# Central Social Districts –The Key To Tomorrow's Successful Downtowns

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## **Under the New Normal for Our Downtowns...**



### CENTRAL SOCIAL DISTRICT (CSD) FUNCTIONS

## ARE OFTEN BECOMING MORE IMPORTANT

THAN CBD FUNCTIONS, e.g., retail and offices

## Why Central Business District (CBD) Functions Are in Decline



#### Retailers

- Impacted negatively by deliberate consumers, eretailing and the previous occupancy of too much retail space
- Now looking for fewer locations, with less space than their previous shops, in proven locations.

#### Offices

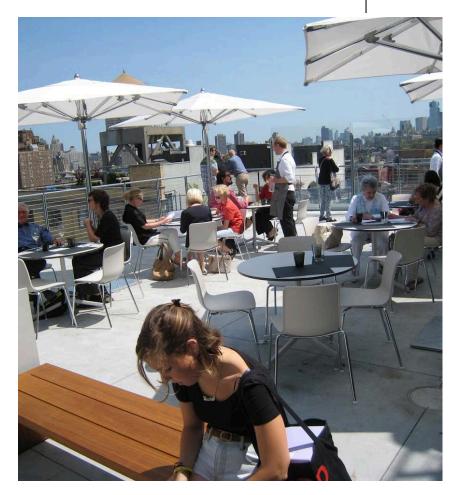
- Stagnant levels of demand for office space
- Offices are being used differently; less sf/wkr
- A different type of office space now preferred
- Many older downtown office buildings now passé; many changed to residential uses.

### Your CSD is...

The downtown area with activity venues that make it easy for people to have enjoyable experiences with other people.

When strong, CSDs are the town's central meeting place -- today's versions of Greek agoras and Roman forums.





### Some CSD Components: (EN =

#### entertainment niche)

- Housing
- Movie theaters (EN)
- PACs/ theaters (EN)
- Concert Halls(EN)
- Museums (EN)
- Art galleries (EN)
- Arenas (EN)
- Stadiums (EN)
- Senior centers, community centers (EN)
- Pamper niche venues (gyms, nail & hair salons)

- Restaurants and drinking places (EN)
- Parks/public spaces (EN)
- Ice cream parlors; pizza, hot dog, sausage joints (EN)
- Places of worship
- Social clubs, (EN)
- Catering halls (EN)
- Public markets (EN)
- Schools, libraries
- Co-worker spaces, accelerators, incubators

# Mitchell Park in Greenport, NY – year round population 2,200





- Has a strong flow of tourists in season (many shops close in winter)
- The park has an antique carrousel, marina and winter skating rink on a waterfront location
- Cost about \$14.9 million to build
- Costs about \$1 million/yr to operate. Most of the costs are covered by user fees
- Reportedly gets about 390,000 visitors/yr

## Division Street Plaza in Somerville, NJ – population 12,100

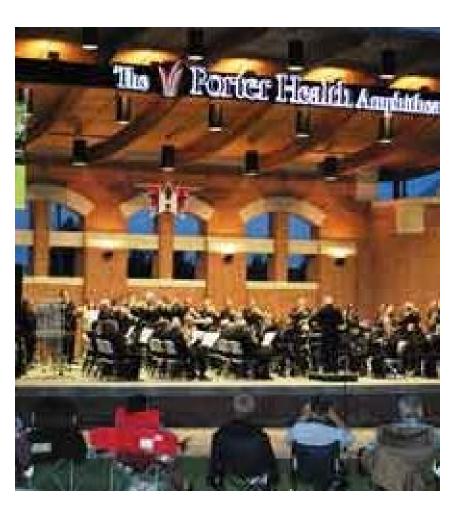




- Basically a 1-block long successful pedestrian mall.
   Unusual because about 90% of them have failed
- Cost about \$675,000 to create
- Costs about \$62,500/yr to operate
- Annually businesses are attracting 116,000 to 128,000 patrons and events are attracting about 100,00 visitors

### Grand Central Plaza in Valparaiso, IN

population 32,000



- Park with amphitheater, ice rink and catering facility
- Cost about \$3.25 million to build Phase 1; \$4 million for new addition
- 2014 operating costs about \$460,000/yr; \$100,000 by city; \$360,000 by Valparaiso Events
- Had about 130,000 visitors in 2014

# The types of organizations that made these projects happen...



- Greenport's Mitchell Park: the Village government
- Somerville's Division Street Plaza: the Town government, but mostly the BID
- Valparaiso's Grand Central Plaza: City government and downtown biz group nonprofit

Local government action is essential – those that provide for-a-fee business-like services are more likely to succeed.

