

Downtowns & Vitality: Opportunities and Challenges

“A Strong Downtown is Critical for a Successful City and Region.”

— International Downtown Association

The International Downtown Association’s “The Value of U.S. Downtowns and Center Cities” project demonstrates the impacts and benefits that downtowns provide their broader communities. Revealing unparalleled contributions and advantages of downtown investment, the study investigates five principal areas—economy, inclusion, vibrancy, identity, and resilience—examining over 100 data points to evaluate the inherent value of U.S. downtowns.

49 urban place management organizations contributed, including the downtowns of Pittsburgh, Minneapolis, Grand Rapids, and Cleveland. From five years of data, a compelling narrative emerges. These downtowns, though limited in physical size, emerge as epicenters of value, diversity, efficiency, inclusivity, and resilience. They are vital drivers in their respective cities and regions, positioning them to spearhead citywide recovery. Investing in downtowns brings significant benefits to the broader city and region.

Five Pillars of Downtowns*

Economy: Downtowns deliver an outsized economic impact. Despite being just 3% of citywide land, they account for an average of 22% of citywide property tax revenue, 39% of hotel tax revenue, 11% of sales tax revenue, and contain 25% of total employment.

Inclusion: Downtowns are inclusive urban hubs. They draw in and greet residents, workers, and visitors, offering employment, accommodation, vital services, cultural activities, entertainment, and engagement in community events. On average, studied downtown residents are diverse, with 46% being non-white, 18% foreign-born, and 46% aged between 18-34.

Vibrancy: With higher density and an expansive user base, downtowns can support vibrant retail, infrastructure, and institutions that provide mutually reinforcing regional benefits. Studied downtowns witnessed 50% residential growth between 2000-2021, compared to a citywide average of 15%. Studied downtowns on average account for 11% of all citywide retail sales, 35% of all hotel rooms, and generate over 5 times more retail, food, and beverage sales per square mile than an average square mile citywide.

Identity: Downtowns are rooted in cultural heritage, shaping regional identity through historical landmarks, arts, recreational activities, entertainment, and civic engagement opportunities. Defining the region’s brand, downtowns enhance living standards, drawing in businesses, investments, tourists, and locals. Studied downtowns boast 23 venues for live performances, 11 museums, 75 pieces of public art, and 140 preserved historic buildings on average.

Resilience: Studied downtowns rank higher in Walk, Transit, and Bike Scores than their cities, offering mixed-use environments with better mobility options and resilience against shocks. The high density, mixed-use nature of downtowns offers inherent strengths against economic and environmental setbacks.

“An engaging downtown creates the critical mass of activity that supports retail and restaurants, brings people together in social settings, makes streets feel safe, and encourages people to live and work downtown because of the extensive amenities.”

— International Downtown Association

Challenges and Opportunities

Future of Work: “The pandemic accelerated the need to rethink the real estate that is concentrated in downtowns. As much as a quarter of traditional office space that exists today may never be used in the same way again. Office buildings will need to invest in new amenities, [or] convert to alternative uses.”¹

Retail & Small Business Support: “Unprecedented changes in retail have created serious challenges for downtowns. Merchants face threats to their economic vitality from multiple sources, including online retailers, big-box stores, and subscription home-delivery services. Urban place management organizations can support downtown retailers by providing them with or connecting them to grants, financial stimulus, outreach and marketing efforts, and training.”²

Public Health & Safety: “Several public health trends related to mental health, gun violence, and the opioid crisis were accelerated by the pandemic and will become increasingly impactful in 2023 and beyond . . . The challenges downtowns face from these trends are two-fold: in addition to the real health and safety impacts, many downtowns struggle with the perception that they are unsafe, unclean, and uncomfortable.”³

Sustainability: “The urgency of reinvesting in our city centers and growing in more compact ways has never been higher, as urban sprawl accelerates climate change . . . the next few years will see an increased focus on green infrastructure and smaller, more dispersed greenspaces.”⁴ Furthermore, “The Pandemic clearly showed the value of well-connected, walkable urban districts . . . As a result, UPMOs [BIDs] are prioritizing pedestrian improvements [and] multimodal infrastructure.”⁵

Liveability: “Residential development remains a strong market opportunity for most downtowns, but downtowns need to look and feel like places residents want to be . . . focus on creating a variety of amenities that support a complete neighborhood.”⁶

Putting it Together: Sample BID Initiatives

Future of Work:

Downtown Action Plan, DowntownDC — [View](#)
 Welcome to O2: Outdoor Office, Rosslyn BID — [View](#)
 West Philadelphia Skills Initiative, University City District — [View](#)

Retail & Small Business Support:

Downtown BOOST (Black Owned and Operated Storefront Tenancy), Downtown Partnership of Baltimore — [View](#)
 (Ad)venture Capital Fund, Midtown Atlanta — [View](#)
 Pops and Kiosks Report, (Downtown Memphis, Downtown Norfolk, Downtown Denver, San Pedro) — [View](#)

Public Health & Safety:

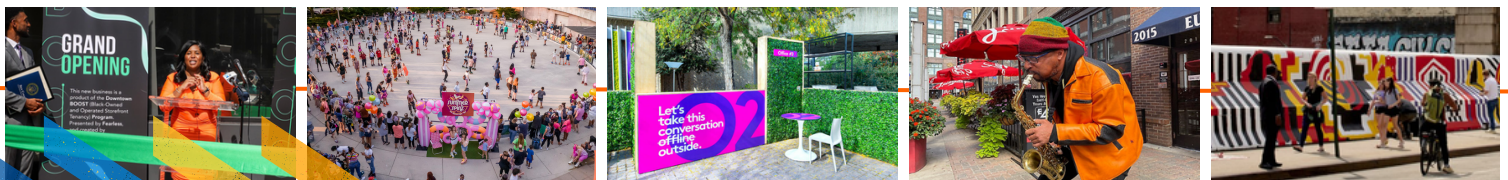
Serving our Unhoused Neighbors, DowntownDC — [View](#)
 Downtown Ambassadors, Downtown Grand Rapids — [View](#)

Sustainability:

NYC’s First Smartphone-enabled Public Compost Program, Alliance for Downtown New York — [View](#)
 Hudson Square Standard Tree Program, Hudson Square BID — [View](#)
 Rain Gardens, Golden Triangle BID — [View](#)

Liveability:

Streetscape Initiatives, Center City Philadelphia — [View](#)
 Downtown Busker Program, Downtown Cleveland — [View](#)
 Promoting the Role of Public Art and Artists in Enhancing Public Space, HYHK Alliance — [View](#)
 Innovative Public-Private Partnership Fosters Civic Life in City Hall’s Backyard, Milwaukee Downtown — [View](#)
 Age-Friendly Myrtle Avenue, Myrtle Avenue Brooklyn Partnership — [View](#)



¹ Progressive Urban Management Associates. (2023). “Top 10 Global Trends Report 2023.” pumaworldhq.com.
² International Downtown Association. (2020). “The Value of U.S. Downtowns and Center Cities” downtown.org.
³ Progressive Urban Management Associates. (n 1).
⁴ Ibid.
⁵ International Downtown Association. (2021). “Building on Recovery for Urban Place Management.” downtown.org.
⁶ Progressive Urban Management Associates. (n 1).