
Only two national “trend” retailer chain stores currently exist all along Virginia Street. A Dairy Queen exists on the north-east corner of Virginia and 6th streets and Mc Donald’s at Virginia Street near 5th Street. No major retailers exist that would qualify as a destination retail center helping attract new visitors and residents throughout the area back to the downtown to satisfy their retail shopping demands.

2. West Street

West Street, running north to south from Elm Street to W 1st Street, will soon be in the middle of new condominium projects recently announced in the City’s downtown redevelopment district. The Belvedere-Sundowner and the Riverwalk-Comstock condominium projects and the recently announced King’s Inn and Golden Phoenix condominium conversion projects could potentially bring many individuals with above-average per capita and disposable income levels back to the City’s urban-core.

Like Wisconsin Avenue N.W. in Washington D.C., West Street is discontinuous, ending at Interstate 80 to the North and W 1st Street to the South. Although West Street has seen modest improvement in its retail mix primarily in the block bordered by W 2nd Street to the North and W 1st Street to the South, much of West Street is characterized by convenience stores, weekly motels and underutilized surface parking lots.

Even the new retailers along West Street have been unable to fully merchandise and market their stores. West Street has unlimited potential but no clear identification of West Street from the rest of the City’s urban-core clearly exists.

3. West 4th Street and East 4th Street

West 4th Street and East 4th Street, divided by Virginia Street and running east to west from Vine Street to Evans Avenue, was once the City of Reno’s primary arterial for tourist and visitor traffic before the development of Interstate 80. Many of the now converted 28-day low income residential motels were once primarily used by tourists visiting Reno for the different recreational activities to be found.

Like the devastated commercial district surrounding the intersection of Charles Street and North Avenue in Baltimore, Maryland, the 4th Street corridor in the City’s downtown redevelopment district is now one of the City’s poorest and most crime-ridden neighborhoods.

Many of the historical commercial buildings, like the motels and motor lodges, are now fully depreciated and run-down and the existing retail and commercial mix is characterized primarily by liquor stores and convenience stores providing only the basic service retail needs for the surrounding low-density residential population.

Although new public developments along a portion of 4th Street close to Virginia Street, like the National Bowling Stadium, the Reno Events Center and the proposed Regional Transportation Commission's Multi-Model Center, have helped eliminate significant blighting conditions, the overall level of new retail development still remains low to non-existent.

Each of these three streets, Virginia, West and 4th streets, located within the City's downtown redevelopment district offer unique retail in-fill development opportunities to serve a growing downtown and area-wide residential population as well as a tourist and visitor base in need of additional rehabilitation.

ULI's "Ten Principles for Rebuilding Neighborhood Retail"

The "Ten Principles for Rebuilding Neighborhood Retail" developed by the Urban Land Institute is not a series linear steps that public entities like the Reno Redevelopment Agency can take in order to build new retail within historically depressed neighborhoods. Instead, the "ten principles" are a series of interconnected policy guidelines that public entities, like the Reno Redevelopment Agency, should follow when developing action plans for specific revitalization projects.

ULI's "ten principles" were developed by a team of developers, planners, designers, architects, market analysts, public sector representatives, non-profit specialists specializing in inner-city development concerns, public-private financial specialists and senior fellows and researchers from the Urban Land Institute.

After an extensive study of national urban retail trends and of the three modeled areas in Washington, D.C. and Baltimore, Maryland, the ULI neighborhood retail taskforce developed ten universal principles found to be applicable to almost any urban neighborhood struggling to rejuvenate its retail base. Those ten universal principles are:

1. Great Streets Need Great Champions
2. It Takes a Vision
3. Think Residential
4. Honor the Pedestrian
5. Parking is Power
6. Merchandise and Lease Proactively

-
7. Make it Happen
 8. Be Clean, Safe and Friendly
 9. Extend Day into Night
 10. Manage for Change

The remaining portion of this chapter is dedicated to examining each of the ten universal principles listed above, how each principal relates to each of the three targeted streets in the City's downtown redevelopment district, how far along the City is in realizing and adhering to each of the ten principles and what actions the City, the Redevelopment Agency and other interested parties can still take to effectively revitalize neighborhood retail along each of the three targeted streets: Virginia, West and 4th streets.

Great Streets Need Great Champions

The first of the ten principles refers to the need for individual stakeholders to take ownership of new retail revitalization projects within an urban-core like the City's redevelopment district.

A "champion" can be an individual or a group, like a business improvement district (BID), corporation or partnership of businesses, a community development group, a financial institution or a neighborhood anchor like a hospital or a university. The "champion", be it a group, an individual, a public entity or any combination of the three, should help pull together a core of individual stakeholders to form a private-public partnership to help guide redevelopment and retail in-fill development.