## How are they financed? In many ways...

- Greenport's Mitchell Park: operations covered mostly by user fees. Village spent about \$4 million on its development, rest came from 25+ grants and donations.
- Somerville's Division Street Plaza: the Town government handles physical maintenance, the BID covers events, marketing, sanitation. Initial construction covered by Federal transportation program funds
- Valparaiso's Grand Central Plaza: City government handles physical maintenance; sold naming rights covers most of it. Downtown biz group applies user fees and sponsorship funds to pay for events and marketing. Private donations and TIF funds covered \$4 million expansion. TIF funds and state and Federal grants covered most of Phase 1's construction costs.

### Downtown movie theaters are treasures, but under constant threat

### A closed cinema is a terrible loss! • They draw about the street of the

- They draw about 50,000 patrons/yr/screen
- They are affordable
- They are open days/evenings/weekends
- They have relatively few user frictions
- But, they provide a small part of movie studio revenues
- The marketing platform they provide is what is keeping the studios connected
- Most movies are watched at home – cinema attendance down.

## The challenge is to keep the cinemas you have open, vibrant and profitable



- New small town cinemas impossible to get!
- Recently, in crossing the "digital divide," many communities devised viable strategies for saving their theaters:
  - Crowdfunding
  - Community owned businesses
  - Creating opportunities for patrons to make a "night a night of it" by tie-ins with nearby eateries and improved public spaces
- A viable rescue plan should be ready to go.

## Not All Attempts at CSD Growth Are Successful

- The cinemas, PACs and theaters that struggle financially or with audiences – or have closed
- Those where "entertainments" had to supplant "high culture"
- The many failed pedestrian malls, plazas and parks
- The financially successful conference/convention center that draws 50,000 visitors to a small downtown, but has negligible impacts on nearby merchants. Lots of arenas/convention centers elsewhere have same impact.

## **Growing Your Central Social District Will Not Be Quick or Easy**

- Some existing components will have greater growth potentials, viability and impacts
- Some possible new components will be much easier to create and maintain than others
- Some key variables to consider
  - Construction costs and how they will be covered
  - Operating costs and how they will be covered
  - The audiences they can attract
  - How they interact with other parts of the downtown, e.g., local merchants, traffic and pedestrian patterns, parking, etc.

### **User Frictions : NYC Examples**

$\bullet$

	Bryant Park	LCPA Formal venues	MoMA and Met	MSG	B'way Theaters	Movie Theaters
Days/Hours Open	Almost daily 7 am to 10 or 11 pm	Closed most days	Formal venues closed 5 nites per week	Closed most days	Closed five afternoons per week	Open afternoons and evenings
Admission Fees	None	Opera avg price \$156; Philharmonic series ticket \$29- \$112	Normal price \$25. About twice the price of a movie ticket	Knicks \$125/game; Rangers \$78; Joel Concert \$64- \$124; secondary mkt prices soar	Avg price \$98.44 in 2012-13; secondary mkt prices can soar	Affordable for most Americans; about \$8 in USA, \$13 in NYC
Does the user's schedule drive visit?	Yes, except for scheduled events	Mostly, no. Most visits are for scheduled events	Mostly yes (days)	No. Visits are for scheduled events	No. Visits are for scheduled events	Many showings/ day make a match up easier
Are under 45 minutes or spontaneou s visits possible?	Yes	No	Yes	No	No	No

#### The Costs of Creating or Renovating Various Entertainment Venues in Various Cities



#### **In Newark**

- \$431.07 million Cost of Prudential Center arena, 2007
- \$277.70 million Cost of New Jersey PAC, 1997
- \$5 million Military Park renovation, 2014

