Ten Principles for Developing Successful Town Centers
Ten Principles for Developing Successful Town Centers

Michael D. Beyard
Anita Kramer
Bruce Leonard
Michael Pawlukiewicz
Dean Schwanke
Nora Yoo

Urban Land Institute
About ULI—the Urban Land Institute

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is committed to:

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices and serve community needs;
- Fostering collaboration within and beyond ULI’s membership through mentoring, dialogue, and problem solving;
- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both built and natural environments;
- Sharing knowledge through education, applied research, publishing, and electronic media; and
- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Established in 1936, the Institute today has more than 35,000 members from 90 countries, representing the entire spectrum of the land use and development disciplines. Professionals represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academics, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice.

The Institute has long been recognized as one of the world’s most respected and widely quoted sources of objective information on urban planning, growth, and development.

Cover photograph: Downtown Silver Spring, Silver Spring, Maryland. ©The Peterson Companies.
Participants

Chair
Peter A. Pappas
President/Managing Partner
Pappas Properties, LLC
Charlotte, North Carolina

Developers
Leigh M. Ferguson
EVP, Director of Urban Living
Sloss Real Estate
Birmingham, Alabama

James A. Ratner
Chief Executive Officer
Forest City Commercial Development (Group)
Cleveland, Ohio

Yaromir Steiner
Chief Executive Officer
Steiner + Associates, Inc.
Columbus, Ohio

Planners, Urban Designers, Architects
Michael D. Beyard
ULI/Martin Bucksbaum Chair for Retail and Entertainment
Washington, D.C.

Kevin R. Cantley
President/Chief Executive Officer
Cooper Carry, Inc.
Atlanta, Georgia

Bruce Leonard
Principal
StreetSense, Inc.
Bethesda, Maryland

Charles “Terry” Shook
President
Shook Kelley
Charlotte, North Carolina

Market Specialists
Michael P. Buckley
Director, MSc in Real Estate Program
Columbia University
New York, New York

Robert J. Gibbs
President
Gibbs Planning Group
Birmingham, Michigan

Gregg T. Logan
Managing Director
Robert Charles Lesser & Co., LLC
Orlando, Florida

Public Officials
Frank Gray
General Manager
City of Scottsdale, Arizona

Phyllis M. Jarrell
Director of Planning
City of Plano, Texas

Philip S. Lanzafame
Director of Development Services
City of Glendale, California
For more than half a century, suburbanization has been the dominant force in America’s metropolitan growth and development. During this period the nation’s population has shifted dramatically, so that today more Americans live in suburbs than anywhere else. In fact, two suburbs—Mesa, Arizona, and Arlington, Texas—are now among the 50 largest cities in America, and the next census will likely include more.

As suburban populations have soared, along with jobs and shopping opportunities, many suburbanites have happily chosen to live independent of the older cities that form the core of their metropolitan areas. Many never visit the city except for an occasional concert, sporting event, or night on the town. At the same time, suburbanites are increasingly aware of the growing shortcomings of their own communities. They do not like monumental traffic jams, deteriorating suburban strips, obs-
lete shopping malls, an aging monoculture of single-family homes, and environmental degradation. These problems are all evidence of the lack of a strong civic presence.

One consequence of the development patterns of the past 50 years is that there are few public places in suburbia where all segments of society can get together to interact, to celebrate, to stroll, to protest, to sit and watch the world go by, or just to enjoy day-to-day living. The reason: these types of places are typically found in and around downtowns, and downtowns were never part of the suburban dream.

From the beginning, suburbs revolved around such private pleasures as backyard barbecues, football practice, country clubs, and stay-at-home moms. Downtowns were considered anachronisms at best. At worst, they were considered to be filled with crime, deterioration, poverty, and people to avoid. As a result, suburban downtowns never got built.

Shopping was also designed to be different in the suburbs. Gone were the street-front stores that were intimately connected with the life of the community in cities.
That eclectic mix of new and old, mom-and-pop stores, and personalized service was replaced by more standardized, no-hassle environments with predictable chain stores, mass market appeal, and plentiful parking in an impressive array of sophisticated shopping center types, formats, and environments. Gone too were opportunities to walk to the corner store, the movies, the library, the town square, or the local café, because land uses were designed to be separate. That made sense when industrial uses dominated cities, but it does not make sense today.

Seven factors are driving a sea change in suburban attitudes toward cities and downtowns:

1. The typical suburbanite has changed. No longer is suburbia dominated by white, middle-class couples with children. Today, the suburbs are as diverse as the cities they surround, in terms of race, culture, income, age, sexuality, and lifestyle. This shift suggests that different development solutions are needed to meet contemporary needs—such as a range of housing types to accommodate all lifestyles at different life-cycle stages.

2. The problems associated in past years with downtowns, especially crime, deterioration, and visual blight, have dissipated. Today, downtowns are cool again.

3. Relentless, low-density suburban development patterns that require a car to go anywhere are unsustainable, given the projected scale of suburban growth.

Designed in 1922 and built out over years, the iconic Country Club Plaza in Kansas City, Missouri, is the forerunner of today’s generation of town center developments.
4. There is a powerful desire in suburbia to recreate the sense of community and connectedness that was lost as metropolitan areas grew so quickly in the past few decades.

5. Suburbanites, like all people, harbor a simple desire for more convenience in their busy lives.

6. Smart growth movements are gaining popularity as voters begin to realize the hidden costs of current suburban development practices.

7. Although suburbanites now actively seek a downtown environment, most do not want to live downtown. But that does not mean that they do not want the amenities of a sophisticated urban lifestyle.

As suburbs age and take on many of the characteristics of cities, they need to evolve as cities have evolved for millennia: creating walkable environments, broadening housing choices, offering mobility options, mixing land uses, selectively increasing densities, enhancing their civic and cultural presence, increasing diversity, and redeveloping obsolete and underused properties to provide more cosmopolitan environments and amenities. This is already beginning to happen. Downtowns, those places that many suburbanites have avoided for decades, are among the last missing pieces of the suburban development puzzle. Now being fit in place from coast to coast, they are called town centers.

