



# DOWNTOWN BUSINESS RECRUITMENT

## Chapter II



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Some Reviews of  
DOWNTOWN BUSINESS RECRUITMENT

“In the world of commercial area revitalization, the subject most often talked about and less often acted upon is business recruitment. If a commercial area lacks sufficient commercial enterprises, then it is to that degree not a center of commerce at all, a sad place indeed. David Milder has produced a work such that no Downtown activist will any longer have the excuse that the subject is muddy, confusing, impenetrable; here is the comprehensive source. From costs to cautions, from messages to media, Milder lays out the practical steps to enable Business Improvement Districts and others to fill commercial space with winning tenants. Should be on the desk of every self styled economic development professional.”

*Lawrence O. Houstoun*  
*The Atlantic Group*

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“Excellent job! Comprehensive, thorough and chock full of good examples and insights. This should be required reading for both ‘newbies’ and ‘seasoned veterans’ alike.”

*Victor S. Grgas*  
*VSG & Associates*

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“It’s great. I wish this book had existed when I went to manage the Red Bank River Center. I would have slept with it under my pillow and referred to it constantly. And not just for recruitment. I think there are a lot of insights into how to manage a downtown organization overall. The chapter on networking pretty much covers how to survive in this field.”

*Mary Mann*  
*Springfield Avenue Partnership*

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## PREFACE

This book has a definite point of view. I believe that many more downtown organizations, be they large or small, can have successful business recruitment programs. I also firmly believe that the best recruitment programs, those that will genuinely contribute significantly to the revitalization process, are programs that are informed by a sound economic revitalization strategy.

A lot of downtown leaders do not completely understand the full extent of the recruitment process, so their mental focus is mostly on finding tenant prospects and they do not pay sufficient attention to local landlords and the municipality's permissions and approvals process. Many downtown managers also employ business recruitment marketing tools without evaluating how they can help the program reach its objectives. Often this is because the managers do not really understand which program objectives each marketing tool can support. This book is intended to address these and similar issues.

One of my colleagues was surprised at the book's length. Frankly, so was I. However, my experience as a consultant strongly suggested that most of my potential readers would greatly appreciate a fairly detailed discussion. For example, one early reviewer suggested that I cut out all cost estimates, since they would be time sensitive. But, other readers, such as Cathy Jakubowski, the district manager of the Bayonne Town Center Management Corporation, strongly felt that the cost estimates were invaluable pieces of information and that they could make whatever adjustments were needed to cope with the time sensitivity issue. Similar debates on other topics also ended in decisions to retain the details.

Some readers may ask why I am not charging any money for this book and why I am "publishing" it in such an unusual manner as .pdf downloads from an Internet website. The answer is simple: I want a lot of downtown managers, their staffs and their board members to read the book, and I believe that the method I have selected for publishing and distributing it is the best way to accomplish that objective.

I am engaging in a bit of "guerrilla marketing." My last book cost about \$70, so readers will not have that disincentive with the new one. This book has been reviewed by many experts in the field -- including downtown managers, experienced brokers and a developer -- and professionally edited, so there is an assurance of quality. Most potential readers are familiar with .pdf files and feel comfortable downloading them. Knowing downtown managers as I do, I am betting that, if this book is as good as I hope it is, word-of-mouth will stimulate strong reader interest. The combination of a quality product, strong reader interest, no cost and easy downloading sounds like a successful publishing strategy to me.

I am a very lucky person -- I have a lot of people to acknowledge and thank. First amongst them is my wife, Lady Laura. During the summer of 2001 I was stricken with a virulent form of pneumonia and the infection spread from my lungs to other vital organs. I was in the hospital for three months and rehab for another four weeks. Lady Laura was at the hospital every day, dealing with me and the doctors, while somehow managing to maintain an arduous fulltime job in the highly competitive fragrance industry. She and my daughter, Anne Megan, brought in my favorite foods from my favorite restaurants, encouraged friends to visit and call, and arranged a birthday party. For that reason -- and because every day she helps me to be more of the person I aspire to be -- this book is dedicated to Lady Laura.

For many weeks, during the initial part my hospital stay, I was in a coma-like state. When I began to be conscious, I was often terribly disoriented, not knowing what was real and what was hallucinatory. It was very scary. Anne Megan grasped my fears and quickly addressed this problem. She brought in a bulletin board on which daily the day, date and nurses' names were written. She would spend hours engaging me in conversations that always nudged me to think about the future, especially about my career and doing more writing. It was during those conversations that my plan for this book emerged and my commitment to the project was sealed. Consequently, this book is also dedicated to Anne Megan.

There are many others who have helped me on this project and deserve my deepest thanks. Mary Mann, who edited my niche strategy book, also edited this one and did so with her usual blend of professional skill and support. Mark Waterhouse has been a thoughtful and demanding reader of numerous drafts, who provided another level of insightful editorial assistance. I also received helpful feedback on early drafts of one of more chapters from Peter Beronio, Stephanie Greco, Jim Glennon, Beth Lippman and Michael O'Connor.

Special thanks go to Victor Grgas, Mary Mann and Larry Houstoun for their pre-publication reviews.

Finally, I have to thank a number of people on the client side who gave me such interesting opportunities to engage in business recruitment activities: Dick Anderson, Peter Beronio, Ray Molski, Michael O'Connor, Kathleen Prunty and Carlisle Towery.

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## ABOUT THE AUTHOR

N. David Milder is the president of DANTH, Inc., a consulting firm based in Kew Gardens, NY, that specializes in the revitalization of downtown and neighborhood commercial districts. He holds a Ph.D in Government from Cornell University and taught at Cornell and the Ohio State University. He was the vice president for marketing for ManData Corp. At the Ohio Department of Economic and Community Development he designed the Ohio Housing Needs Plan and created and managed the Ohio Cities Consortium, a 16-city public management technology transfer network funded by the National Science Foundation. He then went on to direct the Urban Institute at the University of North Carolina at Charlotte, where he created a downtown revitalization technical assistance program.

In 1977 Mr. Milder formed his own consulting company, which in 1996 adopted the name of DANTH, Inc. His clients have included the City of Charlotte, various municipal agencies in New York City, the National Institute of Justice and countless downtown organizations in New York, New Jersey, Vermont, Pennsylvania and other parts of the nation.

Some of Mr. Milder's significant projects include:

- A major study on the causes of the fear of crime in downtowns and how downtown organizations can diminish such fears
- Downtown revitalization strategies for: Jamaica Center, NY; The Bronx, NY; Englewood, NJ; Rutland, VT; Carlisle, PA; Garden City, NY; White Plains, NY; Cranford, NJ; Elizabeth, NJ; Bayonne, NJ and Maplewood, NJ
- Managing SIDs in Teaneck, NJ, and Bayonne, NJ
- A study for the mayor's office on how to get more developer's interested in projects in New York City's outer borough downtowns
- Business recruitment programs in: Jamaica Center, NY; The Bronx, NY; Englewood, NJ; Teaneck, NJ; Cranford, NJ, and Bayonne, NJ.
- Redevelopment public relations campaigns in Englewood, NJ; Jamaica Center, NY and Bayonne, NJ
- Niche marketing campaigns in: Rutland, VT; Englewood, NJ; Teaneck, NJ; Elizabeth, NJ; and Bayonne, NJ
- Façade improvement programs in Teaneck, NJ and Bayonne, NJ designed to increase the participation of existing businesses.

Mr. Milder has numerous articles in such publications as Urban Land, Main Street News and the Downtown Idea Exchange as well as chapters in books published by the American Planning Association and the International Downtown Association. His book, Niche Strategies for Downtown Revitalization was published by the Downtown Research and Development Center.

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## CHAPTER II

### NETWORKING: THE PRIMARY TOOL OF DOWNTOWN BUSINESS RECRUITMENT

#### A. Your Personal Network

Who do you know? and what will they do for you? How you answer these two questions defines your personal network. Everyone's career -- wherever they work, be it in business, government or even academia -- is strongly structured by their personal network. This, of course, includes everyone involved in downtown recruitment programs -- a fact too often overlooked when such programs are designed and staffed.

Personal networks are dynamic: their extent and potency are very situational and will vary over time. The extent of your network is determined by the people who are in it and the organizations they belong to. The potency of your network is defined by its power, i.e., the ability of the people in your network to get things done, to make things happen.

How the person responsible for operating a downtown business recruitment program acts immediately impacts on their power. Political scientists will tell you that the use of power is often analogous to investing money: the wise use of your power will give you even more power; inept power investments will decrease the balance in your power bank account. For example, if you are able to help a landlord to get a quality tenant to sign a lease, not only will that landlord probably want to work again with you, but other downtown landlords probably will then become interested in your services. Similarly, if you can develop a reputation for facilitating façade improvement projects, while thereby showing downtown landlords that you are a capable person and serious player within city hall, it will be much easier for you to interest these landlords in your business recruitment services. Conversely, the power of the "downtown recruiter" will be seriously diminished if he or she has dropped the ball on a landlord's attempt to get municipal approvals for a façade improvement project or failed to deliver on a promise to land a specific tenant prospect. This is one of the reasons that it is often dangerous for downtown organizations to load their business recruitment functions on the shoulders of inexperienced personnel.

The advantage of a network is that your power is augmented by the powers of the other people in it -- you don't have to know everything or do everything. Knowledgeable, well-educated people, such as lawyers, real estate brokers, architects, consultants, etc., have a lot of potential power because of their ability to get things done -- and who they know, i.e., the members of their personal networks. Even more powerful are the key decision-makers within influential local organizations such as the municipal government, local banks, large local

corporations and real estate companies with large local holdings; the decisions they make will have enormous impacts on a downtown business recruitment program. Quality tenant prospects also wield an enormous amount of power: they have what your recruitment program wants and is tasked to get.

You can extend your network by meeting people and developing relationships with them. When you add a person to your network you also link the members of their personal networks to yours.