As individual stakeholders are identified, the stakeholders help make the redevelopment and retail in-fill project possible by assembling land, demolishing aging and obsolescent structures, providing the necessary funding to overcome the "financing gap" that exists in most urban retail in-fill development projects, and help provide basic support to, and recruitment of, new retailers that would occupy the planned catalytic retail in-fill development project.

The Reno Redevelopment Agency, which can coordinate and rally individual stakeholders, also should consider devoting financial resources to different retail development efforts within the urban-core.

Virginia, West and 4th streets all have unique problems that make it exceedingly difficult to rally individual stakeholders. The unique problems range from the number of individual stakeholders to the number of individual property and parcel owners to the cost of land acquisition, demolition, environmental concerns and to the actual cost of construction.

Virginia Street

Development of the east side of Virginia Street, running from Interstate 80 to the north to the Truckee River to the south, has been slow and difficult. Most of this area is already developed and the individual parcels located in the Virginia Street retail corridor are owned by several different, competing owners.

The presence of individual property owners all along the east side of Virginia Street makes land assembly for a master developer project increasingly difficult. Many of the property owners in this area of the City's current redevelopment district have high profit businesses primarily because their individual costs are relatively low. Pawn shops, weekly motels, liquor stores and convenience stores maybe a fairly profitable venture for the individual property owner, but in-terms of attracting additional visitors to the City's urban-core, the current mix of retailers simply dose not generate the "gravity" to achieve this.

To overcome this issue, the Redevelopment Agency must make it profitable for existing retailers and property owners to sell their property. This can be done through creative owner participation rules that allow current property owners to share in the increased economic activity that a catalytic retail project could generate.

West Street

Unfortunately, there are few individual stakeholders along the interested area of West Street. However, new condominium projects all along West Street, from the Riverwalk-Comstock, Belvedere-Sundowner to the recently announced Kings Inn and Golden Phoenix condominium conversion projects will soon introduce many new individual stakeholders into the West Street area.

The Redevelopment Agency must provide a means of identifying new strategies and opportunities for retailers and developers that previously may not have been interested in a retail development within the City's urban-core. The introduction of new residents all along West Street makes new mixed-used residential-retail developments increasingly feasible.

4th Street

As a key arterial between the neighborhood core and the entertainment core of the City's redevelopment district, 4th Street, running from the easterly boarder to the westerly boarder of the redevelopment district, is in a unique position to have a more balanced mix of both service and "trend" retail.

Despite the fact that 4th Street runs the entire width of the redevelopment district and is the only physical link between the neighborhood core and

the entertainment core, development of new retail in-fill has been slow to develop.

There are not enough current individual stakeholders present along 4th Street to make a significant retail-residential mixed-used in-fill development project successful. The stakeholders that do exist are not organized enough to develop sufficient interest to make such a mixed-use in-fill development feasible.

The Redevelopment Agency needs to actively engage the small amount of current stakeholders that do exist along each of the three targeted streets while attracting new stakeholders into the urban-core. Land assembly, demolition and abatement concerns act as current barriers to the entry of new stakeholders. The Redevelopment Agency can overcome these concerns but not without significant initial investment.

It Takes a Vision

The second of ten principles regarding the rebuilding of neighborhood retail challenges the neighborhoods champion and stakeholders to formulate a realistic, attainable and flexible vision for what type of retail development makes sense in the present and what type of retail development will make sense in the future.

A vision is more than just architectural renderings and individual stakeholders plotting on a map. Successful rehabilitation of urban neighborhood retail is long-term in nature and the champion is most often best suited to provide a strategic framework for imagining, analyzing, judging and implementing each step in the rehabilitation process.

The vision must also be fundamentally grounded in the market and economic realities of the neighborhood. Individual stakeholders will often pursue the project that best suits their individual needs, without considering the impact those plans may have on a wider community. The vision must ultimately conform to what is in the best interests of the community at large as well as the market and economic conditions present and realistically foreseen.

Developing a "vision" for retail projects within the City's urban-core is nothing new. Many of the current efforts of the Redevelopment Agency and individual stakeholders already present within the City's redevelopment district has already developed the vision for what future catalytic retail projects within the City's urban-core could potentially be. For example, the Parking Gallery, with its first floor retail, is starting to have spin-off benefits in the area of 1st and Sierra streets.

A project like this one, the Retail Study, is a first step in identifying the different market and economic conditions currently present as well as the

developing market and economic conditions that have begun to unfold. Current large-scale projects already announced within the City's urban-core have also already helped to form the vision for different catalytic retail projects in the redevelopment district.

Virginia Street

The build-out of the west side of Virginia Street with Circus Circus, the Silver Legacy and the Eldorado, and recent expansion of Harrah's and the recent acquisition of the Fitzgerald's has helped formulate what type of catalytic retail project makes sense for the east side of Virginia Street. Key stakeholders, namely the major downtown hotel and casino properties have helped develop the economic and market conditions that make sense for the east side of Virginia Street.