Numerous obstacles can retard the natural evolution of suburbs into more livable and sustainable communities that include town centers with urban amenities: NIMBYism is at the forefront of actions to short-circuit suburban evolution. Assembling and developing land parcels that are suitable for town centers sometimes requires complex and sophisticated partnerships between the community and private landowners. Zoning and subdivision regulations must often be modernized. Mixing commercial, residential, civic, and cultural uses raises unusual development challenges and adds costs to the development process. And integrating contemporary,

What Is a Town Center?

A town center is an enduring, walkable, and integrated open-air, multiuse development that is organized around a clearly identifiable and energized public realm where citizens can gather and strengthen their community bonds. It is anchored by retail, dining, and leisure uses, as well as by vertical or horizontal residential uses. At least one other type of development is included in a town center, such as office, hospitality, civic, and cultural uses. Over time, a town center should evolve into the densest, most compact, and most diverse part of a community, with strong connections to its surroundings.
large-format retail space and adequate parking into an urban context is difficult. But communities throughout the country are succeeding.

As part of its mission to examine cutting-edge issues and propose creative solutions for improving the quality of land use and development, the Urban Land Institute convened a smart growth workshop June 26–28, 2006, in Washington, D.C., to distill ten principles for developing successful suburban town centers. During three days of intensive study, a team of planning and development experts drawn from around the United States toured and studied three very different town centers in
northern Virginia: Market Common, Clarendon in Arlington; Fairfax Corner in Fairfax; and Reston Town Center in Reston.

The ULI teams were made up of leading town center developers, public planners, architects, economic consultants, and property advisers. They visited each site, reviewed information about them, and met as separate teams to set out their findings, conclusions, and recommendations. The teams then met jointly to debate, consolidate, and refine their conclusions. The lessons learned from these town centers can be applied wherever the public and private sectors are wrestling with the chal-
Mizner Park in Boca Raton, Florida, replaced a failed mall with a mix of uses surrounding a lush public park.

Challenges of creating sustainable town centers for their communities. Such town centers include those that are created from scratch on greenfield sites and those that are integrated with existing development through additions or redevelopment, regardless of whether they are under single or multiple ownership. This report presents the results of ULI’s workshop, including a definition of town centers and ten principles for creating them.
Ten Principles for Developing Successful Town Centers

1. Create an Enduring and Memorable Public Realm
2. Respect Market Realities
3. Share the Risk, Share the Reward
4. Plan for Development and Financial Complexity
5. Integrate Multiple Uses
6. Balance Flexibility with a Long-Term Vision
7. Capture the Benefits That Density Offers
8. Connect to the Community
9. Invest for Sustainability
10. Commit to Intensive On-Site Management and Programming
Developers, urban designers, and public officials increasingly view the public realm as the single most important element in establishing the character and drawing power of a successful town center. Streets, plazas, walkways, civic buildings, and parking all play a part. A well-designed public realm functions as anchor, amenity, and defining element for a town center.

Create a Central Place for the Community

A successful public realm is one in which commerce, social interaction, and leisure time activities mix easily in an attractive, pedestrian-friendly, outdoor setting. People are drawn by the simple enjoyment of being there. If that enjoyment is to be felt, the public realm and public spaces must be well designed and programmed.

A well-conceived public realm has the following attributes:

- It is a compelling central space that people are attracted to for its placement, design, and surrounding uses. The space can be a street, a boulevard, a square, or a combination of all three with other urban design elements.
- Movement between uses is easy, and sight lines facilitate wayfinding and encourage exploration.
- Effective programs and events are used to animate the space, and the capacity of the management is adequate to ensure programming for the space.
- Open spaces are sized and shaped to allow events to be held in them. They provide stage areas and technical support where appropriate.
- The public realm is open to programs that are significant to the community, such as charity events, holiday events, and civic events. It becomes a true public place, taking on a life of its own. As a part of the community that goes beyond simple commerce or public relations, it ultimately becomes a place with a history. The public realm should allow for the integration of the people, the place, and the larger community.
- The public realm is inclusive and brings together all the different segments of the community that may wish to visit or use the public spaces.
- An experience is created and delivered that the market values and that generates premiums for the residences and offices in the town center.
- The public realm is integrated with adjacent uses that significantly enliven the public space, such as bookstores, libraries, public buildings, cultural facilities,
restaurants, and general retail. Each of these uses has its own vocabulary for meeting the street and interacting with the public space that must be carefully considered in the urban design plan.

- Busy and fragmented contemporary life is balanced with comfort and convenience—the public realm is a place that restores the soul.
- Highly visible and easily accessed, the public realm is well connected to roads, transit, and parking infrastructure.
- Whether publicly or privately owned, the public realm has a strong civic identity and feels like a public space. Freedom of speech and political expression, hallmarks and traditions of historic town centers, are respected. The town center project therefore has a competitive edge over other conventional projects.
- Public and private responsibilities are clearly defined. For example, the streets might be public to the curb and include eight feet of the sidewalk; the remaining ten feet of the sidewalk might be private (where restaurants and stores can have a presence). Thus, the public sector has a role in day-to-day operations but private expression and flexibility are encouraged as well.
- The big idea is to create a place that is the place to be—to make the place as authentic as possible, a place that will have lasting identity.

**Define the Public Realm with Streets, Open Space, and People Places**

The key design elements for a town center are walkability, good circulation, connectivity, and parking. A good town center plan has a street framework and design that creates harmony among buildings and open space, the automobile and the pedestrian, work and leisure, and commercial and residential uses. It is critical to create a framework that elevates the pedestrian experience through great public spaces, good urban design, well-designed parking schemes, wayfinding strategies, and effective management plans.

A well-designed public realm includes several features:

- A well-conceived street and block pattern and network: A sound pattern and an effective street and open-space plan allow flexibility and adaptability that permit the public realm to evolve, change, and grow over time.
- Well-defined and arranged streets, sidewalks, plazas, squares, parks, promenades, courtyards, walkways connecting to parking facilities and surrounding areas, enclosed public spaces, public and civic buildings, cultural facilities, and parking facilities: These elements reinforce one another and work together to create gather-
ing spaces and sidewalk areas where retail and leisure meet. The creation of compelling “outdoor rooms” and gathering places should be a highlight of the plan.