While good interpersonal skills can help create and cement the relationships between you and the members of your network, these relationships are fundamentally “instrumental” in nature, based on mutual self-interest -- i.e., you help me and I help you. Influential people will be more interested in establishing a relationship with you if:

- Your organization is influential
- You have credible and useful professional skills
- You have a good set of interpersonal skills
- You have a strong personal network.

With time and experience, these relationships may become stronger when an “affective” or friendship dimension is alloyed to them.

Before trying to add someone to your network, it is a very good idea to scope out what precisely you (including your network) and/or your organization have to offer them -- and what, realistically, you want from them.

Sometimes it is possible to “hire” a person who will help you extend your network. For example, one very large BID in New York City hired a well-known and respected real estate broker who had very strong contacts with major retail chains. This broker helped introduce the BID’s staff to the “locators” of many retail chains. Other downtown development organizations have hired consultants to help attract serious developers to their redevelopment sites.

As we saw in Chapter I, there are different types of downtown business recruitment programs and they will vary in the degree to which they engage in the component areas of the business recruitment function. Consequently, the type of personal networks that an adept downtown business recruiter will need to have will vary according to the type of recruitment program he or she is implementing. Nevertheless, the personal networks of the Deal-Makers and the persons managing Table Setting and Targeted Programs will be most congruent with their program’s tasking if they include:

- Landlords or their representatives
- Tenant prospects, commercial real estate brokers and developers
- Key people at City Hall.

The remainder of this chapter is aimed at helping the aspiring downtown business recruiter identify the people they should try to include in their personal networks and recommends ways of finding, meeting and cultivating them.

## **B. Landlords.**

Property owners are essential participants in the deal-making phase of the downtown business recruitment process -- without them commercial space deals cannot be made! No serious recruitment program can walk away from the need to develop working relationships with downtown property owners.

Yet, in the experience of this author, many small and medium-sized downtown organizations have boards that are dominated by merchants -- and this happens even in states where the BID/SID enabling legislation requires property owners to be members of their boards of directors. Too often the largest and most important property owners are not even on the board of directors of the downtown organization.

Furthermore, field experience indicates that many of the managers of small and medium-sized downtown organizations have negative mindsets about local landlords, based on one or more of the following perceptions:

- *They're Lone Wolves:* Landlords are uncooperative, don't want to participate in the organization and prefer to act independently
- *They're irrational:* Landlords don't act in an economically rational manner. They demand unreasonable rents, rent to low-quality or marginal merchants, refuse to properly maintain their properties, subdivide their spaces to the point that they have destroyed its ability to attract a good tenant, etc. It is hard for the downtown organization to form working relationships with such irrational and irascible characters
- *They're Absentees:* The landlords live in another town and perhaps are even retired and live in a far away state. It's hard enough just to communicate with them, never mind trying to work with them.

The truth is that most property owners in small and medium-sized downtowns are not real estate professionals and some are indeed lone wolves, irrational and/or absentees. However, in some downtowns, such as Red Bank, NJ, the property owners have been the driving force for change and very active on the downtown organization's board. Furthermore, in most downtowns, there usually are at least a few property owners who are committed to attracting quality tenants<sup>13</sup> and willing to take the steps needed to sign them. Sometimes, the owners are even real estate investment trusts or other types of corporations with large real estate holdings. With the right approach, a downtown business recruitment program can get landlords to work with it, even in an ownership environment filled with such a varied cast of characters.

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<sup>13</sup> But not always, not 100% of the time.

1. The Performance Leadership Response. It is critical that the downtown organization recognizes these realities and establishes relationships with potential performance leaders among the landlords:

- Your organization has limited resources in terms of staff and money. Even if it wanted to, it probably could not spend the staff time and money needed to cultivate all of the downtown property owners in a limited period of time, e.g., a year
- There usually are, at any point in time, only a few commercial spaces in your downtown that either already have the characteristics required to attract quality tenants or that can be renovated at a reasonable cost into Class-A space. Spending a lot of time and effort on attracting quality tenant prospects and then showing them inferior spaces can only waste your organization's scarce resources and corrode the reputation of your recruitment program. These disappointed tenant prospects are likely to perceive your program as amateurish and not return your future calls. In their eyes you have committed a serious crime: you have wasted their valuable time. Such incidents also have a way of being communicated to their colleagues in the profession. This can be devastating for a new recruitment program
- Though there may be thousands of potential retail and office tenant prospects, at any point in time, there are usually just a handful that are really likely to find that your downtown has the array of locational characteristics they are looking for
- Consequently, it is operationally prudent for a recruitment program to identify the most marketable spaces in the downtown -- as seen by these real tenant prospects -- and to focus its relationship building efforts on the landlords who own them. These landlords can be your recruitment program's *performance leaders* -- *they lead by doing*. Such leaders set examples for other downtown landlords through their recruitment activities -- which should include working with the downtown organization's recruitment program. The successes of such performance leaders can be leveraged into greater landlord interest and participation in your recruitment program
- In effect, this is saying that a recruitment program should not waste the downtown organization's scarce resources on inferior spaces that have little probability of attracting a quality tenant
- The quality spaces may currently be occupied. Just remember that their leases will expire, possibly within a year or two or three. Such time can be wisely used to establish and cultivate relationships with these key property owners. With absentee owners, this time can be a blessing, if it is used effectively to establish a relationship. The expiration dates of the leases for your downtown's quality spaces set an important parameter for your downtown recruitment program's operations and what can be expected from them
- If you don't have quality spaces, then a determination has to be made whether it is worthwhile to help market inferior spaces. Today, with

downtowns reclaiming stature as business locations, these secondary commercial spaces are often filled by independent small firms. Many of them will be marginal operations that may not be desirable in the long-term -- but, it is unlikely that most of them will be around in the long-term. Meanwhile, they might serve as “placeholders,” occupying the spaces and providing landlords with income. In such situations, the downtown organization has to decide what extra value its recruitment program could bring to the situation and whether scarce funds might be better spent on a different program

- “Value spaces” can be strong growth assets and worthy of a marketing effort by a downtown business recruitment program. Value spaces, for retail or office uses, provide a combination of space in decent condition, acceptable rents, access to small pipe broadband telecommunications and good geographic location that many promising small and medium-sized firms find appealing. Value spaces can help build strong niches such as antiques and small-pipe “cyberdistricts” tenanted with small firms in knowledge-based industries
- Some downtowns will have high vacancy rates because of a decayed building stock and unattractive environment. In such instances, the downtown organization must ask whether scarce funds would be best spent on business recruitment efforts or on planning and stimulating critically needed physical improvements
- If the landlord of a key property that has significant quality or “value” commercial space lives out-of-town, then common sense demands a visit from the downtown recruiter. The potential benefits entered into an informal cost/benefit analysis will justify a surprising dollar investment. Is it worth \$500, \$700 or even \$1,000 to get a key absentee landlord on board? Absolutely yes!
- The costs of such a trip normally can be held to a reasonable level. Often they can be done in one day and require limited dollars for food and lodging. Sometimes you can piggyback visiting an absentee landlord onto another trip -- e.g., visiting a “snowbird” landlord who lives in Miami when attending an IDA conference in South Beach<sup>14</sup>
- The performance leadership approach puts the focus on getting something done -- actually bringing new businesses downtown -- and prevents the recruitment program from getting mired down just in the wooing of local landlords.

2. Meeting Landlords. Simply put, to have relationships with landlords, you have to meet with them and get to know them. It’s not going to happen unless the staff of the business recruitment program is proactive in this regard.

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<sup>14</sup> Attitude is important here. If there is an assumption that visiting the absentee landlord can not be done, it won’t happen. If there a real attempt to see how it can be made to happen, then it usually will occur.

Having landlords on the board of your downtown development organization can provide a good starting point for networking with downtown landlords, especially if they own Class-A properties and are forward thinking. If landlords are not on your board, thought should be given to remedying this situation.

Inviting downtown landlords to a group meeting can also be an efficient and effective way to meet landlords. In both Teaneck and Englewood, NJ, such meetings drew a high percentage of the landlords. In both instances the staff members of the downtown organization were able to introduce themselves and to present details of their recruitment efforts. Most importantly, they were able to meet, face-to-face, many key landlords. But the real payoff of the meetings was that it facilitated individual follow-up meetings, where some real and detailed work could be accomplished.

Individual meetings and telephone conversations are where relationships with landlords are built and the downtown business recruiter has to make them happen. Nothing substitutes for picking up the phone, calling landlords and asking to meet with them.

If they are out -of- town, then the recruiter should make a trip and visit them.

3. Developing Trust And Confidence. A downtown recruitment program's ability to get landlords to work with it depends on the ability of the recruiters to win their trust and confidence.

It is always easier to add recruitment to a well established working relationship with a landlord than it is to initiate a new relationship. Consequently, the first places to look for potential performance leaders for your recruitment program are among the:

- Landlords on the board of directors of the downtown organization who have attractive commercial spaces
- Landlords who have benefited from and liked other programs and services provided by the downtown organization such as security, street sanitation, façade improvements, consumer marketing and promotions, etc.

Of course, when the programs and services of a downtown organization anger or annoy local property owners, it will be very hard to get them to participate in a recruitment program. For example, one SID in a medium-sized city in New Jersey made itself responsible for enforcing the municipal code on signage and façade improvements. After a few years there was a noticeable improvement in the downtown's appearance, but some of the important landlords would not work with the SID to recruit quality new businesses because they viewed the SID as a cop.

Even if landlords have not directly benefited from the downtown organization's programs, the downtown recruiter usually can get a meeting with a landlord if the

downtown organization has established a strong reputation for operating successful programs.

The reputation, experience and personality of the business recruitment staff also are critical factors in developing a solid network with downtown landlords. Persons with successful track records for attracting quality tenants, obviously will have an easier time in getting a hearing from landlords.

Of course, success leads to more success. When a business recruitment program can show that it has helped a landlord or two reel in quality tenants, many other landlords will be willing to participate in the program.