The development and successful completion of the National Bowling Stadium and the Reno Events Center and the announced plans for a Ballroom due west of the Reno Events Center also has helped formulate the economic and market conditions that will guide further visioning for a catalytic retail project along the east side of Virginia Street.

Because the east side of Virginia Street is surrounded by the area's largest concentration of tourism-based facilities, it would not make sense to only develop service-oriented retail all along Virginia Street. The current economic and market conditions of Virginia Street makes "trend" retail ideal for a catalytic retail in-fill development project where the focus is on the development and attraction of new retail that would primarily cater to tourists and visitors from outside the downtown.

The next step in this process will be the development of a specific retail "market-basket" that best fits the current trend in Reno tourism while enhancing current market and economic conditions. This "market-basket" is crucial to determine what types of facilities will be needed to attract these new retailers.

West Street

Like Virginia Street, many actions taken by the Redevelopment Agency have already helped form the basic market and economic conditions that determine what vision is appropriate for West Street.

As previously mentioned, West Street is quickly becoming a residential community. The former Comstock and Sundowner condominium conversion projects are already underway and plans have recently been announced for the condominium conversion of the Kings Inn and Golden Phoenix. For an urban residential neighborhood to be successful, the specific retail "market-basket" must be more oriented to service retail and less oriented to "trend" retail. Grocery stores, drug stores, dry cleaning,

video rental shops, home furnishing stores, household appliance stores and hardware stores are just some of the service retailers that will be needed to support the growing residential population along West Street.

Concurrently, “trend” retail should not be ignored. Some introduction of “trend” retailers will help draw additional consumers to West Street in order to create a neighborhood retail center that can draw from outside the immediate residential customer base.

4th Street

Much of 4th Street, especially to the west of Virginia Street, is in need of a vision. Although most of East 4th Street has already been planned for with uses ranging from the RTC’s new Multi-Model center to the Reno Events Center to the National Bowling Stadium to the proposed Ballroom, much of West 4th Street is still without a clear path and without a clear vision for its commercial and retail future.

Unlike West and Virginia Streets, where limited mixed-use development makes sense, a strong mixed-use development strategy makes the most sense for West 4th Street. Opportunities for University of Nevada, Reno student housing along West 4th Street exists as the University contends with a quickly growing population. First time home ownership, market-rate apartments for downtown casino workers and mid-range housing for employees at St. Mary’s Regional Medical Center and ground and above-ground office space all could add a unique flare to an otherwise stagnant West 4th Street.

The specific retail mix for West 4th Street will most likely consist of whatever “market-basket” makes sense given what private developers are willing to build. If residential development becomes a priority along West 4th Street, the specific retail mix will have to accommodate that development with more service oriented retail. However, if new office space is primarily developed, the retail mix must cater a working population that is only present in that neighborhood for a portion of the day.

In either case, the Redevelopment Agency must work closely with the existing stakeholders and potential new stakeholders to develop a cohesive vision for all of 4th Street, including the east of Virginia Street portion of 4th Street.

Think Residential

“Successful retail depends on successful residential neighborhoods.” This is especially true for urban neighborhoods and communities like the City’s downtown redevelopment district. A firmly entrenched residential population creates a sense of 24-hour activity unlike a predominantly

office or even predominantly retail and commercial area. A high density residential population creates a built-in retail customer base for neighborhood retailers. Although even the highest residential population won't satisfy the needs of a large scale catalytic retail development, it does provide a very important base for current and potential retailers.

Many retailers, especially service oriented retailers like grocery stores, pharmacies, dry cleaners and hardware stores, won't bother opening a store in a neighborhood that does not have a well developed and strong residential population. Trend retailers, like coffee shops, art galleries, restaurants and boutiques also prefer neighborhoods with a strong residential population level.

Mixed-use and mixed-income residential-retail developments are also prerequisites for a successful in-fill urban retail development project. High density San Francisco style town and row homes, condominiums and apartments should all be part of the residential development strategy for any urban neighborhood.

Currently, the City's downtown redevelopment district is becoming more residential. Existing market rate residential developments will highly balance affordable residential developments such as City Center Apartments, City Pavilion Apartments and the weekly/monthly motels that exist throughout the City's urban-core.

Virginia Street

Except for a few weekly motels, there exists no residential population along the east side of Virginia Street. New retail in-fill retail development along Virginia Street, despite the proximity to the entertainment centers like the downtown hotel and casino properties and the Reno Events Center and National Bowling Stadium, should incorporate some form of residential development.

Along Virginia Street, town and row homes do not make sense. The value of the property along Virginia Street is simply too valuable to build a row of one-story structures. However, some residential above new retail is possible. These residential units could be either on Virginia Street itself or on the Center Street side of the block.