#### **Elsewhere**

- \$3.52 million Paramount Theater, 2000, Rutland VT, renovation
- \$19.89 million Lincoln Theater, 1998, Columbus Ohio, renovation
- \$12.59 million Pantages Theater, Minneapolis, renovation, 2002
- \$12.41 million Cost of SOPAC in 2006, South Orange NJ
- \$0.6 million Division Street Plaza, Somerville, NJ, conversion of street
- \$14.9 million Cost of Mitchell Park, 2007, Greenport NY
- \$3.39 million Cost of Central Park Plaza, 2011, Valparaiso IN

#### **Organizational Cost/Visitor – Larger Communities**

Formal Entertainment Venues	<u>\$90.67</u>
<ul> <li>Madison Square Garden NYC</li> </ul>	\$77.39
<ul> <li>Metropolitan Museum of Art –NYC</li> </ul>	\$40.22
<ul> <li>Museum of Modern Art NYC</li> </ul>	\$53.38
<ul> <li>Art Institute of Chicago</li> </ul>	\$150.80
<ul> <li>Brooklyn Academy of Music, NYC**</li> </ul>	\$74.53
<ul> <li>PlayhouseSquare -Cleveland</li> </ul>	\$64.20
<ul> <li>Lincoln Center total budget; all visitors</li> </ul>	\$154.98

Informal Entertainment Venues	<u>\$2.14</u>
<ul> <li>Bryant Park NYC</li> </ul>	\$1.87
<ul> <li>Central Park NYC</li> </ul>	\$1.46
<ul> <li>Millennium Park- Chicago</li> </ul>	\$2.56
<ul> <li>Berges de Seine, Paris</li> </ul>	\$2.68



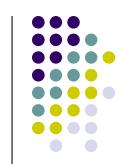
### Organizational Cost/Visitor – Smaller Communities

Division Street Plaza, Somerville NJ

Central Park Plaza, Valparaiso, IN

Mitchell Park, Greenport, NY

Formal Entertainment Venues	<u>\$45.42</u>
<ul> <li>Hill Stead Museum. Farmington, CT</li> </ul>	\$31.11
<ul> <li>Shelburne Museum, Shelburne VT</li> </ul>	\$52.73
<ul> <li>Paramount Theater, Rutland VT</li> </ul>	\$26.00
<ul> <li>Weston Playhouse Theatre, Weston VT</li> </ul>	\$80.45
<ul> <li>Mayo PAC, Morristown NJ</li> </ul>	\$40.00
<ul> <li>SOPAC- South Orange, NJ – Cinema</li> </ul>	\$13.93
<ul> <li>SOPAC- South Orange, NJ – Theater</li> </ul>	\$73.68
Informal Entertainment Venues	<b>\$1.99</b>



\$0.63

\$2.67

\$2.69

### Restaurants are critical, especially in smaller towns...

Sherwood WI: The Trade Area Market Share Needed to Support One Store in Some Downtown Niches

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Needed Entry Mkt Share	Niche	
28%	Restaurant Niche	
28%	Pamper Niche	
167%	Apparel Niche	
168%	Home & Hearth Niche	

- Relatively low market share needs to be won to be viable, but they have a high failure rate
- Relatively low rent and labor costs
- They now account for about 13% of the annual sales in WI small downtowns – more viable than most GAFO retail
- We are now spending more on eating out than on eating at home

### What's next for your CSD? Do you have a viable plan or strategy?

- What existing strengths can you leverage?
- What potential strengths can you nurture and develop?
- What are your short-term steps that are:
  - Effective?
  - Affordable?
  - Feasible?
  - Most cost effective?
- What long-term additions can be made?
- What challenges must you overcome?
- What are the limits to your CSD growth aspirations?
- What outside help will you need?

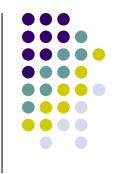


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### **Case Studies**



#1: The 602 Club

#2 Downtown Appleton, Wisconsin

### **Key Principles:**

- 1. Focus on People
- 2. Lighter, Quicker, Cheaper sometimes
- 3. Mix it Up!





