4. There Are Different Types Of Landlords With Different Sets Of Needs. A downtown recruiter also will have a better chance of winning the trust and confidence of key landlords if he or she can display both an understanding of a landlord's needs and knowledge of relevant aspects of the real estate business. There are likely to be different types of landlords in a downtown and each will have different needs that the business recruiter must respond to. The discussion below will focus on two types that business recruiters will most likely find in small and medium-sized downtowns.

Small, non-professional owners typically want to quickly get a tenant that is willing to pay the rent they are demanding and are not that concerned about the quality of the tenant's business operations. Their primary occupation is normally not real estate. This type of owner has no professional realtor on their payroll and often dislikes working with a broker -- they generally don't like spending any money to get a tenant. They have no network of contacts with retail or office site selectors. They typically make the availability of their commercial spaces known through signs on their properties and perhaps newspaper advertising. Their recruitment efforts are reactive and not targeted. They don't go looking for quality tenants, often because they don't have quality commercial spaces to lease or sell. They are just plain lucky if a quality tenant comes to their door.

However, when they have quality or "value" commercial spaces, these are the landlords that could benefit most from the services offered by all types of recruitment programs. The prevalence, importance and power of such owners usually varies inversely to the size of the downtown.

The key to helping these small landlords recruit quality tenants is to make it easy for them to do so. Small businessmen often lack the professional skills to identify, court and sign quality tenants and also often lack the resources or inclination to acquire those skills.

The author learned about the importance of making things easy for small business operators back around 1990 while doing a study on why small manufacturing firms were leaving New York City for locations in NJ, PA and

beyond. From telephone interviews and a survey of newspaper and magazine articles, it appeared that the main reason these firms moved away was that economic development organizations in the other states had approached them with locations that met their space needs, offered financial incentives and, most importantly, provided a plan that made the move easy to do. The busy owners of these small firms -- they were usually expanding -- did not have much time to look into finding a new business location. Nor did they have real estate professionals working for them who could help. The out-of-state economic development organizations stepped in, providing easy and attractive answers to the space problems of these small manufacturing firms. That's why they moved. If New York City's economic development agency had made it easy for these firms to move to new plants within the city, many would have stayed.

Here are some things a recruitment program can offer that might make it easier for these small unprofessional landlords to sign quality tenants:

- Providing accurate information on market-rate rents, nearby tenant mixes and competitive spaces
- Introducing them to relevant tenant prospects who come to the downtown organization looking for commercial spaces
- Providing them with marketing materials that sell the whole downtown as a business location, thus enabling these landlords to make a better pitch to tenant prospects
- Listing their available spaces on the downtown organization's website at little or no cost. For examples of such listings visit the website of the Rutland Partnership or the Downtown Albany Improvement District
- Preparing a marketing package and pitching their spaces to the people networked with the downtown organization's recruitment program who make decisions about leasing or buying retail and office spaces
- Help their tenants get through the municipality's permissions and approvals process
- Providing linkages to any relevant public sector programs offering financial incentives and helping them with the paperwork.
- Information about the types of quality tenants other landlords are signing.

Larger and more professional landlords also want to get a tenant quickly, but they are more likely than the smaller landlords to:

- Be concerned about getting a quality, credit-worthy tenant
- Know and use commercial real estate brokers
- Spend some money to market their commercial spaces
- Have more accurate information on market rents and competitive spaces
- Have some links with the people who make decisions about leasing or buying retail and office spaces.

Because they are canner, these landlords are likelier to appreciate and properly use PR materials that market the downtown as a business location. They are

also more likely to be interested in meeting competent commercial brokers who can help fill the gaps in their own networks of retail and office tenant prospects.

While the more substantial landlords may be fairly adept at finding tenants, they, too, will have limits on their network contacts with tenant prospects, so they often appreciate downtown organizations that can provide *real assistance* in this regard. Furthermore, tenant recruitment can be an expensive venture. Some of the big landlords and developers have started to look for opportunities to cost share their business recruitment activities. For example, Downtown Works, the downtown consulting subsidiary of the big mall developer, Kravco Company, now publicly avers that it prefers to be active in Central Business Districts where the downtown organization can provide substantial help with recruiting tenants to its projects.

A downtown recruitment program can make itself useful to the larger and more professional landlords by:

- Providing a strong and effective marketing campaign focusing on the advantages of the downtown as a business location
- Supplementing their contacts with strong commercial brokers
- Supplementing their direct contacts with desirable tenant prospects
- Helping their tenants get through the municipality's permissions and approvals process
- Providing linkages to public sector programs offering financial incentives.

It is critical that whatever the downtown recruitment program does, it must be done with a degree of professionalism that meets the expectations of these landlords.

### **C. Commercial Brokers, Developers and Tenant Prospects**

While attracting new quality tenants is the ultimate goal of a business recruitment program, developers and savvy commercial real estate brokers can be so instrumental in helping a downtown business recruiter establish strategic linkages to important tenant prospects that it is best to discuss them all together. Discussing them together also demonstrates how important it is for downtown recruiters to develop strong support teams that will serve as the cores of their networks.

1. Networked Commercial Brokers. Savvy, well-networked commercial brokers can be real treasures for any recruitment program.<sup>15</sup> For example, the impressive revitalizations of the downtowns in Englewood and Westfield, NJ, were strongly impacted by the work of two commercial real estate firms, Greco & Associates and Relocation Realty.

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<sup>15</sup> Admittedly, they sometimes also are real pains in the butt.

Brokers earn their livings from commissions on the deals they make. Consequently, they are strongly motivated to make deals. For most recruitment programs, this poses no problem as long as these brokers are bringing in quality tenants. However, targeted recruitment programs may find themselves in conflict with some of the savvy brokers -- the brokers want to make a deal, any good deal, as quickly as possible, while the targeted recruiter only wants deals that involve targeted tenants. With professionalism on both sides, these conflicts usually can be worked out with the understanding that the broker will earnestly try for some mutually agreed upon period of time to attract the type of tenants the targeted program wants; after the specified time period, the broker is free to make the best deal he or she can deliver.

A very important lesson for any business recruitment newbie to learn is that all real estate brokers are not functionally equal.

First, you want to work with commercial brokers, i.e., people who specialize in commercial, not residential properties. Moreover, not all commercial brokers are equal: avoid the "passive reactors," the ones who -- though they may put a sign out in front of the property or even place an ad in the local newspaper -- basically wait for tenant prospects to walk in. They have few contacts that they reach out to and many don't even know where or how to start looking for tenant prospects.

If you are from a relatively small town, look for commercial brokers who have successfully found quality tenants for spaces similar to the ones you want to market. This probably will require a search of the surrounding region. The search can involve:

- Reading articles in local newspapers
- Reading articles in the regional weekly, monthly or quarterly publication that focuses on real estate. They can provide a lot of useful information. Some examples: the New York Real Estate Journal, which covers New York City, Long Island, the Hudson Valley and other parts of upstate New York, and the NJPA Real Estate Journal, which covers New Jersey and Pennsylvania
- Asking your local brokers to find out the names of the key real estate publications in your area. Or go to your local library or a large newsstand in your regional commercial center and peruse their racks
- Contacting capable downtown revitalization officials in other downtowns in your region
- Contacting competent landlords and residential brokers who you know and trust
- Driving around your region, identifying similar spaces and finding out which broker was involved in their leasing.

Recruiters in downtowns of all sizes will want to look for local commercial brokers who have successfully signed significant national and/or regional retail chains or corporate office tenants. They usually have a network of contacts with relevant

business location decision-makers. Their networks are never comprehensive, so they may or may not have links to the types of tenant prospects that you want. But they probably have their feet in doors that you don't. If they don't have the direct personal contacts you are looking for, they may be able to refer you to another broker who does or to give you good advice about how you can achieve your objective. Again, for recruitment programs in smaller communities, this probably will require a search of the surrounding region. See above.

Increasingly, many of these well-connected commercial brokers are being hired by retail chains to find new business locations. For example, Michael Antkies Real Estate, based in Danbury, CT, a few years ago represented in NY, NJ, CT, and MA the following retailers: Starbucks, Grow Biz, John Harvard's Brew House, Old Country Buffet, Once Upon a Child, TSI Soccer, Houlihan's, Boston Billiards, Chico's, Whole Foods Market, Party City, Olympia Sports, Bally's Health & Fitness, Computer Renaissance, Silver Diner, Score Kaplan, Play It Again Sports, Lakeshore Learning, Ground Round, and Tinalley Grill.<sup>16</sup> There are many similar firms across the nation and they have different rosters of retail clients. Obviously, linkages to such commercial brokers are essential assets for downtown recruitment programs.

One of the best ways of identifying well-connected retail brokers is through the International Council of Shopping Centers (ICSC),<sup>17</sup> since most of them belong to that organization. The ICSC has many national and regional meetings, including numerous deal-making meetings, where shopping mall developers and owners, retail brokers and representatives of retail chains come together to match tenant prospects with retail spaces. In recent years, the ICSC has made a strong effort to bring municipalities and downtown organizations into its membership. Many cities and downtown organizations now attended these meetings. At the 2004 national convention in Las Vegas, over 30 of them set up booths to offer retail spaces and development opportunities.

The largest<sup>18</sup> of these meetings is the annual convention in Las Vegas, but other meetings in 2004, for example, were scheduled in: Tulsa; Los Angeles; Chicago; Atlanta; Hollywood, FL; New York City; Boston; San Antonio, etc. The ICSC also has Alliance programs where local chapters work with other local organizations. For example, Downtown New Jersey is involved in an ICSC Alliance program. These meetings provide networking and some deal-making opportunities. Sometimes they also produce directories of attendees that provide valuable contact information. A typical downtown organization can join ICSC for \$100/yr.<sup>19</sup>

Here are some other ways to identify and/or meet these "locator" retail brokers:

- Review articles and ads in real estate publications

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<sup>16</sup> [http://www.property.com/broker\\_guide/brokers00/eastern\\_states.htm](http://www.property.com/broker_guide/brokers00/eastern_states.htm)

<sup>17</sup> Visit [www.icsc.org](http://www.icsc.org) to find out more about this organization.