It is unlikely that higher-income homeowners will be eager to move into a luxury condominium with a view facing the major downtown hotel and casino properties, having their condominium illuminated with neon lights. Residential-retail mixed-use units along Virginia Street is more likely to be more attractive to young college students more oriented towards an urban night-life. Affordable student housing and apartments mixed in with ground floor retail overlooking pedestrian oriented plazas would

seem to be an ideal mix, especially considering the proximity to the University of Nevada, Reno.

West Street

As mentioned several times earlier, West Street, like the Truckee River corridor, is quickly becoming a residential neighborhood. Even though single-story town and row home development may not be the best use of adjacent land on West Street, some effort on the Redevelopment Agency's behalf to attract a more diverse income mix should be undertaken.

West Street is a primary corridor between the Truckee River and St. Mary's Regional Medical Center. Mixed-income housing development above ground floor retail and/or office space is an ideal development strategy as St. Mary's continues to expand its facility. Housing along West Street should blend the lines between luxury condominium living and realistically priced housing units so employees of the adjacent casinos and St. Mary's Regional Medical Center can enjoy the conveniences of shopping, working and playing along a single street within the City's urban core.

West Street also is ideal for a strong mix of locally owned and operated retailers and nationally known trend retailers. Many residents of an urban-neighborhood tend to support local merchants in lieu of national chain retailers. The current mix of retailers along the southern end of West Street supports this trend and the Redevelopment Agency should continue to support this development.

4th Street

Because most of 4th Street does not have an established vision, the residential development of 4th Street has been slow to occur. This is unfortunate because of the large blocks adjacent to 4th Street boarded by 5th Street to the north, 3rd Street to the south, Ralston Street to the east and Washington Street to the west. These two blocks are ideal for a wide array of different housing development types.

Mid-rise apartments and first-time homeowner condominiums mixed in with San Francisco style town and row homes is an ideal residential mixed-used, mixed-income strategy for most of West 4th Street. In doing this, the redevelopment districts overall demographic mix will be expanded beyond young professionals, empty nesters and retirees currently expected to occupy the recently announced downtown housing projects. Married couples with children, married professionals or working class individuals with a diverse income level will expand the demographic residential base of the downtown if the right mix of housing is provided.

As the demographic base of the downtown redevelopment district expands so will the potential retail “market basket”. A more diverse mix of future retailers will be attracted back to the downtown as new demographic groups begin to live and work within the City’s redevelopment district. Stores that could not currently be supported in the downtown redevelopment district, like toy stores, hobby shops, sporting goods stores and bakeries are more oriented towards families. An influx of different demographics along the downtown 4th Street corridor will help attract different retailers that could not be supported by the current downtown demographic mix.

Because 4th Street is significantly longer than either West or Virginia streets, some effort should be given in centering retail on key blocks along 4th Street. Not all of 4th Street needs to be ground floor retail followed by above ground residential or office. Some reasonable portion of 4th Street on either side of Virginia Street could be developed into pocket parks to support a growing residential population. Other parts of 4th Street could also be developed into office space or just used for San Francisco style town or row homes to complement adjacent retail.

Honor the Pedestrian

The great urban retail centers throughout the United States are those that make it easy for shoppers to enjoy a day of strolling through a retail and commercial center. Wide sidewalks, well landscaped streets with complementary lighting are all components of enhancing a shopper’s urban retail experience.

Urban retailers in urban neighborhoods characterized by large surface parking lots abutting the street, narrow sidewalks, inappropriate building design and scale and large blank walls abutting the sidewalk and street have all proved unsustainable. In an urban environment, like the City’s downtown redevelopment district, it must be made easy for the potential shopper to park his or her car, walk a few blocks, complete whatever shopping they desire to and then leave or return home or even back to work.

In an urban environment, the worst thing a developer can do is build a big box store surrounded by a suburban type parking lot. Retail stores should be to scale with the adjacent street and densely packed so the pedestrian can walk only a few blocks and still visit a wide variety of different retailers.

The streets abutting the retail development should also be pedestrian oriented and convenient parking must be designed to enhance the pedestrian experience and not detract from it. Single lane, 25 to 35 miles per hour, pedestrian and landscaped islands and widened cross walks all allow pedestrians to easily move from one side of the street to another.

Although the Reno Redevelopment Agency has spent considerable effort along Sierra, Virginia and Center streets, much is still left to be accomplished. On Virginia, West and 4th streets, there are many surface parking lots between structures, no pedestrian and landscaped islands exist, cross walks are not marked adequately across many intersections and each of the three streets are still two-lane roads in each direction.

Virginia Street

Despite wide sidewalks, most of the east side of Virginia Street is largely not accommodating to pedestrians. Large surface parking lots are scattered throughout every block on Virginia Street from Interstate 80 to the Truckee River and most of the sidewalks, on either side of Virginia Street are in need of significant repair, replacement and improvement.