- A hierarchy and guidelines for street spaces and uses, including the width of streets and sidewalks, the heights of buildings, and the quality and level of landscape elements: Streets should be neither too wide nor too narrow, and this scaling will vary from street to street within the town center and with the scale and nature of the project.

- Sidewalks that are sized according to their intended use and place in the overall scheme: Wide sidewalks are planned where restaurants and al fresco dining will be concentrated. Narrower sidewalks are planned on less intensively used streets. Pedestrian walkways from parking structures and surrounding areas are clearly linked to the signature space.

- A scale that is comfortable for pedestrians: The buildings engage the street through fenestration, materials, awnings, and store signage and lighting. Storefront designs avoid banality and allow for differentiation, so each store can brand itself strongly. Pedestrian-scaled signage is big enough for drive-by traffic to see but not obtrusively large.

- On-street parking animates the streets with slow-moving vehicles, provides a protective wall of cars for pedestrians, and delivers convenient parking. Two-lane streets with two-way traffic and street parking on both sides work fine. Alternatively, central parks or narrow boulevards can be used to divide traffic into one-way loop routes on either side of the park or boulevard, with parking on one or both sides of each street, as was done at Mizner Park in Boca Raton, Florida; Market Common, Clarendon in Arlington, Virginia; Birkdale Village in Huntersville, North Carolina; Southlake Town Square in Southlake, Texas; and Santana Row in San Jose, California.

- Lighting for people, not cars: Storefront lighting is particularly effective in creating an attractive nighttime public realm, including both ground-level and upper-level windows and signage. Intense light is detrimental to an attractive atmosphere, and too little light makes the space seem unsafe.

- Landscaping and art are essential ingredients in place making. Tree canopies are important defining elements in the public realm and provide shade in outdoor shopping environments. Water features, seating, landscaping features, street furniture, and signage all play important roles in defining the public realm. Public art creates unique places.
Urban design is coordinated so that the public realm emerges as each phase is built. For example, both sides of a street should be developed at the same time when possible, and signature public spaces should be surrounded by buildings as soon as possible. Public spaces without surrounding buildings and uses often look like vacant lots.

**Shape and Surround the Public Realm with Fine Buildings**

Although the public realm is largely the space between buildings, that realm and space is very much affected and defined by the buildings that surround and shape the space. Thus, development of the designs for these buildings should involve careful consideration of the impact on the public realm. These buildings should be fine buildings but not necessarily iconic architecture. Buildings and open space must be carefully integrated and mutually supportive.

One-story buildings, generally, do not effectively shape an attractive realm. Two-, three-, and four-story buildings are ideal because they are tall enough to define the space but not overwhelm it. Taller buildings can work as well, although higher buildings will block sunlight and this can detract from the public realm. The larger the public realm spaces, the larger the buildings that can effectively surround them.

The quality of materials and architecture visible from a public space shape and provide character to that space. Materials with lasting qualities and local appeal can establish authenticity; without such materials, the place may not be viewed as authentic or timeless. Buildings that face onto the signature public spaces must have a sense of permanence that makes a statement about the authenticity of the town center.

Historic buildings should be included where possible because they add value. The restored church at the heart of CityPlace in West Palm Beach, Florida, is a prime example. Iconic buildings can be elements in place making but are not essential. Buildings should reflect authenticity, genuineness, and honest design, and respect the local context. They can be eclectic, offer a variety of styles, provide for intimacy and serendipity, and provide an element of surprise and possibly even grandeur. Architectural variety allows the town center to look as if it has been developed over time, which greatly contributes to the feeling of a place that is authentic.
A thriving town center is well tuned to the level and nature of the market that supports it. Understanding the market entails understanding not only population counts and income levels but also growth, competition, access, and aspirations. Each planned component in a town center should be evaluated separately to determine its basic strengths and the scope of its potential. But then all components must be evaluated together to determine their compatibility and the mix that works best for each component while offering an integrated, lasting environment. The goal is to provide a town center that is greater than the sum of its parts.

In a mixed-use setting, retail uses drive residential and office uses. The retail component sets the tone of the general environment in two ways, through the tenant mix and through the nature of retail. First, through the tenant mix it makes a statement about the nature of the experience in the town center. Is entertainment offered through restaurants, bookstores, and cinemas? Performing arts or fine arts facilities also provide entertainment but generally do not keep people in the area if these retail components are not also present. Does the tenant mix include specialty stores? Are the tenants...
upscale, middle-of-the road, or discount stores? Each provides different levels of browsing appeal, convenience, and customer traffic. Is there a supermarket? Supermarkets provide a convenience for nearby existing and future neighborhoods, and the type of supermarket—upscale or mainstream—is often one of the determinants of ambiance.

Second, through the very nature of retail—trips to a variety of retail spaces by hundreds or thousands of customers per day, almost all on street level—a high level of pedestrian activity is sustained. Although office workers and residents generate additional pedestrian activity, they do not provide the ongoing volume of activity generated by the retail component. Further, proximity to stores and restaurants is a selling point for residential units and office space in town centers, whereas on-site residential and office activity is a small factor in most stores’ locational decisions.

A retail market analysis answers two “big picture” questions:

- What type of retail project can be supported by the market? Types include traditional neighborhood or community centers, more upscale centers commonly referred to as “lifestyle centers,” power centers, regional and super regional centers, or hybrids consisting of elements of any or all of these. Hybrids are becoming increasingly common.
What size could the retail component be? Size refers to built space and can range from less than 100,000 square feet to more than 1 million square feet.

A retail market analysis follows six basic steps:

- Determine the spending patterns of the surrounding population—where people shop, how much they spend.
- Document the type, size, and location of existing and planned competitive retail facilities and districts, both nearby and in the region.
- Identify the likely new trade area on the basis of the analyses of those spending patterns and competing facilities.
- Calculate total buying power in the trade area and the amount expected to be captured by the new project.
- Translate captured buying power into supportable square footage.
- Conduct a site and traffic analysis to ensure that the projected development can be accommodated.