<sup>18</sup> In 2004, about 40,000 people attended the ICSC's annual convention in Las Vegas.

<sup>19</sup> In 2005.

- Find out the names of the brokers who helped tenant new shopping centers in your region
- Obtain referrals from developers and large landlords
- Obtain referrals from downtown recruiters in other communities in your region
- Obtain referrals from other commercial brokers.

While it is very unlikely that small and medium-sized downtowns can attract large corporate office installations, it sometimes can be useful to network with the large commercial brokers (e.g., Cushman & Wakefield, Grubb Ellis) and consulting companies who specialize in finding large amounts of office space for big corporate clients (e.g., The Wadley-Donovan Group). Sometimes the large brokerage firms will have a specialist in finding smaller office spaces for corporate clients.

These consulting and commercial brokerage firms may be different faces of the same firm. One way to identify these brokers and consultants is through CoreNet Global, "the world's premier association for corporate real estate and related professionals."<sup>20</sup> It, too, has state and local chapters and it is at their functions that a business recruiter from a small or medium-sized downtown is likely to have productive networking experiences -- getting contacts with brokers who do deal in district and regional offices of major national corporations. Other sources of information about these office space specialists are the same as listed above for finding information about the savvy retail commercial brokers.

Smart, well-connected commercial brokers are serious players in the real estate game. They are busy, often bright and very task oriented. They want:

- To make money
- To make big deals rather than small ones
- To make easy deals rather than hard ones
- To get the deal done as quickly as possible
- To deal with professionals
- Not to have their time wasted.

It is extremely important that the downtown recruiter be professional with these important commercial brokers:

- Don't bring them second-rate spaces, landlords who don't like paying commissions, deals where they can't make a reasonable commission, etc.
- Give them the information they need, packaged short and sweet<sup>21</sup>
- While these folks are normally very busy, they also are schmoozers -- after they get to know and trust you. Your budget should include some money to take them to lunch or dinner. Taking them to a major league

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<sup>20</sup> You can find out more about this organization at its website: [www.corenetglobal.org](http://www.corenetglobal.org)

<sup>21</sup> See Chapter III on marketing

baseball, football or basketball game can also be effective. So can arranging a game of golf at your local country club.

Where your downtown is located along the normal revitalization arc will have a strong impact on your ability to interest these savvy brokers. They are very unlikely to be interested in your downtown if it is still dominated by decay, with few quality commercial spaces and in need of a lot of new infrastructure improvements -- unless you are working them to be the broker for a huge "turn around" project. Some of them will be interested in downtowns at the midpoint of the arc, where the downtown appears well on the road to revitalization -- a key here is to get them to believe that the downtown is definitely on the right track. All of them are interested in downtowns that have successfully revitalized -- in these instances you don't have to work hard to get them, but then you probably don't even need a recruitment program.

2. Developers. In a large number of downtowns, business recruitment requires the redevelopment of key properties.<sup>22</sup> One reason for this trend is that so many downtowns lack the Class-A commercial spaces demanded by desirable retail and office tenants. A second is that developers are now more interested in doing downtown projects than at any other time since the end of WW II.

A capable developer, who is experienced in large commercial and mixed-use projects, typically has a network of contacts, direct and indirect, with the types of tenant prospects the firm normally tries to cultivate and sign. For example, a mall development company will have employees who:

- Either personally know people in retail chains who look for new store locations or know how to identify them and get to know them
- Know and work with commercial real estate brokers who are well-networked with retail chains.

Similarly, a developer specializing in large office projects will have a staff with contacts in the departments of large corporations where decisions about leasing new office spaces are made and/or to commercial brokers who have such contacts.

Developers are also important because successful real estate projects of significant size can immediately legitimize the downtown as a business location and heighten the marketability of nearby existing commercial spaces.

Developers can solve two important problems that many downtowns face at the same time: providing Class-A commercial space and attracting new quality businesses.

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<sup>22</sup> Too often downtown organizations are in denial about the need to develop new commercial space, but still engage in vainglorious recruitment efforts. The overlap of recruitment and redevelopment functions can also have important internal organizational impacts.

Many developers are also owners -- they not only build, but they keep and maintain what they build. They consequently often become important stakeholders in a downtown, with a vested interest in seeing new quality tenants locating in other downtown properties. As a result, some of these developers will help a downtown recruiter network with savvy commercial brokers and key tenant prospects. For example, in Englewood, NJ, The Real Estate Company (Treeco), a developer headquartered in the town, not only built several important downtown commercial projects, but it helped the city's redevelopment team meet other developers and savvy commercial brokers. Sometimes a local developer has allowed a downtown organization to use part of its booth at the ICSC's national convention.

Developers differ from the normal landlord in that they are constantly looking for opportunities to build new commercial spaces. Their interest in your downtown will be a function of:

- The number of potential development sites in your downtown
- Their knowledge of these sites
- The potential scale and value of the projects they believe they can put on those sites
- The money they believe they can make from a project(s) in your downtown
- Their belief that they can get control of one or more of those sites within a reasonable time period and at a reasonable cost
- The amount of money they already have invested in your community.

Developers will be interested in working with a downtown organization to the degree that it can provide accurate and succinct information about potential development sites, including:

- The size, valuation and zoning of the properties
- Data on relevant retail and office markets, crime rates, traffic counts, nearby parking facilities, etc.
- Information on an array of quality of life issues.

More importantly, developers will also be drawn to downtown organizations that can help them gain control of potential development sites --- or provide access to and influence with city officials who have legal authority over development sites.

Successful developers heavily leverage their investments, so "front-end" costs can be a critical variable for them. A downtown organization that can help developers keep their front-end costs down will be considered an effective and valuable partner.

It is often easier to develop a relationship with local developers who live or work in your community than with developers from other towns, but the "outsiders" may be more capable and better networked with tenant prospects. In Livingston, NJ, for example, Jacobs Enterprises, Inc. and Eastman Management, both

owned and managed by local residents, partnered the development of a major downtown project (under construction at the time of writing) that will create a major pedestrian node featuring trophy retailers and restaurants.

To identify and meet capable developers:

- Review articles and ads in real estate publications
- Find out the names of the developers of new retail, office and mixed-use buildings in your region's downtowns
- Obtain referrals from large landlords
- Obtain referrals from downtown recruiters in other communities in your region
- Obtain referrals from commercial brokers
- Join the ICSC. Many of the developers who do retail projects belong to this organization. In the past two years, for example, the author met six developers at the ICSC Las Vegas meetings and brought four of them to visit various potential development sites in Bayonne, NJ, including one in the downtown. From these visits we got confirmation about the basic soundness of our planned project. While all four passed on our project, they did tell us about other developers to contact, who were indeed interested. That's the value of networking!
- Join the Urban Land Institute. This is the developers' national organization and one of the best around. It has state and local chapters and you can obtain the names of their members. For more information visit their website: [www.uli.org](http://www.uli.org). Full membership is comparatively expensive for most small and medium-sized downtown organizations, but associate memberships are more affordable. I have found the developers at ULI conferences to be very helpful. For example, at a session on developing movie theaters, the author asked about chains that might be interested in operating a theater featuring independent movies in Bayonne, NJ. After the session, a prominent developer from Ft. Worth, TX, came over and recommended a chain he had worked with that, while based in the west, he believed was very interested in obtaining East Coast locations.

Another mechanism for meeting and cultivating developers is to hold an investment conference, where developers are invited to tour redevelopment sites in your downtown and possibly elsewhere in your community.<sup>23</sup> Such conferences run by the Charlotte Chamber of Commerce (NC) and the Englewood Economic Development Corporation resulted in significantly increased developer and major corporate interest in these two cities and a number of new development projects. Getting developers to attend such conferences is dependent on where you are on the revitalization arc. If you are just beginning, you will have a tough time getting them to show up -- unless you offer them the opportunity for a large "turnaround" project. If you are midway on

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<sup>23</sup> You might also want to invite savvy commercial brokers, well-networked consultants, bankers, the media, etc., to the Investment Conference.

the arc and your city has a good reputation as a place to do business, then they will come.

### 3. Independent Retail Tenant Prospects: Dregs, Satisficers and Strivers.

In every downtown, most of the retail tenants are small independent operators. These business people are a mixed breed. One might legitimately wish that some of them would disappear, since they sell low quality merchandise, have dirty stores, cluttered windows, bad sales policies, and usually have marginal financial viability. These business operators are the “retail dregs.”

Others run a decent operation and squeeze out an acceptable living. Unfortunately, they are usually “satisficers.” Satisficers are satisfied with things that are good enough. They can be contrasted with maximisers, who seek the biggest, or with optimizers, who seek the best. Satisficers, behind all their typical merchant complaints, are doing okay financially and won’t put in the extra time and effort required to make more money. Satisficers are not interested in growth and often are the root of a whole syndrome of downtown problems, such as poor marketing, weak merchandising, marginal customer service, and downtown manager burnouts.<sup>24</sup>

The satisficer’s perspective is exemplified by the owner of an apparel store in an urban shopping district in New York City. He refused to participate in a BID advertising program because it would bring in too many customers, and he then would need more space! Similarly, the owner of a restaurant in a suburban downtown in New Jersey also refused to advertise, for fear that it would bring in more customers, which would mean she would have to grow and possibly lose direct control of her operation.

In strong downtowns you can be sure to find some popular, vibrant and unique independent retailers. These are usually run by “strivers.” Strivers are independent merchants who are intent on increasing or maximizing their sales and incomes, building a very successful store, or creating a chain. They are consequently more likely to have quality merchandise, be strong marketers and merchandisers, and provide good customer service. Many immigrant entrepreneurs and merchants are strivers.

Recruiting strivers requires a lot of time and effort to research good merchants in other locations and interview them and those who have worked with them. This kind of recruitment is harder than recruiting retail chains, and ultimately more important, because it’s the quality independents who give a downtown its distinctiveness, charm and competitive edge.