Although there has been some discussion regarding the narrowing of Virginia Street from Interstate 80 to the Truckee River, a catalytic destination retail development project along the eastern side of Virginia Street will require significant investment in narrowing Virginia Street to one lane in each direction. The pedestrian islands should be designed in a way as to allow pedestrians and visitors to easily and freely move between the major downtown hotel and casino properties and "trend" retailers along Virginia Street.

The parking garage located on the eastern side of Virginia Street across from the National Bowling Stadium is another impediment to pedestrian traffic along Virginia Street. The large parking structure interferes with large-scale pedestrian movement from Harrah's plaza up Virginia Street.

The ReTRAC project, designed to lower the Union Pacific railway lines below grade, is specifically designed to enhance pedestrian and automobile traffic mobility. Without having to wait for a train to pass, pedestrians and automobiles can easily move from one block to the next without a significant impediment like a train.

West Street

Like Virginia Street, West Street is also two lanes in each direction with little on-street parking and many large surface parking lots between structures.

Many of the sidewalks along West Street are too narrow to accommodate large scale pedestrian traffic and the remaining streetscaping is in desperate need of a significant overhaul. With the development of new residential condominium conversion projects, followed by the development of additional in-fill projects, many of the streetscaping issues will be handled by the developer allowing the City and the Redevelopment

Agency to focus on narrowing the street to one lane in each direction with improved pedestrian and landscaped islands to allow residents and visitors to easily move across West Street.

4th Street

All of 4th Street, like Virginia and West streets is two lanes in each direction without pedestrian friendly landscaped islands that would allow pedestrians to freely move across 4th Street from one side of the street to the other.

Enhanced mixed-use, mixed-income residential in-fill development along West 4th Street with a combination of condominium, apartment and San Francisco style town and row homes, would require most of West 4th Street to become a 25 mile per hour area. Additional amenities made to West 4th Street, to enhance the pedestrian experience, should include widening of the sidewalks on each side, enhanced street lighting and diagonal parking. Many consider Virginia Street to be the northern and southern gateway to the City's urban-core but few realize that 4th Street is the western gateway to the City's downtown. Street and sidewalk pedestrian improvements should be designed in a manner indicating an "entrance" into the City's urban-core.

Much of East 4th Street fails to make the pedestrian comfortable much like West 4th Street. The development of the National Bowling Stadium and the Reno Events Center was designed to encourage pedestrians and bus travelers to use Center Street, not East 4th Street. Future development of the proposed RTC Multi-Model center to the east of the National Bowling Stadium and the development of the block to east of the Reno Events Center will serve as an eastern gateway to the City's urban-core.

Parking is Power

If catalytic retail in-fill development is successful along Virginia, West and 4th streets, the downtown will experience a significant increase in the number of visitors returning to the City's downtown. A balance between the need for people to park and the need to reduce surface traffic is essential for successful revitalization of a city's urban retail environment.

Without effective parking, that is easily accessible, highly visible, instills a sense of personal security and is adequate and convenient, new retailers will likely fail, regardless of the retail mix brought into the urban-core. Of course, this must be done without creating large surface parking lots in between buildings that disrupt pedestrian flow.

Alternatives to large surface parking lots in between structures and abutting streets include:

-
- Metered parking that is designed to encourage motorists to use it. Time limits on parking meters along dense urban retail streets should be fairly enforced to encourage the needed turnover in available parking spaces.
 - Innovative parking strategies include parking behind, above or even below structures.
 - Shared parking strategies should always be employed. Within the City's downtown urban-core, there are several large parking garages. Owners of these garages should be encouraged to participate in providing some parking for visiting retail shoppers.
 - Transit oriented development should always be employed. Transit systems, like Sierra Spirit in the City's urban-core, are an ideal way to move large groups of pedestrians from one part of the downtown to another. Use of shuttles and bicycles are ideal creative alternative to creating additional parking spaces.
 - Curb-side diagonal parking allows a higher concentration of automobile parking than straight curb-side parking. Combined with metered parking, this alternative is ideal in a small urban environment.
 - Parking strategies for alternative modes of transportation, like bicycles, mopeds and motorcycles should not be overlooked and ignored.

The City of Reno and the Reno Redevelopment Agency will have to adequately plan for both current and future parking needs in the City's downtown redevelopment district. A parking strategy must be flexible enough to fit changes in the market over time.

Virginia Street

With the exception of loading zones, there exists no significant curb-side parking along Virginia Street. Combined with two lanes in each way roads, this has encouraged late night cruising and makes pedestrian movement across Virginia Street dangerous to the pedestrian and the motorist. Although Virginia Street has several large parking garages, located primarily as part of the major downtown hotel and casino properties, a small amount of curb-side parking should be considered.

To service a large-scale, destination retail project along the eastern side of Virginia Street, curb-side metered parking along Center and Sierra streets is ideal. Depending upon the structures built to house new retail and mixed-used development along Virginia Street, curb-side metered parking along Center and Sierra streets should be combined with innovative

parking strategies that include some surface parking behind, below and above commercial and retail structures but should not interfere with pedestrian traffic.