Office activity in a town center can range from second-story office space above retail to a freestanding class A high rise. An office market analysis evaluates existing

Zona Rosa, in Kansas City, Missouri, creates a focus for a low-density suburban market.

The market in Boca Raton, Florida, expects amenities such as valet parking at Mizner Park.
office space in the region, including tenant types, building age, building size, and concentrations and occupancy rates, as well as planned developments, transportation improvements, and industry trends.

Residential units in a town center can include apartments over retail, loft units, apartment or condominium buildings, townhomes, and live/work units. Residential market analysis always looks at population growth projections and at market segments of the population that may be at a point in their life cycles when density and convenience are most attractive. Such segments include young professionals and empty nesters.

Victoria Gardens in Rancho Cucamonga, California, provides many retail environments to serve different shopping needs.
Developing well-designed, successful town centers sometimes requires merging public and private interests and resources so that by sharing the risks, the rewards can also be shared. The conventional process of development is confrontational—an arm-wrestling contest between the local government and the developer to see which will get the best of the other from the process. Developing a collaborative partnership arrangement can avoid this zero-sum game and produce outcomes that benefit all partners.

Public/private partnerships can be beneficial for a number of reasons:

- Local governments can no longer bear the full burden of the costs for required public infrastructure and facilities. Private sector partners can share the costs.
- Neither private nor public interests are served by lengthy delays in the entitlement process. Public sector officials can facilitate the review and approval process.
- Planning and zoning controls are often either inadequate or too inflexible to ensure the desired public or private outcomes. The public and private sectors can work together to see that the process is less important than the desired outcome.
- The citizens of the community must be engaged and their views heard. Public and private partners can bring unique skills and resources to the process and together nourish a supportive consensus within the community.

Today, public/private partnerships are seen as creative alliances formed between a government entity and private developers to achieve a common purpose. Other stakeholders, such as nonprofit associations, have joined these partnerships. Citizens and neighborhood groups also have a stake in the process.

Although each such partnership is unique in its local implementation, most share development phases that are bounded by similar legal and political limits. In the first phase—conceptualization and initiation—stakeholders are surveyed for their opinions of the vision for the town center and the surrounding community and partners are identified. In the second phase, entities document the partnership and begin to define project elements, roles and responsibilities, risks and rewards, and decision-making and implementation processes. The partners negotiate the deal and...
reach agreement on all relevant terms. In the third phase, the partnership attempts to obtain support from all stakeholders, including civic groups, local government, and project team members. Project financing begins and tenant commitments are secured. In the fourth phase, the partnership begins construction, leasing and occupancy, and property and asset management. The process is repetitive and can continue beyond the final phase, when partners manage properties or initiate new projects.

A partnership is a process, not a product. Successful navigation through the process results in net benefits for all parties. The public sector can leverage and maximize public assets and increase control over the development process to create a vibrant built environment. Private sector entities can receive more support throughout the development process and have more certainty about approvals, timing, and acceptable and profitable outcomes.

SouthSide Works, in Pittsburgh, Pennsylvania, is the product of a public/private partnership to redevelop the site of an old steel plant on the Monongahela River and reconnect the community to the waterfront.
Risks

Public/private partnerships can encounter various types of risk:

■ Market risk: Will the projected demand for space be realized?
■ Construction risk: Will the project meet the budget and the schedule?
■ Ownership risk: Will all the hazards of owning and operating a development, such as tenant leasing, be overcome?
■ Interest-rate risk: Will the interest rate increase?
■ Performance risk: Will the project achieve the public purpose for which government justified its participation?

Rewards

The most obvious rewards for the public are the net economic and fiscal benefits—jobs, infrastructure, taxes, fees, increases in the community’s wealth and tax base—that can be produced by joint action to overcome obstacles. Less tangible is the message that the community is on the move, that it is progressive in advancing the welfare of its residents. Public officials also enjoy gratification and recognition for
their work. Meanwhile, the public benefits from enhanced community amenities, a greater sense of identity, and increased economic development.

The benefits to the private developer are perhaps the most obvious and readily measured, because a deal must be profitable after paying all costs associated with the investment of time and resources. In addition to the nonfinancial returns to ego and self-esteem that are produced by a successful project, developers have reputations to build and protect if they are to participate in other deals and continue to prosper.

Although the risks and rewards of a particular public/private partnership may be more easily measured in the private sector, the public concerns are no less important. A disciplined accounting of expected rewards and risks, or benefits and costs, goes a long way toward demonstrating to key stakeholders and the general public alike that a deal is worth doing. The public must know that all relevant factors of the deal are being considered—that risks are being carefully defined and evaluated and steps are being taken to offset or mitigate them. Clearly, the objective of this accounting should be to show that the ultimate outcome of the partnership will be positive for both the public and the private partners as a result of their respective investments and risk taking. If an accounting of risks and rewards fails to show such a positive outcome, good reason exists to reconsider the undertaking.
Financing and ownership issues in town centers involve numerous levels of complexity beyond those that occur in most single-use projects. This complexity typically includes one or more of the following aspects:

- Large overall project size with large capital requirements;
- A number of uses that may be financed separately and have distinct financing requirements and market cycles;
- Phasing strategies that may require separate financing for each phase;
- Several owners or equity sources of capital, including unusual ownership structures or multiple ownership structures;
- Management issues that affect ownership, including covenants, maintenance and management agreements, condominium uses, and the like;
- Lenders who evince a lack of understanding or interest;
- Longer predevelopment periods, requiring high levels of upfront, at-risk equity;
- Longer construction and overall development time frame, exposing the project to greater market and financial risk;
- Higher overall risk, requiring higher returns to compensate;

The ambitious scale of planned town centers often requires phasing development projects in line with market demand. Phasing may require different financing strategies because early phases are riskier and later phases will be enhanced by the ongoing success and synergies of completed projects.
Higher development costs per square foot, including higher legal costs, design fees, and construction costs, and larger contingencies; and

Public financing opportunities and challenges.