In the normal course of events, the recruitment of small independent retailers is demand driven -- the tenant prospect just walks in the door of a landlord,

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<sup>24</sup> This analysis is taken from my article “Downtown retailers shouldn’t settle for good enough,” in the July 2003 issue of [Downtown Idea Exchange](#) ,

commercial broker or downtown organization. The statistical probabilities are that most of these tenant prospects will be retail dregs and satisficers, while only a few will be strivers.

If the recruitment goal of the downtown organization is to lower the vacancy rate, then the primary recruitment concern is simply to have a constant flow of tenant prospects without regard to the proportions of retail dregs, satisficers and strivers. If the actual flow of tenant prospects is acceptable, then there really is no need for a downtown recruitment program. If the flow is low, then there can be debate about whether a downtown recruitment program is a good use of scarce resources. On one hand, it might fill vacancies; on the other it might fill the vacancies with less than desirable operations that just further demean the downtown's image and frighten away quality retailers -- good retailers look to see who is coming into a downtown and when they see a trend of poor quality stores, they look somewhere else to locate their stores. Shops filled with bad retailers are worse than vacancies.

When it comes to independent retailers, most downtown business recruitment programs don't want to fill vacancies with dregs. They definitely prefer having tenants who are strivers, though they would settle for a decent satisficer. For these recruitment programs, the operational issues are:

- How do you tell a striver from a satisficer? -- the dregs are obvious
- How do you find strivers?
- How do you woo strivers?

A satisficer can operate a successful, popular and attractive retail store, but is not entrepreneurial or interested in growth, improvement or change.<sup>25</sup> Satisficers, consequently are less likely to want to open a new shop in another downtown. Strivers are usually a subset of the independent retailers who have successful, popular and attractive stores. The major differences between a striver and a satisficer are attitudinal and managerial and thus can not be detected by simply visiting a store. Consequently, to differentiate these types of retailers you must talk directly to the retailers themselves.

One tactic for attracting strivers is to try to market to them through the appropriate media, such as stories and "infomercials" in the print media, the downtown organization's website and local TV stations. More about this in the chapter below on marketing.

Another tactic is an outreach effort that identifies and woos strivers. To find strivers, you first must find a pool of quality independent retailers who run successful, popular and attractive retail stores. If you are running a targeted recruitment program, then this pool also must be sifted to find operators in your targeted groups. To find independent retailers for this pool:

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<sup>25</sup> In such instances, the owner is often the son or daughter of the person who founded the store.

- Write down the names of quality retail stores that you know within a 15 to 45 minute drive of your downtown. If the retailer is less than 15 minutes away, there is a potential problem of cannibalizing the existing store; if the retailer is more than 45 minutes away there are likely command and control issues until they learn how to scale up
- However, with restaurants, look first for strivers who are either already downtown or nearby. Sometimes thriving restaurant owners will open another restaurant nearby, using another concept
- Ask your board members and the strivers already in your downtown to make similar lists
- If you are targeting restaurants, look at ratings by Zagat's and the AAA and ExxonMobil tour guides
- Ask your friends in downtown organizations within your target geographic area if they have any striver retailers who want to "chain;" it's a smart move to offer reciprocal information
- Make a list of the downtowns within a 15 to 45 minute drive and go visit them. On these trips shop the stores and talk to customers. Be sure to visit the stores recommended by your board members and your own strivers.

Then you have to talk to the business operators, selling them on your downtown and evaluating them at the same time.

- It is best to make this approach in person or by phone
- Do not send a "recruitment package" first; it is liable to end up, unopened, in the "circular file"
- Bring the recruitment package with you, so it is there if it is needed. Have at the ready a good press clipping about your downtown's revitalization -- if there is one-- and a one page opportunity statement
- Your minimal objective in the initial meeting is to pique the prospect's interest in your downtown, so that you can really sell him or her on it later in the conversation or in another meeting
- You will probably face time constraints, so be prepared to make your case succinctly, politely and with some charm
- You can probably get more time and a more favorably predisposed prospect, if you can get an introduction from someone he or she likes and respects
- Don't try to interest the prospect in a specific space until there is an expressed interest in your downtown and you know how much space will be required. Expect that prospects will not know how much space they need
- If the prospect is interested, try to tease out his growth plans and find out about his marketing and customer service efforts.

Here is one example of how such a recruitment effort might unfold. A few years ago, DANTH, Inc. was hired by the Elizabeth Development Company to formulate a recruitment strategy for renovated historic railroad station. A

restaurant appeared to be a logical and feasible use. From field visits, it was known that downtown Englewood had a number of good restaurants. With introductions by Peter Beronio, then Englewood's Director of Community Services, it was possible to talk to two of the owners. One came and toured the site in Midtown Elizabeth and gave it very careful consideration, returning several times to look at it with his investment partner. Although he decided not to lease the property, DANTH established a good relationship with him, so he can be contacted when other opportunities arise. DANTH also generated a contact list that combined names from Zagat's and a list provided by the New Jersey Restaurant Association and sent out letters. After more interviews, it was determined that a local Elizabeth restaurant owner, who was already familiar with the local market, would be the likeliest to sign a lease and DANTH recommended some names. A lease was signed with one of these local operators, who had a very strong business and was eager to expand. This operator understood the site's unique market opportunities. The fact that he could do the "prep" work at his original location allowed him to have more seating capacity than an "outside" operator would have had -- and more financial viability.

A combination of both the PR and outreach tactics can really be effective -- the media stories arouse the necessary curiosity and interest that then can be expanded and tailored during the visits.

4. National And Regional Retail Chains. For many recruitment programs, the Holy Grail is getting reputable national and regional retail chains to open stores in their downtowns.

A good public relations effort that features positive stories demonstrating that your downtown's revitalization is well underway and that also names other retail chains who are coming in can grab the interest of retail chains or the commercial brokers who work for them -- if the key decision-makers in the chain or the brokers who work for them frequently visit your area or live or work there. A retail chain headquartered in Columbus, OH, is unlikely to know about an article in the Star Ledger, a regional paper, about downtown revitalization in Cranford, NJ.

Given that there are thousands and thousands of retail chains, using a brute force, shot-gun outreach effort will be prohibitively expensive, even considering just the costs of recruitment packages and postage, never mind staff time and other costs. Consequently, it is essential that recruitment programs, especially those in small and medium-sized downtowns, have some way of paring the number of retailers to contact down to an affordable and manageable size.

For this task, a downtown economic revitalization strategy that designates the type of retailers that are most likely to succeed in your downtown and are most likely to be attracted to it can be very useful. It's one of the advantages of a targeted recruitment program.

If such a strategy is not available, then visits to comparable downtowns can be useful. Below is a list of national and regional chains found in Jamaica Center, in New York City, in October 2002. If these chains were there it was likely that they were in other downtowns with similar demographics and commercial spaces. This was indeed the case: many of the retailers listed below were found on Fulton Mall in Brooklyn and Fordham Road in The Bronx. Some of this information can be obtained from CDs, from firms such as InfoUSA,<sup>26</sup> that have lists of businesses and their addresses. Some of this information also is available on the web from the same companies that produce the CDs.



**Figure 1**

Many retail chains have “preferred cotenants,” i.e., other retail chains that they like to be close to. For example, The Gymboree Corp. likes to cotenant with Ann Taylor, Pottery Barn, Banana Republic, Talbot's, Coldwater Creek and Williams Sonoma.<sup>27</sup> If your downtown already has some chains, then finding out who their preferred cotenants are can give you strong hints about who else to try to recruit. The Dealmakers, a retail real estate publication, is one source of information on preferred cotenants, but most of the information on them probably will have to come from web searches and field visits to other commercial centers.

<sup>26</sup> For more information about this company visit [www.infousa.net](http://www.infousa.net)

<sup>27</sup> “Apparel Chains Expanding Nationwide,” The Dealmakers, June 11, 2004, p.1

Another way of narrowing the field is to find out from special databases which retail chains are looking for space in your vicinity. Retail Lease Trac<sup>28</sup> provides computer readable data by state on retailers who are looking for space, the amount of space they want, the demographics they like, the persons to contact and their contact information. Dealmakers also features chains that are looking for new locations.<sup>29</sup> The Retail Tenant Directory is another resource that claims to have information on 5,400 expanding retail chains and the types of spaces they like.<sup>30</sup>

If you have strong commercial brokers and developers on your team, they will be a source of recommendations about who else to recruit-- and they may help you reach them.

Many of the retail chains have booths at ICSC functions, but most do not. Nevertheless, attendance at the ICSC functions can lead to real contacts with a number of important retailers -- e.g., Starbucks, Wal-Mart, Dunkin Donuts, Game Stop, Quizno's, etc.

An investment conference can also attract representatives of retail chains.

The real estate executives in retail chains are very deal oriented and very busy. They are inundated with mail from landlords, brokers and development organizations. They are not tourists, so they don't want to come visit your downtown -- and they are not very interested in receiving PR pieces or newsletters that sell your downtown -- unless you have a suitable retail space for lease or sale. Then, they might read or listen to your pitch. Maybe. You still are competing for their attention with a lot of other recruitment packages and calls.

In the short-term, mailings and cold telephone calls can be expected to have a very low success rate. One might anticipate getting about a 3% to 5% response rate on recruitment packages mailed out cold to retail chains. Considering that the mailing may only be to about 35 carefully targeted retailers means that the pickings from a specific mailing can be pretty thin. Cold telephone calls are likely to have about the same success rate. Over time, however, the number of retail locators visiting might begin to add up and, after two or three years, it can be easier to attract their attention -- especially if you have an attractive downtown, quality commercial spaces and a reputable chain or two that recently opened up.