Social Activity Demand/User Type	Moms n Dads (20)	Seniors (10)	Kids (40)
Movies	÷		
Gals, guys night out			
Folk School Participants			
Gallery			
Music venue			
etc			





The name given to this society is: "Club Lavoratori Italiani Sicilia", and was incorporated in the year 1915, under the laws of 1891 of the State of Wisconsin.In January 1912, twelve men got together with Paratore to form the local society. They began holding their meetings in a wooden building at the rear of a store operated by Angelo Maisano, 821 Regent Street. Maisano kept the membership money at his home. He served as an unofficial "depository" for many years before the money was placed in a checking account at a local bank. There were 43 Charter Members from the first year.

The present clubhouse at 914 Regent Street was built in 1922. Mr. Icke, as ever the







### 3YLAWS of the 602 Club (Adopted on September 13, 2015)

#### . NAME

i02 Club

- support culture and the arts, share creative passions, and provide intellectual and educational opportunities;
- foster acceptance and understanding of our individuality as well as our membership in the communities of family, the Lawrence-City-Park neighborhood, the City of Appleton, and the world.

- There are three classes of membership: individual, family, and youth aged 13 17. II. MEMBERSHIP
  - Potential members must complete a membership form and pay dues. Members will be approved at each
  - Dues for the three classes of membership: individual (\$10/month or \$100/year), family (\$20/month or \$200/year), and youth (\$2.50/month or \$25/year). If a member pays for a single month, his/her
  - Membership may be revoked with no refund of dues by a majority vote of the Board.

- 1. The Board consists of the Chair, Treasurer, and five at-large members. All must be current members of the V. OFFICERS/BOARD
  - Duties of the Chair include, but are not limited to, presiding over the board meetings and answering questions from the public. Duties of the treasurer include, but are not limited to, actively tracking the club finances, tracking membership, and reporting financials at each Board meeting. Duties of the at-large board members include, but are not limited to, actively participating in club business and activities.
  - Elections occur every September. Any club member can nominate a member for office. The Board elects the officers by majority vote. The officers shall hold office for a period of one year or, in the event of delayed election, until their successors are elected.

#### /. MEETINGS

- 2. The business of regular meetings includes, but is not limited to, (i) review of finances, (ii) review of events, (iii) review of capital projects, (iv) decisions on policies or procedures, (v) approval of membership
- 3. The Chair can hold a special meeting only if all board members are told one week in advance by phone,
- The quorum for a Board meeting is five members, which must include either the Chair or Treasurer. The Chair can cancel a meeting due to weather or extenuating circumstances.

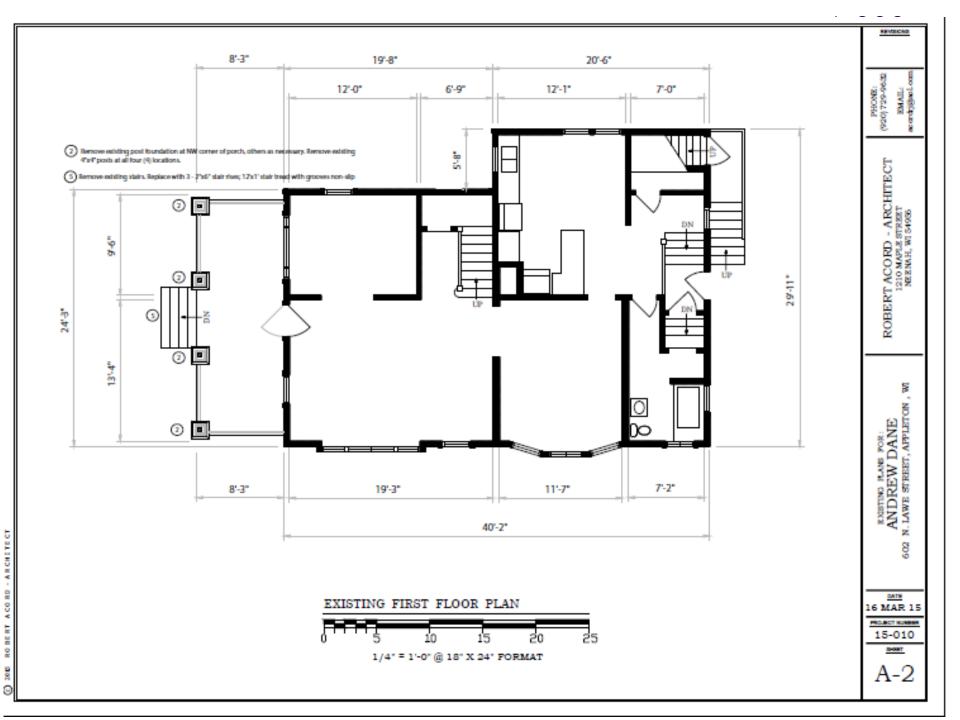
Meetings will be run according to the latest edition of Robert's Rules of Order Newly Revised.