**Use a Well-Organized, Well-Capitalized Approach with Resilience and Vision**

To address these issues, developers of town centers must be experienced, well organized, and very well capitalized. Town center developments are typically taken on by private developers that have a strong vision and the staying power to see developments through to completion. Developers must have a long-term outlook and be ready to embark on a long process, staying with the project well into the operating period. They will need to develop a financial plan and structure that includes substantial upfront, at-risk equity to get the project through a long approval and predevelopment process—a process that may well end in a no-go decision, resulting in the loss of a lot of money.

Developers and their financial partners need to stay with the development well into the operating period because it may take some time to achieve the initial vision and to attain stabilized operations and income, especially when phasing is involved. Profits on town centers are often made in the latter years of the holding period, when the project is fully built out and performance is fully optimized. Success also requires implementing and fine-tuning an effective management plan. The management plan is essential to establishing solid operating performance over a period of years and to achieving the final vision. A long-term view and patient capital are essential ingredients.

Financial analysis must recognize the many ways in which mixed uses will affect construction costs, projected revenues, and operations. Although mixed uses will likely lead to higher revenues and greater profits, they also entail higher costs and greater risks. All these factors must be reflected in the financial planning process.

**Attract Financing and Work with Multiple Sources**

Financing for town centers frequently involves equity from numerous equity capital sources, which may participate in the whole deal or just portions of it. Financing may involve multiple owners and equity sources for each element of the project. Legally defining where each ownership interest begins and ends is a unique and critical step in town center projects. Maintenance and management responsibilities for common area elements must be carefully spelled out in ownership and management agreements. Considerable time and effort must be spent on ownership and legal issues up front.
Significant time and effort will also be required to arrange and obtain debt financing. Multiple-use projects require lenders who recognize and understand the various uses in the project, how they are operated, and how they fit and work together. The lender must be willing to finance something different, something that does not fall into standard single-use categories. This is a difficult stretch for many lenders; thus the developer needs to spend time finding the right lender. Even then, a certain amount of time must be spent on educating the lender about the unique aspects of mixed-use development; public sector partners can often be helpful in this process.
Another approach is to arrange separate financing for each use, but this entails arranging numerous deals, which is in itself challenging. Finding a lender who understands the vision is important, and using multiple lenders may be necessary. Using multiple lenders can work for projects in which components are separately owned. For example, there could be different lenders for residential, retail, office, hotel, and other uses. Whatever lender approach is used, the plan must not be compromised to satisfy the lender.

**Capitalize on Public Financing Opportunities**

Town center deals often involve public financing, which can provide much-needed funding but comes with strings attached that may slow the process and increase its complexity. Municipal bonds and tax increment financing are often used to finance infrastructure improvements, parking garages, city halls or other public facilities, and other elements of a town center. Tax credits and many other public financing sources may be available. Putting together a solid public/private partnership can greatly enhance the viability and success of a town center project. It is important to look for ways to involve the public.
A mixture of uses is one of the most important qualities defining a town center. Historically, centers of towns or villages have contained a variety of uses that serve the broader community. The “work, live, shop” concept was integral to these centers: uses such as markets, civic buildings, offices, hotels, and urban parks created a vibrant environment that was active during the day and the evening.

Developing a mixture of uses in a new town center or trying to introduce new uses to an existing center is not without challenges. Each use, while bringing potential...
benefits and synergies to the center, has different constraints and issues affecting its development. For instance, retail, residential, and office uses have different rates of absorption. Retail uses require a critical mass and prefer to open all at once. Residential and office uses, by contrast, have smaller and more defined rates of absorption and require longer time frames to develop. These inherent differences can hinder vertical integration, result in delay, and add cost to the development. A potential solution is to consider multiple uses instead of mixed uses.

Multiuse developments contain multiple uses; however, they are not completely integrated like mixed-use developments. In a multiuse scheme, for example, retail and residential uses are located within walking distance of one another but not within the same building. This development paradigm eliminates the complications that are often associated with the phasing and construction of traditional mixed-use projects. Multiuse development allows the entire critical mass of retail to be brought online at one time, without having to be concerned with residential or office phasing.

Parking can either add value to or adversely affect a town center. Retail, residential, and office uses have similar demands for parking, whether they are in a single-use development or a mixed-use town center. While a small amount of parking can be offset in a shared environment, the savings is not substantial and large numbers of cars still must be accommodated in order for the commercial uses to be successful.

Integrating parking in a town center requires consideration of the following key issues:

- Typically, commercial and retail parking is more intensive than residential parking.
- Retail and office patrons prefer large fields of parking that are public and open, with great visibility.

Key Supporting Land Uses

Residential and office uses are two of the most critical uses for a town center because they

- Create synergy with retail use, including restaurants (a special subcategory of retail use);
- Add to sidewalk and street traffic—retail loves crowds;
- Contribute to a more complete experience of a neighborhood environment, in the eye of the user; and
- Complement and feed other uses and users: for example, civic buildings and hospitality facilities.
Residential patrons prefer secure, private parking arrangements located close to their units.

Much as in single-use developments, parking needs to be well distributed and balanced to meet parking needs throughout the town center.

Factoring in the reality and scale of parking demand can make designing for an urban experience difficult.

First and foremost, town centers are place-based developments. A sense of place functions as an anchor and helps distinguish a town center from a typical single-use development. The integration of multiple uses with a multilayered system of streets, sidewalks, paths, alleys, and parks helps create a memorable environment for both the pedestrian and the patron arriving by car. Close attention must be paid to all these elements in order for a center to be successful.

Integrating uses helps moderate the balance between vehicular traffic and pedestrian flow by creating different traffic peaks throughout the day and week. For example, residential uses help keep the retail uses and the sidewalks busy in the evenings, while office uses help generate activity in the center during the day. Having multiple uses or mixed uses is not as important as having a diverse range of uses.

Town centers must be more than a brand name. They must connect with people at an emotional level and be perceived by the community as belonging to it. The integration of multiple uses creates the diverse urban character that people identify with and enjoy. A mixed-use town center supports an environment that allows for a

---

**Santana Row, a mixed-use town center in San Jose, California, integrates housing above the stores.**

Mixed uses are integrated vertically and horizontally. Multiuses are located within walking distance of each other and can be integrated horizontally, but the uses do not share buildings.