A network of personal contacts is a more direct and powerful approach. Having brokers or developers who can introduce you to the retailers you are interested in

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<sup>28</sup> Contact info: Phone: 706 864-9121, Toll Free: 866 758-4636 ,Fax: 706 864-0924, Email: [sales@rltrac.com](mailto:sales@rltrac.com)

<sup>29</sup> Contact info: P.O Box 2630, Mercerville, NJ 08690, voice 609-587-6200 fax 609-587-3511 e-mail [ted.kraus@dealmakers.net](mailto:ted.kraus@dealmakers.net)

<sup>30</sup> Contact info: <http://www.retailtenants.com> ;45 Danbury Road, Wilton, CT 06897 (203) 563-300

or who will help you network can get you to where no mailing or cold call can -- and faster.

# **ATLANTA BREAD COMPANY.**

BAKERY CAFE

**Areas of Expansion**

**Connecticut** **Massachusetts**

Atlanta Bread Company is a bakery café specializing in sandwiches, soups, salads, gourmet coffees and bakery sweets.

## **SITE CRITERIA**

**Real Estate:** Free-standing/Conversion  
Pad Site (Build to suit)  
End Cap  
In-Line - will consider only in "A" markets.

**Preferred Center:** Power Center  
Community  
Entertainment  
Life Style Centers

**Size:** 4,000 – 5,000 square feet

**Dimensions:** Minimum Width: 40 feet  
Minimum Depth: 60 feet  
Maximum Depth: 100 feet

**Parking:** 60 cars


**Preferred Co-Tenancies:** Theatre  
Super Bookstore  
Video  
Bed/Bath/Home Store  
Home Electronics/Computer Superstore  
Home Improvement Stores

**Access/Visibility:** Unobstructed visibility/Prominence to road  
Signalized access preferred  
Good ingress/egress

**Demographics:** Daytime Employment: 25,000 + people within 8 minutes  
Population: Minimum 45,000 people within 5 minutes  
Traffic Count: Minimum 25,000 VPD

**Other:** Room for placement of an approximately 500 square foot freezer/cooler attached to the exterior of the building

**Contact:** **Jeff Streett or Mark D'Addabbo**  
**860/529-9000**



**New England**  
Retail Properties, Inc.

1160 Silas Deane Highway, Wethersfield, Connecticut 06109  
Phone: (860) 529-9000 Fax: (860) 563-9667  
[www.newenglandretail.com](http://www.newenglandretail.com)

**Figure 2**

When the retail chains look at a potential new downtown store location, here are some of the factors they review:

- Is the space the size they want? Don't waste their time if it's not
- Is it in "vanilla box" condition? Chains want a space that they can move right into, that has low or no "build-out" costs or that offers a tenant build out work letter. That's what the malls offer. They are not interested in fixer-uppers!
- What other chains are in your downtown and how are they doing? Are other chains coming in? This is a biggie. If other chains are doing well, this fact can validate your downtown as a business location in the eyes of other chains
- What are the population densities? Pedestrian and auto traffic counts?

- What are the non-retail traffic generators?
- How much parking is there and where is it? As a rule of thumb, you'll need at least 2.5 spaces for every 1,000 s.f. of gross leaseable area you are offering. More is better. Much more is much better
- Is the rent commensurate with the customer traffic they would be able to tap at that location and the condition of the space they would rent? That's why a retailer might pay \$500/SF on East 57<sup>th</sup> Street in Manhattan and only \$20/SF at another location
- How safe is the area?
- What are the mass transit assets?

Many retail chains want landlords and their brokers to know their specific site selection criteria --see Figure 2 -- hoping such information will ease their work loads by reducing the number of offers of unsuitable spaces.

5. Small Office Tenant Prospects. Small and medium-sized downtowns can usually expect that most of their current and potential office tenants will be firms with local clients, probably within the county, that have relatively small space requirements. Such tenants tend to be in traditional downtown functions. Included in this group are firms in: finance and insurance (NAICS 5200), real estate (NAICS 5300), legal services (NAICS 5411), accounting (NAICS 5412), architecture and engineering (NAICS 5413), management consulting (NAICS 5416), advertising (NAICS 5418) market research (NAICS 5419), management of companies (NAICS 5500), and ambulatory health care services (NAICS 6211).<sup>31</sup>

The strongest assets of many medium-sized downtowns are derived from their historical development as county seats. Because of these assets, most county seats once were substantial office centers. In the post WW II era, county seats went into decline -- as did most downtowns. Today, many are again poised to be office centers that can attract significant numbers of SMEs,<sup>32</sup> especially those in the traditional downtown types of office functions described above.

The governmental functions of a county seat are magnets that constantly draw professionals, business people and county residents into the area. These functions thereby provide strong incentives for many types of businesses to locate nearby. Consequently, these government functions provide a development spine on which a well-rounded commercial center can be grown. Furthermore, while many downtown economic functions, e.g., retail stores and corporate headquarters, can be moved, county seat functions are much harder to relocate.

County seats typically have county, municipal and perhaps state and Federal offices. They are joined invariably by various courts and sometimes by

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<sup>31</sup> NAICS is a recently implemented industry coding system that is used by the U.S. Bureau of the Census. It supplanted the SIC system and is also used by all the governments in North America.

<sup>32</sup> Small and medium-sized enterprises.

independent agencies. On top of them many county seats also emerge as regional financial centers, with many banks, brokerage and real estate firms. Because of their central locations, county seats are often major transportation hubs and the sites of large hospitals.

Because doctors and lawyers like to be near the hospitals and courts in which they frequently must work, county seats also usually attract many offices of lawyers and doctors.<sup>33</sup> They in turn help attract other professionals such as accountants, auditors, and management consultants who are drawn by the proximity of government agencies, financial firms and the rest of the professional community.

Consequently, among the small and medium-sized downtowns, county seats stand out in their potential to be significant office centers.

If your program is trying to help fill 100,000 SF of office space, you need to recruit 20 tenants if they are each taking 5,000 SF, but only five tenants if they are each taking 20,000 SF. The cost of contacting and recruiting a business for a 5,000 SF space can be comparable to the cost of contacting and recruiting a firm for a 20,000 SF space. Experienced realtors know that filling a large space with a lot of small companies is likely to be a complicated, time-consuming and expensive task -- there are just so many more deals to make. That's why office developers usually must have a large anchor tenant for each of their projects before they put a spade in the ground. Consequently, when many small tenant prospects are involved, it is usually prudent and cost effective for a recruitment program to focus on marketing the downtown as a small-office location in the local media rather than undertaking a full blown outreach campaign.

Recent field observations indicate that the primary concerns of the traditional set of office users in small and medium-sized downtowns now are:

- Proximity to critical work venues --courts, government offices, hospitals-- and clients. Doctors, for example, often want their offices to be no more than a 10-minute walk or drive from the hospital they are affiliated with<sup>34</sup>
- A compact, multi-functional activity area, where one can easily walk from home to work, to restaurants, to boutiques, to coffee houses, to art galleries, to the movies, etc.
- On-street security, especially after dark and around parking and mass transit facilities. The lack of security is why office demand declined so precipitously in many of the old county seats. Without security, the compact, multi-functional activity area, which are based on strong pedestrian activity, cannot function

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<sup>33</sup> Doctors, for example, like to be within a ten-minute walk or drive from the hospital they are affiliated with. Consequently office spaces within a half-mile of a hospital usually attract a lot of doctors.

<sup>34</sup> The important thing here is the total time of the trip, portal to portal, not the transportation mode.

- Attractive downtown housing, perhaps even live-work buildings. A vibrant cyberdistrict, for example, emerged in the Over The Rhine neighborhood outside of downtown Cincinnati because it had such an attractive stock of old, affordable housing that could be renovated and the installation of a fiber cable around the area
- Reasonable prices and “value” spaces
- Adequate, proximate, safe and reasonably priced parking
- Rail access is an increasingly appreciated locational feature of suburban downtowns in large metropolitan areas
- Availability of broadband telecommunications. Large fiber communications pipes are not required. High speed DSL (including T1 lines), cable, and T3 lines will satisfy most needs.

These traditional downtown office users are usually “stuck” in the region because that is where most of the customers or clients are and where the owners and managers live. Their key locational choice is where to locate their offices within that region. Consequently, factors such as energy costs, labor pool and airport access, which tend to not have much variation among sites within the same county, are not likely to have much sway. But, factors associated with convenience, amenities, costs and security will.

These are the “buttons” to push if you want to attract these office tenant prospects to your downtown. Stories in the local media showing how your downtown scores high on these factors can be very cost effective. Many downtown organizations have on staff people who are adept at placing stories with the local media. When this is the case, the cost of the PR can be negligible, while the value of the media coverage can be enormous.

The lawyers, doctors, accountants and others in professional services who already have offices in your community are folks who probably are very familiar with your downtown. They can be a wonderful megaphone within the community and an effective word-of-mouth campaigns among them can help rent downtown office spaces. This can be done without incurring great expense:

- A good way to cultivate good word-of-mouth is by going to numerous professional, church and civic group meetings and plugging your downtown as an office location and highlighting your available office spaces
- In particular, establish relationships with such groups as the county medical society and bar association
- Strong consideration should be given to advertising in their publications Presentations to local chambers of commerce, Rotary and Lions groups can also be cost effective
- Creating PowerPoint presentations and distributing them on CDs<sup>35</sup> also can be cost-effective if used correctly (see Chapter III).

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<sup>35</sup> CD in this monograph is used as an acronym for compact disks.

For a more formal outreach effort, you can find the names, addresses and telephone numbers of firms in these categories on the CD business databases mentioned above. This database information can be used for mailings and telephone canvassing which can identify the firms that are looking for space and the types of spaces they want.

Canvassing is a very effective way of identifying “hot” tenant prospects for office space. For example, a few years ago DANTH canvassed by phone over 1,800 small firms with offices in Midtown Manhattan and completed 627 interviews. About 110 of the firms were going to move within the next two years and 41 were judged to be good immediate tenant prospects for our client. DANTH identified other firms that should be targeted by the client’s long-term campaign to cultivate tenant prospects. The canvassing can obtain the following types of information:

Firm 9101: Currently occupies 16,000 SF and has 60 employees; now pays between \$16 and \$25/sf; most concerned about the cost of new space and mass transit access; willing to relocate to Queens County; the CEO and top managers live in Queens, Nassau and Suffolk Counties; firm has many computer terminals and needs good electrical lines. On the seven key locational questions, had six positive answers.