f the 602 Club dissolves, its assets—furniture, television, etc. —will be distributed to such organizations that pualify as exempt organizations under section 501(c) of the Internal Revenue code.

The bylaws can be amended at any meeting of the Board, by a majority vote.

Community, art music, and more!!!!

Attend Member Donate Spread the

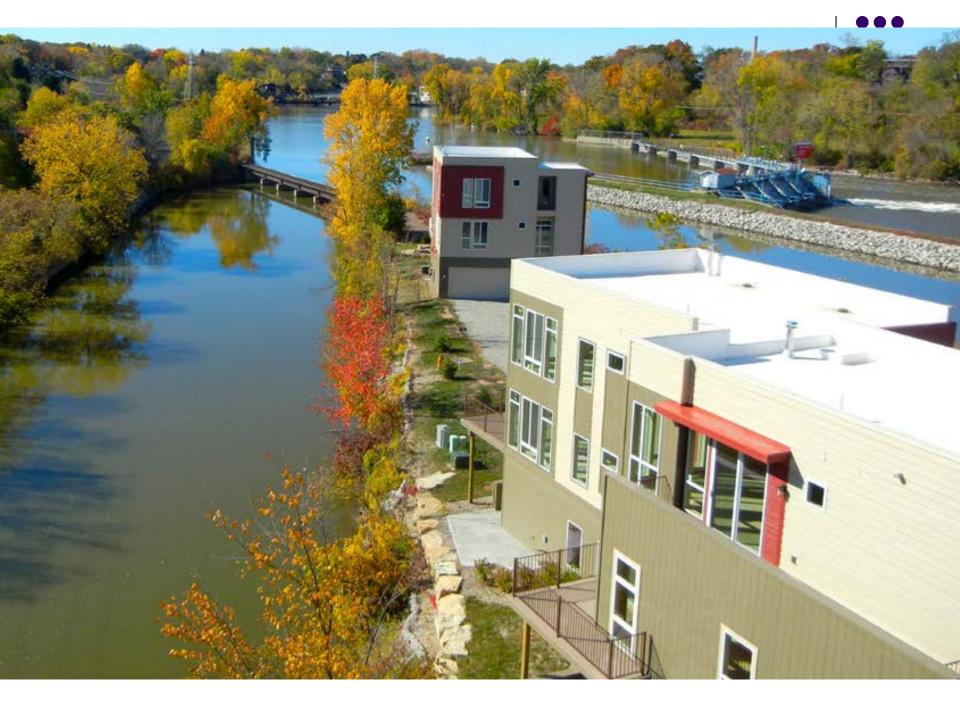


## Downtown Appleton, Wis

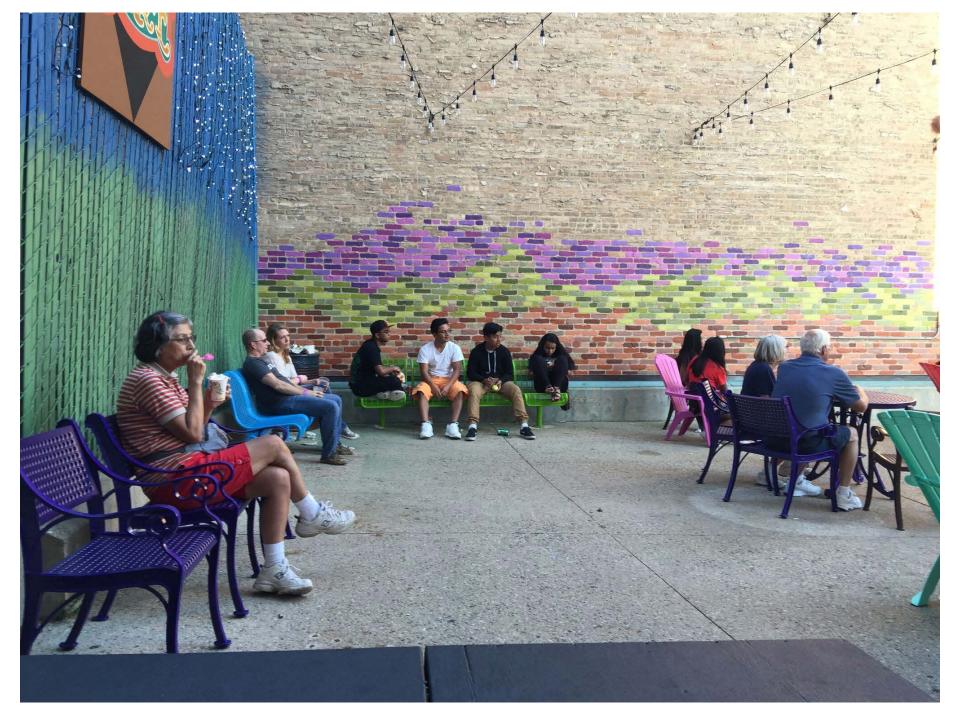








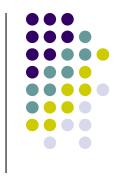


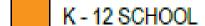






### **Mapping CSD Components**



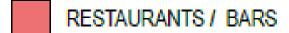


UNIVERSITY

PUBLIC / GREEN SPACE

CREATIVITY / SOCIAL CENTER

PHYSICAL WELLNESS



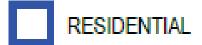
