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# Path to revitalization

An urban strategist group aims to continue revamping Downtown, and is outlining key areas critical to the transformation

By Nancy Salem (Contact) Monday, December 12, 2005

A downtown is a complex and fragile thing.

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And fall downtowns did, nationwide in the 1950s and '60s, as people and businesses fled to suburbs, open space and strip malls.

"Twenty years ago, there were 61 downtowns, and about seven of them were on the way back or vital downtowns,"

said Chris Leinberger, a fellow at the Brookings Institution in Washington, D.C. "Those would include places like Midtown Manhattan, upper Michigan Avenue in Chicago, the Back Bay of Boston.

"All the rest were flat on their backs."

Count Albuquerque among them.





Families, shops and workplaces had moved north and spread east and west, leaving a center-city shell that many city residents viewed as unsafe, unclean and uninteresting.

Twenty years later, Leinberger said, of those same 61 downtowns, 60 percent, or 39 of them, were vital, or close to it.

Don't count Albuquerque among them.

"Albuquerque hasn't achieved critical mass," said Leinberger, an urban land strategist and developer who left the city last year after working on Downtown revitalization since 1998. "Over the past 18 months, it's begun to stall."

The city is in year five of a 10-year Downtown plan. And a group of business and community leaders has come together to breathe new life into the effort.

The Downtown Strategic Planning Group met several months ago and raised \$100,000 to pay for polling and market data on the status of Downtown. They met again two weeks ago to outline goals and form committees to come up with strategies in the areas of housing, retail, employment, entertainment, character, transportation and parking, marketing and tax increment financing.

## Stuck on housing

The group has firepower to spare. On the roster of 30 are First Community Bank President Mike Stanford, retailer Kathleen Avila, attorney Pat Bryan, Fannie Mae of New Mexico head Steve Anaya, engineer Victor Chavez, commercial real estate veteran Karen Hudson, restaurateur Terry Keene, architect Bob McCabe, Albuquerque Title's Carolyn Monroe, Lawrence Rael of the Mid-Region Council of Governments, businessman Jim Long, and developers Chuck Wellborn and Scott Whittington.

"This group has a good understanding of what needs to be done to regain momentum and appears ready to do the work," Leinberger said.

The path to a revitalized downtown starts with urban entertainment, moves to housing, then to retail, then to employment. Albuquerque is stuck at housing, Leinberger said.

"Housing is really the issue in Downtown Albuquerque," he said. "It's by far

## TAKING AIM

The Downtown Strategic Planning Group has formed committees to look at issues critical to revitalization.

Here are goals in key areas outlined by group members: Steve Anaya of Fannie Mae of New Mexico, on housing; attorney Pat Bryan, on retail; Downtown Action Team CEO Luisa Casso, on parking; and developer Scott Whittington of Avalon Investments, on employment.

### HOUSING

Recognize that housing is crucial to revitalization: rooftops bring commercial development.

Look at mixed-use and mixed-income development, some

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the most urgent need. The Downtown will come back based on residential."

He said Downtown, which has 15,000 residents, needs 2,000 to 3,000 more to spur development. "As we get more residents, they'll create the demand for local-serving retail," Leinberger said. "Ultimately more and more bosses will live Downtown. Those bosses will bring jobs."

affordable, some high end.

Have a mix of apartment and detached housing, and rental and forsale.

## Getting the ball rolling

The Downtown revitalization effort was launched in 1998 when then-Mayor Jim Baca approached community leaders for help.

Seek a financing mechanism to facilitate infill development.

Bryan was at the top of the list. "I agreed to take a look at it," Bryan said. "What was obvious to me was that we needed to find out if the community would buy into doing such a thing. We'd been complacent and willing to let Downtown die. Did anybody really care?"

Add 2,000 to 3,000 residents to the current 15,000.

They did. Several dozen business and civic leaders got together, raised \$500,000, broke into 17 teams, and over two years collected data and

# formulated the 10-year plan, called the 2010 Plan.

Rather than seek a magic bullet, it called for a strategic, multifaceted approach to revitalization, addressing issues from homelessness to transportation to parking. Years one-to-three focused on entertainment, three-to-five on rental housing, four-to-seven on for-sale housing, five-toeight on retail and eight-to-10 on office.

## RETAIL

Hire a professional to formulate a retail plan.

Create destination retail: interesting boutiques not found in malls.

Luisa Casso, president and CEO of the Downtown Action Team, an advocate and clearinghouse for revitalization, said the plan set the path for how Downtown would evolve. "We looked and learned from other cities," she said.

shopping experience, a mix of local and regional stores.

Offer an upscale

Bryan said a key was enlisting the business community.

Create places where people can eat, shop and relax play.

"Other Downtown plans had been publicly led, and didn't work," he said. "We wanted this to be market driven and more privately led. We wanted community-wide leadership, not just Downtown property owners."