**MIXED USE VS MULTI USE**

**STREETSENSE**
variety of activities, including working, living, shopping, entertainment, and leisure. The combination of residential, office, retail, and civic uses forms a neighborhood or district environment that will appeal to the public and be sustained by it.

Although integrating a mix of uses comes with complications in terms of cost, financing, phasing, and parking, the result can be a development with a perceived value that exceeds the sum of its parts. When executed properly, a town center is a lasting development that holds its value and becomes an enduring asset to a community.

Residential uses help keep the retail uses and sidewalks busy in the evenings, while offices help generate activity in the center during the day.
Balance Flexibility with Long-Term Vision

Long-term vision is the framework, and flexibility is a tool for implementing it—together, they provide the basis for planning at the outset, decisions during development, and adjustments at maturity.

Historically, town centers have grown and changed organically. Creating a new town center requires analogous flexibility over the course of development as markets shift, consumer preferences change, and relationships among uses mature. Given the uncertainty of the future, a basic flexibility can be incorporated by designating mixed-use zoning that allows for density and use to shift within a project. Further flexibility can be ensured through phased development. Each completed phase is assessed for its success as a town center component, as well as its economic success. Even the efficacy of the street grid should be reviewed. Subsequent phases should be planned to respond to changes, refine and build on successes, and correct any weaknesses.

National Harbor, in Prince George’s County, Maryland, is planned as a dramatically scaled mixed-use town center that will be a major destination for residents of the Washington, D.C., area as well as for tourists and conventioneers. Future phases, developed in line with growing demand, will track the long-term vision for the site.

At Fairfax Corner, in Fairfax, Virginia, parking is used as a land bank for future higher-density development.
Phasing, while providing flexibility, should not be interpreted as a series of incomplete increments. The first phase should be a viable project in itself, able to thrive commercially and establish the area as a growing town center. Each subsequent phase should merge with the existing environment to sustain viability and growth.

Considerations of building design, block size, and infrastructure location also support future flexibility. Large floor plates and attention to fenestration may allow for adaptive use of buildings, providing the basic requirements for retail, office, and residential uses. Large block sizes not only allow for these adaptable floor plates but also allow for complete redevelopment into an entirely new use, should that become appropriate in the future. Placing infrastructure around the outer edges of a surface parking lot so that later construction of a garage does not require reconfiguration also enables flexibility.

These components of flexibility are essential but must be approached in the context of a long-term vision. Adjustments in size, density, mix, and location of uses must maintain the integrity of the town center concept and support the development of the community’s core. Basic concepts such as the public realm, human scale, street grids, and overall quality cannot be compromised. The notion that a town center is built for the future, to endure beyond any of its current tenants and uses, is the vision that guides the development process.

Where parcels are developed over time by different developers or eventually sold, this long-term vision is of paramount importance. It requires a master planner—a keeper of the flame—to maintain the integrity and quality of the plan over time. Where ownership is more diverse, the master planner may be the jurisdiction in which the town center is located, supported by a vocal community and property owners invested in the town center. The role of the community is particularly noteworthy because a successful town center is the true heart of the community. Its success depends on the community’s continued relationship with the town center. Looking forward with both a long-term vision and flexibility is key to developing and sustaining a vibrant town center.

Crocker Park in Westlake, Ohio, will be a 12-block town center upon completion. Its vision is to include large residential neighborhoods and office development linked to the retail uses that are already operating.

Crocker Park in Westlake, Ohio. While long-term development plans should be flexible, planning and design must adhere to the long-term vision of superior quality.
The development of an appealing, vibrant town center requires a well-designed mix of uses at a density high enough to achieve a critical mass of people on the street. A truly successful town center will be the most densely developed and lively part of the community.

Designing a dense town center requires the introduction of pedestrian-friendly spaces. In contrast to the automobile’s domination of conventional low-density development, higher density makes the human scale possible. Imagine a densely developed, mixed-use center where people can easily walk along broad sidewalks lining attractive storefronts and safely cross narrow streets as they move within the development. Now picture a conventional strip center set behind a large parking field and next to a wide highway. The former invites people to get out of their cars and stay, perhaps walking from shopping to dining and on to other activities. The latter dissipates the energy of the center by encouraging car-based “laser” shopping—park the car, buy the item, get back in the car, and leave.

All the same, adequate convenient parking is essential to the success of retail developments and necessary for office and residential uses as well. Cars are the most important part of our transportation system and people rely on their cars to get to stores, to get to work, and to get home. Accordingly, an efficient, well-designed parking system must be planned at the beginning. It is especially important that parking be shared among uses. Thus, parking that is used by office workers during the day can be used by residents or theaertgoers at night. Well-managed, convenient, and visible parking facilities contribute greatly to a town center’s appeal and incentive for use. It is important to remember, however, that one of the primary benefits of a dense town center is to keep automobiles in their place—supporting, not dominating. If cars and parking dominate the town center, it will not achieve the overall livability and pedestrian friendliness that make the town center concept work.

Capture the Benefits That Density Offers

Mockingbird Station in Dallas, Texas. Density and transit are mutually supportive in town center environments.

Easton Town Center in Columbus, Ohio. High density means more amenities, more liveliness, more synergies between development components and more choices for the public.
The size of a town center and the amount of parking needed are based on the size of the target market. Is the town center appealing to a regional market, a community market, or perhaps just a neighborhood market? The bigger the market is, the higher the density threshold for the project. In any case, the goal is to build to the threshold of density that is necessary to attain a critical mass for that town center. For town centers that are already built, achieving this goal means reworking the master plan to allow for more dense development.

Density increases opportunities for public transit and also for cross-shopping, keeping the whole center thriving by creating synergy among its various uses. In a development with shorter distances between the stores, restaurants, residential spaces, and offices, residents or office workers can easily become consumers. This kind of dense, mixed-use setting is very well suited to incorporating public transit access points, thus further increasing the appeal of the center and promoting walking.