SHOP

MUSEUM / ART

PACs / ARENAS

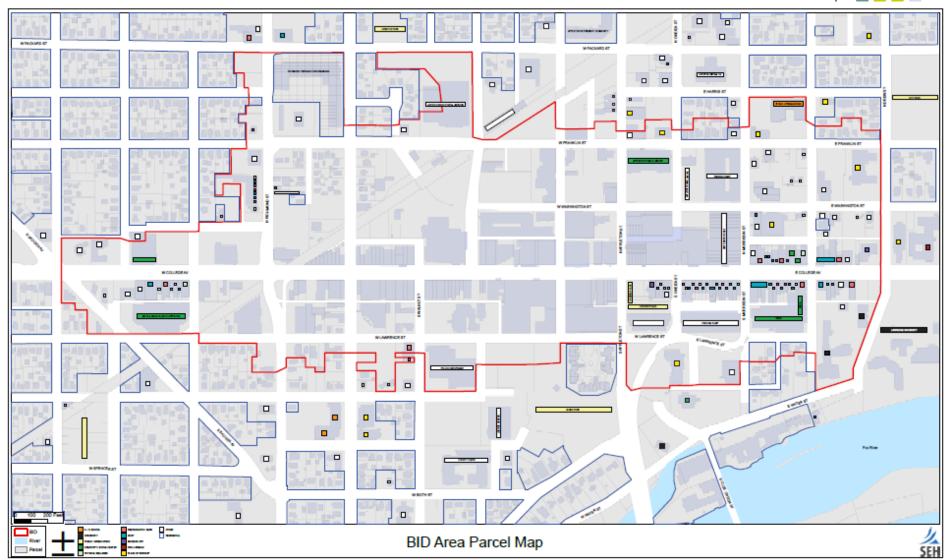
PLACE OF WORSHIP





# **Mapping Assets**











# What's next for your CSD? Do you have a viable plan or strategy?



- 1. What existing and potential strengths can you leverage?
- 2. What are your short-term steps?
- 3. What long-term additions can be made?
- 4. What challenges must you overcome?
- 5. What innovative strategies are there?

#### Conclusion



- CSD concept can be applied at multiple scales
- The arts are critical because they engage & help us connect with one another
- "Lighter, quicker, cheaper" is important
- But so is meshing grassroots efforts with larger capital projects so they effectively leverage each other