However, the costs of canvassing can be a big drawback. For instance, to contact 1,500 firms in the New York Metropolitan Region with the expectation of completing 500 interviews might cost over \$15,000. This might produce a “qualified” prospect list of 50 to 100 firms.

Pushing The “Quality Of Life” Button. For an increasing number of small and medium-sized downtowns, modern telecommunications combined with attractive quality of life conditions (especially a good housing stock) has given them another desirable segment of the office market that they can capture: knowledge workers.

Richard Florida has developed a theory that emphasizes the importance of “quality-of-place” in attracting high tech employees.<sup>36</sup> He has concluded that our past view that technology workers follow technology jobs has the relationship backwards. The workers have highly desired skills and can pick where they want to live. They go to an area where they can get a job, with some additional opportunity if that job doesn’t work out, but they primarily pick the community because they want to live there. Seeing that cluster of workers, other companies with more jobs follow the workers to the location. More workers come because they like the place, more jobs follow, etc. As Florida has written:

“Quality-of-place - particularly natural, recreational, and lifestyle amenities – is absolutely vital in attracting knowledge workers and in supporting leading-edge high technology firms and industries.

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<sup>36</sup> I thank Mark Waterhouse of Garnet Consulting Services, Inc for this write-up of Florida’s views.

Knowledge workers essentially balance economic opportunity and lifestyle in selecting a place to live and work. Thus, quality-of-place factors are as important as traditional economic factors such as jobs and career opportunity in attracting knowledge workers in high technology fields. Given that they have a wealth of job opportunities, knowledge workers have the ability to choose cities and regions that are attractive places to live as well as work."<sup>37</sup>

He has developed his Bohemian Index that rates communities based on presence of museums, art galleries, concert venues, the vibrancy of nightlife, clubs and nifty little restaurants, and other indices. His theory is that "Bohemianism" indicates a community that welcomes a diverse array of people, which is a category many of the techies fit into.

Knowledge workers are now being drawn to even small, out of the way communities -- if they have good quality of life and sufficient broadband access. Philip M. Burgess, the president of the Annapolis Institute, has coined the term "lone eagles" to denote those who are able to live far from their job sites or clients because of their use of computers, modems, fax machines and telephones. Others refer to this group as "open-collar workers."<sup>38</sup> While some of the "lone eagles" are still on corporate payrolls, others are "independent consultants, advisors and other professionals who sell their services to a variety of clients." Some also start firms that have more than one employee. Many of these free-lancers are the "victims of down-sizing, relayering and other forms of corporate re-engineering."<sup>39</sup>

Another defining feature of "lone eagles" is their concern for high-caliber, quality of life environments, and their utilization of computers and sophisticated communications devices which allows them to move to any geographic area that has the kind of living conditions they are looking for.

Several communities have developed into aeries for "lone eagles." Kotkin and Siegel refer to such communities as "Valhallas." Valhallas capitalize on the lone eagles' desire to maximize their quality of life, nostalgia for village or small-town values and easy access to modern telecommunications. As Kotkin and Siegal remark: "(N)ew technologies allow the ultimate in Valhallan fantasies—an engaged business and intellectual life combined with almost immediate access to top-flight recreation and even wilderness experience."<sup>40</sup>

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<sup>37</sup> Richard Florida, Competing in the Age of Talent: Quality of Place and the New Economy, January 2000, pp. 55, p.5. This report was prepared for the Mellon Foundation, Heinz Foundation and Sustainable Pittsburgh.

<sup>38</sup> See "Office Telecommuting Goes Long-Distance," The Washington Post, March 26, 1994.

<sup>39</sup> Philip M. Burgess, "Lone Eagles Are a Varied Species", The Rocky Mountain News, April 12, 1994.

<sup>40</sup> Kotkin and Siegal, p.21

Today's telecommunications and transportation have made many business functions far more "portable and brought rapid growth among a vast network of smaller, more remote communities, creating idyllic Valhallas capable of serving the expanding postindustrial economy. This odd mixture of high technology and a longing for a bygone time has created a boom market in a veritable archipelago of Valhallas from the rocky shores of Maine to the Rocky Mountains."<sup>41</sup>

Some Valhallas are starting to attract more than clusters of lone eagles. Jackson Hole, WY, for example, now is the headquarters location for two important financial-services firms, the Brandywine Fund and Data Broadcasting Corporation.

Access to adequate telecommunications is absolutely essential for the lone eagle denizens of Valhallas. Though their bandwidth needs are often relatively modest, capable of being met by Digital Subscriber Lines (DSL), cable broadband or satellite wireless, many rural communities will be unable to fill their needs, since only about 7% of the nation's rural communities now have any broadband access.<sup>42</sup>

If Florida is correct, then a sound strategy for recruiting knowledge workers --*and the firms that want to employ them* -- is to effectively market your community's quality of life and telecommunications assets. Particular assets to emphasize, if you have them, are

- An attractive housing stock, with a good cost/quality ratio
- Good schools
- Low crime
- Lots of attractive open space and waterfront
- Good restaurants
- Strong cultural facilities
- A network of Wi-Fi hotspots, easy access to cable and DSL broadband, and POP sites.<sup>43</sup>

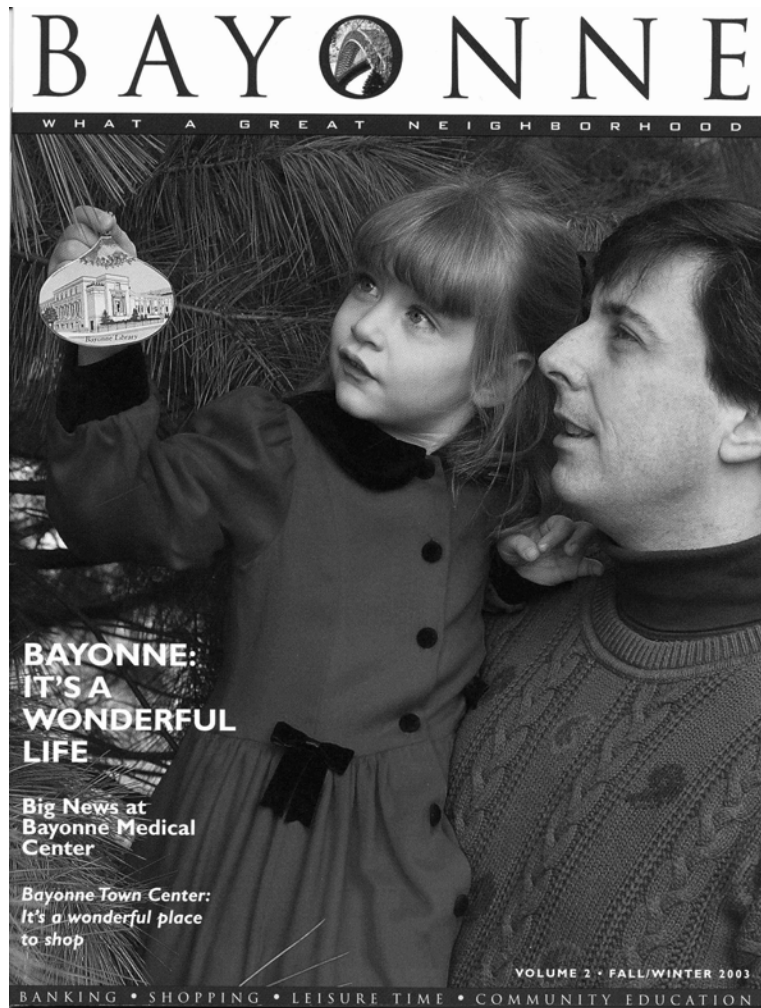
Many large and important downtown employers, such as a hospital or county government, often have a strong vested interest in seeing that the areas around their facilities are safe and economically vibrant. This often means having a lot of professional people with nearby offices. Consequently, there is the potential for a

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<sup>41</sup> *ibid.*, p. 20

<sup>42</sup> This situation may be changing with technological improvements such as distributing broadband through the electric power distribution system (known variously as B.P.L, for broadband over power lines, or as HomePlug) and the ability of wireless to cover far longer distances.

<sup>43</sup> POP (point of presence) sites allow access to big fiber telecommunications "pipes"



**Figure 3**

convergence of interests -- and efforts -- with those of the downtown recruitment program and the possibility of joint venturing some of the marketing efforts. Furthermore, the local chamber of commerce and city government are likely to want to promote the community's quality of life assets and they, too, might be brought into a marketing effort. Together, these entities constitute a quality of life coalition that can support a much bigger and more ambitious marketing campaign than the downtown recruitment program by itself could ever muster. By itself, the downtown program might be able to afford local coverage, but the quality-of-life coalition probably can finance a strong regional campaign.

A good example of such an effort has emerged in Bayonne, NJ, where the Bayonne Economic Development Corporation (BEDC), supported by the mayor's office, has provided funding for a new publication, *Bayonne: What A Great Neighborhood* (see Figure 3). This publication's initial two issues featured the city's quality of life assets, such as healthcare, educational opportunities, leisure

time activities, charming shopping areas and waterfront redevelopment in a 4-color, attractive and professionally designed format. It is distributed throughout Bayonne and in neighborhoods adjacent to the new Hudson Bergen Light Rail Line. While the BEDC provided the financial spine for this venture, additional funding came from the Bayonne Medical Center, Pamrapo Bank, the Bayonne Local Redevelopment Authority and the Bayonne Town Center Management Corporation.

The Bayonne Town Center (BTC), which manages a SID, had previously tried to reach the same audience with its own publications. However, the BTC's participation in the joint venture allowed it to reach the same households, but with a more attractive publication, at much lower cost and none of the financial exposure and organizational stress that can be attached to producing such ventures on your own.