Perhaps the most important fact is that denser development facilitates the creation of a sense of place. A place that is filled with people who have many places to go and things to do is full of energy. What is a town center without the liveliness that people bring to it? There is a direct correlation between that liveliness and high density. This makes high density a key element in achieving a town center development that feels authentic.
Connect to the Community

One of the defining characteristics of town center developments is that they are very public and have strong connections with the surrounding community. The fact that patrons look on town centers as public centers, not as managed shopping centers or private commercial developments, is an important distinction. Strong connections to surrounding neighborhoods, commercial areas, and park systems help reinforce the view that the town center is accessible to all users. A sense of ownership and belonging separates and characterizes town centers from traditional and lifestyle-based centers.

Connectivity to a town center occurs at a variety of levels. The most obvious connection is through a well-designed series of roads at the arterial, collector, and local scales. Town centers, like other regional or semiregional destinations, can generate a high volume of vehicular traffic. Designing roads that are adequate to handle and distribute the traffic that feeds these centers is very similar to designing roads in conventional projects, until the roads diminish to a local capacity and the interface with pedestrian traffic intensifies. Town centers require an effective balance between pedestrian and vehicular traffic. Sidewalks, walkways, and bike trails are also key components that feed into and connect a town center to surrounding neighborhoods and other communities.

Town center developments typically have a retail and commercial component that is place based. High volumes of pedestrian traffic and a great sidewalk experience are critical to the success of these uses. The sidewalk environment should not be overlooked as an element that can fascinate and amuse pedestrians. Given enough width, sidewalks offer opportunities to accommodate small parks, fountains, cafés, and resting areas. Along with clear sight lines into the adjacent retail spaces,
these components can make a sidewalk extremely effective in supporting a sense of place and expanding the experience of someone walking through the development.

Designing a great sidewalk requires consideration of five points:

■ Sidewalks need to be activated by being next to occupied retail space, residential stoops, and well-maintained lobbies for office and other compatible uses.

■ Sidewalks need to be occupied, with people always there throughout the day and evening.

■ Sidewalks need to be well maintained and free of litter. Having an involved community presence is important in this respect.

■ Sidewalks need to impart a sense of permanence. They should be lined by mature trees, high-quality landscaping, and high-quality materials.

■ Sidewalks need to be retail-friendly, safe, secure, and comfortable. These characteristics are achieved by making streets easy to cross (with on-street parking) and by providing inventive signage and few sidewalk distractions.

A multilayered approach to infrastructure and walkway systems needs to be considered. Although the car is still the primary mode of transportation to and from town center developments, public transit, bike paths, and trails can reach out to adjacent areas and provide natural means of access. The success of these alternative modes depends on how well they can be integrated into the primary road system.
Open space can also be an important component linking a town center to a broader park system. This is particularly the case with suburban town centers, where land areas and more generous open-space requirements create opportunities for connection to larger parks.

Apart from the physical aspects of connectivity, another very important type of connection occurs at the emotional level. Successful town centers have strong bonds of ownership with surrounding neighborhoods and communities. They are perceived as real places that have qualities that are unique to them and their region. Mizner Park, as an example, has an architecture that reflects the Spanish Mediterranean characteristics of the region, while Country Club Place has a different, specific expression that relates to the Kansas City suburban context of the 1930s. It is the uniqueness and specifically the character of these centers that makes them special and connects them to the community.

Another area that is often overlooked with respect to connectivity is the retail merchandising strategy. Regional content can apply to more than architecture or physical design. Some of the most successful town centers have a great number of local and national merchants. Good local tenants have roots in the community and are typically keyed into local trends and preferences. This is particularly true of restaurants and food-related tenants, which have a strong sense of local tastes and put a lot of effort into creating places that are unique to their personalities.

Developing successful town centers is a very complicated process with many issues to consider. A system of roads and walkways that provide easy access to the center from the surrounding community is one of the most important elements to get right. Commercial uses, such as retail spaces, offices, and hotels, require high levels of traffic and visibility to thrive. Similarly, the place-based nature of a
town center creates strong emotional connections with the surrounding community. A sense of uniqueness and specificity are characteristics that separate a town center from other developments or centers. Reinforcing connections at the physical and emotional levels strengthens the position of the center in the market and helps ensure its continued long-term viability.
Sustainability is not just a buzzword that stands for the use of green products and protection of the environment. Sustainable design uses a holistic approach that includes economic and social as well as environmental considerations. The goal of sustainable development is to be environmentally responsible and physically enduring while performing well over the long term. This kind of success requires adaptability and good economic and commercial performance. It also means having a strong and adaptable social fabric that makes people want to be in that place and return to it often.

One way to view the sustainability of any development is to observe how enduring and memorable it is; whether it is based on a long-term vision that is market-based and flexible; whether it is planned and financed for adaptability to its complex setting; and whether it is well connected and well integrated with the surrounding community. Each of these characteristics is recognizable as reflecting some of the principles that are the subject of this book (2 Respect Market Realities; 4 Plan for Development and Financial Complexity; 6 Balance Flexibility with a Long-Term Vision; 8 Connect to the Community). They may each be examined in more detail in that context, but integrating all the principles wisely will achieve the framework for sustainability.

Good sustainable development of town centers often takes place on infill sites, but when it does occur in a rural or greenfield setting it is especially important that it be designed well. Infill sites reduce infrastructure costs, offer transportation alternatives, and restore or enhance local economic and social vitality. Regardless of the location, the project must be well connected to the surrounding environment (streets, parks, and trails) and to places where people can access public transit. Planning for sustainability means thinking beyond the car to incorporate other transportation choices such as walking, cycling, car sharing, trains, and buses. Public transportation that can facilitate independence at all stages of life and all income levels and provide easy access to quality-of-life amenities is important to every community.

The enduring nature of sustainable development means that environmental considerations play an important role. The conventional practice in development is to engineer solutions to environmental problems—if it is too hot, more energy will
cool it off; if it is too wet, a bigger pipe will carry the water away; if the landscaping is stressed, give it more water.

Before engineered solutions became the vogue, however, solutions to these issues existed—solutions that we seem to have forgotten in the interim. Among them:

- Factor the local climate into the design.
- Plan for water conservation and recycling.
- Optimize the efficiency of systems.