West Street

West Street is ideal for curb-side, diagonal metered parking. The development of new condominium projects along West Street with ground floor retail makes West Street ideal for incorporating parking structures located behind, beneath and above the retail structure with well enforced diagonal metered curb-side parking.

With West Street's proximity to Virginia Street and West 4th Street, West Street could act as a street for pedestrians to park their vehicles and walk to the adjacent commercial and retail blocks.

Parking strategies for alternative modes of transportation (bicycles, mopeds and motorcycles) should receive increased attention along West Street. In many ways, West Street is a primary gateway and/or corridor to the Truckee River. West Street, heading south, ends at West Street Plaza across from Wingfield Park at the Truckee River. Pedestrians should be encouraged to use alternative modes of transportation to move either north or south along West Street.

4th Street

4th Street is also ideal for curb-side, diagonal metered parking with parking located behind, beneath and above retail and residential structures. The development of San Francisco style town and row homes along the two "super" blocks bordered by 5th Street to the north, 3rd Street to the south and Ralston and Washington streets to the east and west, allows residents to park their vehicles off the street behind their homes, leaving the curb-side metered parking for potential retail shoppers.

On both the west and east sides of 4th Street, some space should be reserved for loading zones and bus stations. These loading zones should be designed in a way that allows the vehicle to fully exit 4th Street without interfering with moving traffic and strictly enforced to ensure they are not used as long-term parking.

The Redevelopment Agency should also work closely with the primary property owners along West 4th Street to develop a large parking garage with ground floor retail to support automobile traffic entering the downtown from Keystone Avenue. The development of a large parking garage on the south side of West 4th Street, between Washington and Ralston streets would help serve both the Gold Dust West and the Sands Regency while offering additional off-the-street parking to short-time visitors and new residents.

The Reno Redevelopment Agency should act proactively with owners of parking structures already located within the City's redevelopment district, as well as St. Mary's Regional Medical Center and the University of Nevada, Reno to utilize the large parking structures located on those properties and provide parking to all three retail centered streets.

Both St. Mary's and the University have recently completed construction of large parking structures that could be utilized by tourists visiting the City's redevelopment District. The University is especially unique considering much of the University's parking capacity is left empty during holidays and summer months when school is out of session. If the Agency chooses this method, adequate signage and some form of shuttle system should be employed to move automobile and pedestrian traffic efficiently through the downtown.

Merchandise and Lease Proactively

Merchandising and leasing proactively to help maintain and continually modify the retail mix is an essential principal in revitalizing urban neighborhood retail.

To achieve and maintain this critical retail mix, the neighborhood commercial and retail street within an urban-core should be managed as a self-contained shopping mall. Although the same principles apply, the degree of difficulty in doing this is significantly higher on an urban commercial and retail street. The presence of multiple landlords, multiple property owners and operating in the public realm exponentially increases the difficulty in managing the commercial and retail street as if it were a shopping mall with one landlord and one property owner. Competing view points and differing opinions across different stakeholders must be managed by a central power enabled to make street-wide decisions.

In order to achieve higher sales, rents and land values, landlords and property owners along the commercial and retail street need to join and work together proactively with a public sector entity, like the Reno Redevelopment Agency, to merchandise, market and advertise their street and lease the available retail space along their street cooperatively.

The Urban Land Institute developed several recommendations that would help private and public entities engage in a mutually beneficial and proactive way in merchandising and leasing their properties.

- Develop a private-public partnered leasing and management agency to develop, coordinate and implement the street's overall leasing strategy. This leasing and management agency should be responsible for actively recruiting new tenants and retaining existing ones.

-
- Develop a comprehensive leasing plan that is flexible and can create and develop the urban commercial and retail street's unique identity.
 - Any leasing strategy and plan for the urban neighborhood should be based on an appropriate mix of both destination "trend" and neighborhood service retail.
 - Initiate the leasing program on only one or two blocks along the specific urban commercial and retail street. These one or two blocks should act as the street's anchor tenants and act as catalytic retailers for the remaining street.

The Reno Redevelopment Agency already acts, to some degree, as a primary leasing agent along the Truckee River corridor. Working within the context of a private-public partnership with the River Walk Merchants Association, the Redevelopment Agency is the chief landlord for the Parking Gallery and has exclusive go-dark and appropriate tenant leasing provisions in its development agreements with private developers of new multi-use projects on Agency owned land.

Make it Happen

Without a firm commitment from public and private stakeholders, the best of plans to revitalize neighborhood retail will often be unrealized. To successfully rehabilitate urban neighborhood retail, the individual stakeholders and champion must financially commit themselves to realizing the vision originally established for the urban retail and commercial street.