> Hire a recruiter to sell the concept.

Ups and downs

It was important to reconvene the group, plus and minus some players, at the mid-point of the plan to look at "what's been done well what's not been done well," Bryan said.

Indeed, there have been successes and failures. On the plus side are 40 new businesses established Downtown since 2000 including retail shops like Ruby Shoesday, Ooh Aah Jewelry and Ropa Loca Urban Apparel; restaurants like Tucano's, Flying Star Caf? and Al's NYPD; entertainment venues like the Century theater complex, Gorilla Tango Comedy Theater and OPM; and cultural spaces like the Downtown Contemporary Art Center, the National Hispanic Cultural Center and the Tolerance Museum.

Companies have moved in, such as Vaughn Wedeen Creative, Gap Inc. and, recently, Sento Corp. So have investors: Jim Long's Heritage Hotels & Resorts Inc. bought the Albuquerque Office Plaza, Michael Gallegos' American Property Management bought La Posada, California investors bought the Simms building.

Residential projects have been completed including the Old Albuquerque High Lofts - a project Leinberger calls "a stunning job" - the Gold Avenue Lofts, Villa de San Felipe and Zona de Colores. And the Amy Biehl Charter High School is planned Downtown.

Another plus: In a recent poll by Research & Polling Inc. of Albuquerque, 72 percent of respondents said Downtown has improved since 2000.

Promising, yes, but not enough. On the down side, Downtown lost a bid for the new baseball stadium, and plans for a Downtown sports arena faltered. "The arena was a major blow," Leinberger said.

Fifteen hundred jobs have left Downtown in the past 18 months, many of them government workers, leaving an office vacancy rate of 20 percent, about twice that of other sub-markets. "One of the great failures was not keeping government workers Downtown," Bryan said.

The Convention Center continues to flounder, Leinberger said. "That's a major source of demand for Downtown that's not there," he said.

Downtown lost Trader Joe's, Kohl's and other big retailers to the Heights, but not for lack of trying. Bryan said Downtown advocates convinced Trader Joe's to come to New Mexico, then watched as it chose locations in Santa Fe and the far Northeast Heights.

"A number of projects that should have gone forward didn't," Leinberger

#### **PARKING**

Better manage the public and private lots.

Make people aware of existing
Downtown parking:
There are 14,000 spaces.

Expand the Century theater's validation program to more businesses: If you shop or eat there, you get free parking in a structure.

Improve the landscaping and lighting of parking lots.

## **EMPLOYMENT**

Recruit new businesses, fill Downtown office buildings: The vacancy rate is 20 percent.

Showcase
Downtown as one of
the city's few places
with large blocks of
lease space
available at
affordable rates:
Downtown has
554,000 square feet

said.

And Downtown still doesn't have a major grocery store, a sore point.

"The grocery store comes even later than the office market," Bryan said. "We've talked to every grocery chain. We're determined to get one."

He said it may not be a traditional store like Smith's or Albertson's. Those stores have seen their market share fall considerably due to competition from Wal-Mart. Smaller niche grocers like Whole Foods and Wild Oats, offering more prepared foods and operating on a higher profit margin, are coming on strong and could be a better model for Downtown, Bryan said.

"Either way, a grocery store will have to be subsidized some way, for example, providing parking space," he said. "Therein lies the issue of attracting a grocer."

of vacant office space out of a total of 2.75 million square feet, with an average lease rate of \$15.96 a square foot, a couple dollars cheaper than the hot North I-25 corridor and Uptown.

Educate and explain what the Downtown office market has to offer; create an awareness of the opportunities.

Create incentives.

# Show the money

Committee members will meet in coming months to set goals and strategies.

One issue will be how to pay for the continued effort. Considering the committee's high-powered membership, private investment can be expected.

But the committee says public money is needed as well, creating a public/private partnership. Help could come from tax-increment financing, a development tool that nearly passed the 2005 Legislature and is high on the Downtown committee's wish list for 2006. It would allow cities to create redevelopment districts and use money derived from increases in property and, possibly, gross receipts taxes resulting from new development to retire bonds issued to originate the development.

"The money would finance public improvements, such as utilities, street improvements, streetscapes, lighting and signage, which would be used as leverage to stimulate private investment," said committee member McCabe, a former city planning director.

"It's very important because the sources of funds to do these projects are just drying up," he said.

"There's little or no federal money and the city's capital improvement program addresses the entire city. This is a way to bring additional resources to a target area in need of revitalization."

Leinberger said the public sector needs to step up to the plate. "The public sector is lacking in leadership in Downtown," he said. "It's not on their radar screen. This has to be done by the private sector."

He said he believes Albuquerque in the next five years will join the ranks of cities whose downtowns are well on the road to recovery. "We'll get there," he said.

There is a Downtown that is the gathering place of the community, the most exciting place to be.

"It's important that we not lose the momentum," Bryan said. "That we finish what we started."

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