>Pedestrian Activity</b>	<b>Pedestrian Activity</b>	<b>Pedestrian Activity</b>
1988    3.2	1988    3.2	1984    2.7
1995    3.6            up	1995    3.1            lower	1991    2.9            higher
2001    3.9            up	2001    3.5            higher	2001    4.5            higher
<b>Mix</b>	<b>Mix</b>	<b>Mix</b>
1988    2.9	1988    3.0	1984    2.3
1995    3.1            higher	1995    2.5            lower	1991    3.0            higher
2001    3.2            higher	2001    3.1            higher	2001    4.6            higher
<b>Overall</b>	<b>Overall</b>	<b>Overall</b>
1988    3.0	1988    3.2	1984    1.7
1995    3.4            higher	1995    3.2            even	1991    3.0            higher
2001    3.4            even	2001    3.6            higher	2001    4.8            higher