6. Corporate Office Tenant Prospects. Downtowns in small and medium-sized communities have little or no chance of attracting a large corporate headquarters or significant back office operations. They typically lack an existing office building that could accommodate a large headquarters or sites where they can be easily constructed. Many back offices<sup>44</sup> are going offshore or to parts of the USA where there is a hard-to-find population of highly educated, hardworking and modestly paid white collar workers, such as in North Dakota and Nebraska. Small and medium-sized suburban communities continue to attract large amounts of office growth, but to "green field" developments that are on the outskirts of these communities and not in their town centers -- there is now sprawl on the outskirts of these formerly sprawl communities!

Many small and medium-sized downtowns, especially if they are county seats, can be regional financial centers. Rutland, VT is an example. They can attract some significant corporate headquarters from *local or regional corporations* such as banks and utilities. In Rutland, for example, the headquarters of Central Vermont Public Service is just at the edge of the downtown. Again, the lack of available large office spaces or development sites is a key limiting factor.

It is possible that the regional and district offices of large corporations might want to locate in these downtowns -- provided that there are appropriate spaces.

The decisions large corporations make about where to place their new offices are increasingly being determined by two interrelated factors: the size and quality of the local labor pool and the quality of life factors mentioned earlier. This is not surprising, given their interrelationship as observed by Richard Florida. They are

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<sup>44</sup> Traditionally, most back office operations have been generated by corporations in the FIRE industries (finance, insurance and real estate) and by large government agencies such as the Social Security Administration, the IRS, etc. Major US corporations now have back office operations in such places as India, Ireland and the West Indies. Call centers only account for a small proportion of the total office space occupied by back office operations.

looking for employees that will increase productivity and lower costs, people who are well-educated, with a strong work ethic and modest salary demands. They also are increasingly concerned -- especially when highly skilled people are involved -- that their employees have the sorts of environment they want to live in. Attractive housing, good schools and low crime in your community are musts. Appealing open spaces and cultural amenities can be clinchers. The downtown also must have good quality of life features -- safety, attractive appearance, a compact multi-functional activity area, and attractive downtown housing.

One of their favorite sources of information on quality of life is The Places Rated Almanac, published periodically by John Wiley & Sons. It is a good idea to see where your area rates nationally. One expert claims that if your area is in the top 10 percent, your business recruitment efforts will be like a hot knife going through butter; conversely, if you are in the bottom 10 percent, you'll have an impossible row to hoe.

Getting access to the people who make locational decisions in a Fortune 500 company can be much more difficult than getting access to an executive with similar responsibilities in a local or regional corporation -- especially if you are geographically distant from a major corporate headquarters center such as New York City, Chicago, Los Angeles, Washington, DC and Silicon Valley. Though networking is advised in both cases, your local team of savvy commercial brokers, developers and friendly revitalization officials is not likely to be too helpful with the really big corporations. They will require a more sophisticated kind of networking and support materials that are more complicated and expensive.

There is a very significant difference in the initial outreaches to large corporations and to small and medium sized companies. Large corporations are often sent recruitment packages that have, for example, comparatively elaborate and expensive "brochures," that at times resemble small four color magazines. Some consultants refer to them derisively as "Tomes." They can cost well over \$70,000. Tomes can weigh quite a bit and their postage costs consequently can be significant. CDs containing professionally prepared PowerPoint presentations are sometimes also included. Consequently, most downtown development corporations in small and medium-sized cities can not afford them. Some large downtown organizations also hire firms who specialize in offering site selection services to large corporations, to provide introductions and prepare their pitches. Most downtown development corporations in small and medium-sized cities also can not afford to hire them. For an inexperienced business recruiter, trying to pitch a major corporation can be very daunting.

Outside of the major corporate headquarters centers it is hard for modestly funded recruitment programs to mount effective media marketing campaigns. While the offices of the corporate real estate executives are distributed nationally:

- The recruitment program's personal contacts with people in the media are usually just with local people
- Budgets usually are large enough to support ads and "infomercials" in local media.

One possible way around this is to find specialized print publications that might have national distributions, but affordable ad costs. If, for example, you are interested in high tech corporations in the electronics field, then you might want to place an ad in one of the IEEE's many publications. You might also want to exhibit at one of its meetings.<sup>45</sup>

Another possibility is to partner with state and regional agencies and utility companies that have larger marketing budgets, making sure that the downtown and its available properties are included in these larger marketing efforts.

If you are in a major corporate headquarters area, then getting access and being able to pitch your site to the big boys is much more possible. Besides using your existing network of contacts, you might also try to network with some prestigious nonprofit organizations who are active in the community and economic development area and that have important corporate executives on their boards of directors. For example, the Greater Jamaica Development Corporation since its birth in the late 1960's, has had close ties with Regional Plan Association (RPA). The board of RPA has traditionally had an illustrious list of CEOs from some of the nation's largest companies that are based in the NY-NJ-CT metropolitan region. Greater Jamaica's board contains a list of business luminaries that is quite unusual for a development corporation in an outer borough commercial center. This is due, to a significant degree, to its RPA parentage and the networking opportunities it provided.

With the big corporate tenant prospects, it is wise for the downtown organization to actively bring in the municipal government early in the recruitment campaign. The corporate executives are bound to raise a host of issues that only municipal decision-makers can address, so it's best to have them in the dialogue from the beginning. Being able to talk directly to the mayor often convinces corporate real estate executives -- and their bosses -- that the town really wants their company and is prepared to take the necessary steps.

Another reason for involving the municipality is that it might provide additional funding for a recruitment campaign aimed at such trophy tenants.

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<sup>45</sup> The IEEE (Eye-triple-E) is a non-profit, technical professional association of more than 360,000 individual members in approximately 175 countries. The full name is the Institute of Electrical and Electronics Engineers, Inc., although the organization is most popularly known and referred to by the letters I-E-E-E.

## D. Contacts at City Hall.

A business is “recruited” when it moves into a downtown commercial space and opens its doors. Between the time that the landlord and the tenant prospect begin negotiations and the time that the doors of the new business open, there will be countless instances when the participation of municipal officials will be essential. Consequently, they must be considered as *de facto* and absolutely essential participants and partners in any downtown business recruitment program.

In terms of the actual deal-making, municipal participation can provide all kinds of investment incentives that are conducive to closing the deal. These can include: direct grants, low-cost loans, land write-downs, help in site assembly, infrastructure improvements, access to parking, job training, help with finding workers and the use of sophisticated financing techniques such as tax increment financing. Some of these might be provided directly by the municipality. Others may be available through state or Federal programs, but it is highly probable that the municipality will have a pivotal role in accessing such programs.

The downtown recruiter must know about and be able to bring these government provided incentives to the table.

After the deal is done and the lease or sales agreement is signed, much still remains to be done -- there is the gauntlet of the municipality’s permissions and approvals process that the new business must traverse. The importance of this element of the recruitment process cannot be underestimated. For example, some years ago the mayor’s office of New York City asked the Regional Plan Association to find out what could be done to make developers more interested in undertaking projects in the city’s outer borough downtowns. The study found that the key barrier was not markets, financing or sites, but the city’s Urban Land Use Review Process (ULURP). One developer reportedly lost well over \$10 million in front-end costs trying to get a project started in one of those downtowns.

To help new businesses through this process the downtown recruiter might want good working relationships with officials in the planning, zoning, buildings, health, parking, transportation, fire, and police departments. These are not always easy to establish because the natural proclivity of bureaucracies is to be bureaucratic, i.e., acting slowly and rigorously adhering to rules and regulations, while the downtown recruiter is mandated to make things happen in a quick, yet reasoned manner. This situation can result in serious tensions. Usually the cutting of the “red tape” requires the direct intervention of the mayor or city manager. Their intervention, in turn, requires that they be both aware of the problem and committed to helping the recruitment process be successful.

In recognition of the importance of reducing the “red tape” that all too often surrounds a municipality’s approvals and permissions process, many towns and cities have instituted “one-stop” or “green tape” programs. When these programs emerge, they are almost always pushed or blessed by the jurisdiction’s chief executive officer. In many instances, such as in Millburn, NJ, the idea for them has come from the downtown organization.

In Providence, RI, for example, developers can now get approvals for their projects’ fire alarm inspections and fire code plan reviews by going to just one office instead of two. According to Mayor David Cicilline, “In the past developers and contractors had to go to two different locations to have the same plans approved by the fire code and alarm inspectors.” The mayor directed the fire department to find ways of streamlining the permitting process without compromising public safety and that is what they did.<sup>46</sup>

In Maryland, the Montgomery County Department of Permitting Services instituted a “green-tape” program to expedite the land-use and building permit processes in business districts, such as downtown Silver Springs, that have been designated by the state as Enterprise Zones. Each applicant is assigned a “Green Tape permit technician” who helps with the various filing requirements, regulatory reviews and inspections, including pre-design consultations and assessment inspections. As a result permits are now issued in a few days -- instead of the weeks and months of the past.<sup>47</sup>

Of course, downtown organizations must also be careful about their own involvement in this process. In Red Bank, NJ, for example, there is a gentlemen’s agreement by which the Planning and Zoning Department requires all people seeking permits to gain the approval of the RiverCenter SID’s Visual Improvement Committee (VIC) as part of the Borough’s approval process if they are making exterior changes. The VIC is committed to keeping the process moving. It meets every other week and promises quick turnaround time (it will even have special meetings to expedite projects) so as not to bog down the permitting process. Once the owner/operator gets VIC approval then they go back to the Borough and the official Borough process begins.

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<sup>46</sup> “‘One-stop shop’ for fire alarms” Downtown Idea Exchange, Vol. 51, No 12, June 15, 2004

<sup>47</sup> “Permit Process: Downtown permitting facilitated by ‘green tape’”, Downtown Idea Exchange, Vol. 51, No 11, June 1, 2004