The engaging champion and stakeholders should carefully understand the different public regulatory and financial tools available to achieve the specific goals and objectives established from the vision for each urban commercial and retail street. Many jurisdictions allow certain exemptions and incentives for large scale catalytic projects and the champion and individual stakeholders should take full advantage of them.

Developing a strong partnership with local financial institutions and non-profit organizations is a means of financing the specific projects needed to realize the projects completion. Business improvement districts (BID's), bonding from property tax increment (known as tax increment financing or TIF's) and, for the City of Reno, Sales Tax Anticipated Revenue Bonds (STAR bonds) can be used for catalytic retail in-fill development projects designed to attract visitors are a few of the many financial tools that the Redevelopment Agency, the City of Reno and other key stakeholders can utilize to fund the development of catalytic retail in-fill development projects along Virginia, West and 4th streets.

In addition to securing the necessary financing to acquire land, demolish aging structures and complete any necessary infrastructure improvement and environmental abatement concerns, a clear and concise set of design guidelines and development standards should be put in place before any project begins. These guidelines and standards should focus on more than just what the building will look like but relate to the character of the street and cover such concerns like what types of stores are acceptable, store operating hours, building scale and materials, building setbacks and the number of parking spaces required.

The champion, working closely with the key stakeholders, should specifically define these standards and guidelines during the implementation phase of the project. Working closely with the desired potential retailers when developing these guidelines and standards are important to ensure that the right environment is created before the retailer moves in.

Virginia Street

The primary stakeholders along Virginia Street consist primarily of the existing retailer mix, landowners and the major downtown hotel and casino property owners that currently line much of Virginia Street. Circus Circus, Silver Legacy, Eldorado, Fitzgerald's, Harrah's and the Cal-Neva are the primary downtown hotel and casino properties that would benefit from a transformative catalytic destination retail development project primarily along the eastern side of Virginia Street.

Previously, these hotel and casino properties have agreed to bond against anticipated room tax revenue to fund projects like the National Bowling Stadium and the Reno Events Center. It is possible to bond in a similar way to fund a large portion of new destination retail along Virginia Street, designed to increase visitor traffic in the downtown.

Because much of the proposed retail in-fill development will be destination in nature, with little residential in-fill, STAR bonds, or Sales Tax Anticipated Revenue bonds, could be used to finance a significant portion of new catalytic destination retail development primarily along the eastern side of Virginia Street.

Because much of Virginia Street is already "open 24-hours", much of the in-fill retailers should also be "open 24-hours", especially for special events and holidays. Those retailers should also complement the casinos, adding to the overall tourism and destination theme of Virginia Street. Sit-down and fast-food restaurants, cafés, high-end bars and nightclubs are ideal ground-floor tenants for much of Virginia Street. Highly visible boutiques, clothing stores, sporting goods stores and other "trend" retailers above on the second or third floors could all potentially increase the retail

profile of Virginia Street while increasing average room counts for the downtown hotel and casino properties.

West Street

As West Street continues to develop as a residential neighborhood, the type of retail developed along West Street should accommodate a residential population while also attracting visitors to West Street. STAR bonds or hotel-room tax revenue bonds may not be the most advisable way to fund new catalytic retail in-fill development for West Street.

The use of property tax increment financing bonds and/or the creation of a business improvement district maybe a more appropriate financing strategy for new retail in-fill development along West Street.

Because West Street is becoming more residential, having retailers that are “24-hours” may be less desirable than along Virginia Street. That does not mean that all retailers should close their doors at a certain time, but the retailers that do occupy West Street should consider the specific needs for new residents living along West Street.

As new residential projects are announced for and opened along West Street, ground floor boutique retailers, home furnishing retailers and household appliance and electronic retailers should be actively recruited. Although these retailers may not operate around a “24-hour” clock, more service oriented retailers like grocery stores, pharmacies and drug stores do.

A mixture of away-from-home food retailers like restaurants, clubs and cafés should also be considered to make West Street a blend between the redevelopment district’s growing residential neighborhood and the redevelopment district’s recovering entertainment neighborhood.

4th Street

Unlike Virginia and West streets, 4th Street has yet to develop its own unique characteristic. Few residents and even fewer businesses currently live or operate along 4th Street. It will ultimately be up to the Reno Redevelopment Agency, and the existing residents and businesses to develop the signature characteristic of most of 4th Street.

Because 4th Street is considerably longer than either Virginia or West streets, some parts of 4th Street could be developed as primarily residential using San Francisco style town and row homes as discussed earlier in this section. If this development strategy is pursued, focusing primarily on residential in-fill development, more service-oriented retail would be appropriate while mixing in some “trend” retail to draw external pedestrian and motor traffic to 4th Street.