**Factor Local Climate into the Design**

Climate should be used as a design determinant. Climate is an important part of what makes a place unique. Vernacular building designs often reflect local climatic conditions. They should take advantage of building orientation, prevailing winds, and tree cover for cooling. The effect of the sun’s rays should be managed to enhance or limit heating.
Plan for Water Conservation and Recycling

A variety of practices can be designed into a project to help conserve water. Water-conserving plumbing fixtures and faucets are some of the more obvious ones. Such practices as using graywater and rooftop rainwater-harvesting systems to recycle water and using natural drainage systems and pervious paving to recharge aquifers are becoming more common. Landscaping with native plants and drought-tolerant plants adapted to local climate and moisture conditions reduces the need for intensive irrigation.

The high level of amenities, landscaping, and attention to every detail creates a memorable destination that people will enjoy visiting and revisiting at Kierland Commons in Scottsdale, Arizona.
Optimize the Efficiency of Systems

Energy efficiency should be built into a project to minimize or eliminate the use of nonrenewable energy sources. The incorporation of passive solar and natural cooling principles enhances energy efficiency. High-efficiency heating, ventilating, and air conditioning systems as well as lighting, appliance, and plumbing systems reduce energy consumption, diminish waste, and avoid pollution from the use of fossil fuels. The efficient use of lumber creates a tighter building envelope. The thoughtful integration of design, materials, and systems makes a project more comfortable, healthier, and potentially less expensive.

Other techniques can be used to prevent environmental impacts: designing to reduce dependence on the automobile, using resource-efficient materials, reducing the quantity of materials used, designing for durability and adaptability, protecting local ecosystems, conserving water, ensuring the health of indoor environments, and avoiding construction waste.

Sustainability requires having a flexible approach and thinking in the long term. Sustainability is the glue that binds financing, planning, zoning, designing, marketing, and building and creates quality of life and a sense of community. Planning for sustainability does not stop at buildout. A strong, long-term strategy addresses:

- Continuing programming and amenities;
- Ensuring continued environmental responsibility;
- Securing a mix of uses;
- Maintaining high-quality design, particularly in architecture;
- Upholding maintenance plans (building, site, community, and infrastructure); and
- Financing for long-term management and care.

The “people experience” is the key. People want the true benefits of community and the quality of life it produces. It is also important to be adaptable, allowing land uses to change over time.

Another, perhaps simpler, way to view sustainable development is as high-quality development. A high-quality town center is sustainable when it promotes economic vitality, fosters environmental integrity, and encourages a lasting sense of community. Sustainable development promotes health, conserves energy and natural resources, is well connected to the community, and is economically successful.
A town center is more than a real estate development. It is designed to be the heart and soul of a community and, as such, it functions as a public as well as a private place. Residents and visitors to a town center are invited 24 hours a day, which means that management must be more intensive and ongoing than at a shopping center or other type of commercial development. Because a town center will be the densest, most diverse, and most active place in a community, management will likely be more complex and expensive, and it will definitely need to be more sophisticated.

Managing a town center is, in some ways, like operating a small city, and many of the functions that a local government performs in a real downtown must be performed by the private managers of a town center. The scale of these functions will be proportional to the intensity and mix of uses in the center and will need to be attuned to the needs of the different users. Operation and maintenance standards of the buildings and the public realm will need to be higher than in a city, as will security costs, since a town center competes directly with other nearby private developments, especially shopping centers. Potential conflicts must be understood in advance and avoided. For example, trash pickups must be arranged so as not to dis-
turb residents or shoppers, and garbage rooms must be air conditioned so noxious smells do not waft through the tree-lined streets or up to residents’ windows. Management also includes such mundane but critical tasks as maintaining bathrooms that are spotless, fountains that work flawlessly, sidewalks and streets that are in top repair and litter free, flowers that are blooming, and a tree canopy that is mature, trimmed, and healthy.

Management efforts, while intensive, should be unobtrusive, sensitive, and discreet. Too many security guards, too much overt control, and too many rules will make the center feel unnatural and uncomfortable. Management will need to be more politically astute than in a typical real estate development, since different segments of the public undoubtedly will take ownership of the center as strong community bonds are established and nurtured. This situation will require a constant interface with the public since it becomes, in essence, a partner in the ongoing operation of the town center.

Continuous programming of activities and events in the public spaces is a significant aspect of town center management. Such programming will ensure that visitors’ experiences are memorable and pleasant. Management must remember that people
who are at the town center are not just customers or consumers, but also residents or other citizens who may not be there to buy anything at all but simply to experience community life. Planned events should include ongoing activities such as concerts and farmers markets, as well as such community-defining events as 4th of July fireworks displays. Unplanned events such as political rallies or community protests are also important because they deepen the center’s connections to the community, but they need to be carefully coordinated with the day-to-day operations of the center to avoid needless conflict.

Marketing also plays a role in ensuring a town center’s long-term competitiveness, and significant opportunities exist for cross-marketing the center’s various uses. Management should help coordinate these efforts to take advantage of the synergies they offer. A preferred customer card for residents is one example. A parking management program that includes valet parking, shared parking among the users of the town center, frequent monitoring of parking availability and conditions, and maintenance of high standards at parking entrances and in garages also helps market the center as a desirable and enjoyable place to come to.

The managers of a town center are its long-term champions, the keepers of the flame, and the ones who ensure continuity and uphold standards as the center
matures. Economic, social, and political conditions change, and the managers’ role includes ensuring that the town center remains competitive in the broadest sense. This is true whether the town center evolves under single or multiple ownership.

Managers carry out this role in numerous ways, first, by leasing to the right mix of tenants and ensuring that the mix evolves as customer preferences and retail trends change. Second, they should ensure that all development adheres to the town center’s master plan and vision as it matures. Third, they should draw up and enforce a set of covenants, conditions, and restrictions (CC&Rs) that clearly articulate the development standards and rules within the town center. The ideal master plan and accompanying CC&Rs should be drafted in ways that encourage flexibility, innovation, and change within a framework of high standards and compatibility with the founding vision of the town center.