The “trend” retail should be centered primarily on the more tourist oriented parts of 4th Street. The Sands Regency hotel and casino is located on 4th Street, bordered by Ralston Street and North Arlington Avenue to the west and east and West 4th and West 3rd streets to the north and south. It is in this area that “trend” and tourism-oriented retail should be centered while the remaining portion of West 4th Street developed with primarily service-oriented retail.

The use of tax increment financing bonds will most likely be more appropriate than sales tax anticipated revenue bonds. A business improvement district could also be formed to enhance the financial resources the Redevelopment Agency will need in order to acquire land, demolish existing and aging structures and provide environmental remediation as needed.

Be Clean, Safe, and Friendly

One of the primary mistakes many municipal jurisdictions make after a successful neighborhood retail revitalization effort is failing to provide for the long-term security and maintenance costs associated with protecting such a large investment into the municipality’s urban-core.

New development means new costs. The cost of maintaining new infrastructure, streetscaping and managing an enhanced residential and visitor population increases the demand on municipal services like police and fire. However, by financing the long-term increase in these services, the municipality will be protecting its investment, helping increase the amount of property, sales and business-license taxes collected.

Voluntary levies and assessments can be employed to help provide the necessary funding needed to help fund the increased demand for new services as residential and visitor populations begin to rise. These funds can help fund new police patrols to deter crime, vagrancy and the costly destruction of private property through graffiti and vandalism.

To enhance the “friendly” environment of an urban neighborhood retail street, holiday and special event activities can be planned for the retail street. Whatever the municipality does in regards to holiday and special event activities, it should regularly check with property owners, residents and retailers to incorporate their vision and understand their concerns.

Virginia Street

The City of Reno and the Reno Redevelopment Agency, working in conjunction with the key stakeholders along Virginia Street have already established working parameters to fund additional security and

maintenance costs. Virginia Street is also home to several pedestrian-oriented events like Hot August Nights and Street Vibrations.

The City and the Agency should continue to employ the special assessment districts already used on Virginia Street. The development of new retailers, oriented towards tourists, will undoubtedly increase the demand for these police and maintenance services but also increase the number of participants in the special assessment district.

West Street

Although some property owners along West Street are already participants in the downtown's police and maintenance special assessment districts, the majority are not. Of course, many of the properties along West Street simply have no reason to participate in them. This condition is indicative as to why new retail and new in-fill developments have been slow to occur along West Street.

The Redevelopment Agency should encourage cooperative activities along West Street. Also the Redevelopment Agency should coincide incorporation of new retailers existing downtown merchant associations or help new retailers located along West Street form an independent merchants association designed to handle the specific concerns of new retailers along West Street. As new residents begin moving into the condominium projects being announced along West Street, it will become easier to have this vision adopted by the residents and property owners of West Street.

Holiday and special event activities along West Street should also be considered. As mentioned earlier, Virginia Street has somewhat of a "monopoly" on the major street events hosted within the region. Even business owners along the Truckee River within the City's redevelopment district have monthly "wine-walks" to encourage pedestrians to move from one business to another. Some events should be developed solely for West Street as a means of attracting and retaining existing and future retailers.

4th Street

For many years, 4th Street has combated a negative persona and image. Although 4th Street was once the center of the City's entertainment industry, it has recently become known as a haven for criminal and other undesirable activities. Although much of the public concern has been East 4th Street, many residents in the Truckee Meadows will need some measure of reassuring that 4th Street is a safe, clean and friendly area.

The Reno Redevelopment Agency and the City of Reno can significantly help improve 4th Street's image. The first step involves significant capital

improvements along much of the 4th Street corridor located within the City's redevelopment district. The recently completed lighting project along much of East 4th Street extending eastward outside the redevelopment district is also a first step. Older buildings beyond repair should be acquired and demolished to make way for new structures more oriented towards pedestrian traffic. Sidewalks should be extended and a comprehensive feasibility analysis of altering 4th Street traffic patterns should be undertaken.

The second step involves attracting a more desirable residential and retail mix. This does not mean a sole focus on high income oriented residential and retail development but a balanced mix that will help create a sense of community ownership and pride. First time homeowners are some of the most engaged property owners. Unlike existing homeowners, who may view their property as a form of investment income, first time homeowners have a certain "zeal" for their first home. The retail mix should help foster those types of personal feelings in relationship to pride of ownership that first-time property owners have.

The final step, after the capital improvement projects, after the residential and mixed-use projects and after the active recruitment and leasing of specific retailers, concerns the long-term care of a revitalized 4th Street corridor. The Agency and the City should help establish some type of merchant's association and resident's association to help keep storefronts full.

The Agency and the City should also plan for the long-term maintenance of 4th Street. A special assessment district just for 4th Street residents and businesses could be established to ensure 4th Street does not revert to its current reputation. The Agency and the City must act proactively to market a revitalized 4th Street to the community, to new residents, to new businesses and to new visitors to ensure that a revitalized 4th Street stays revitalized and does not fall victim to criminal and other undesirable activities as it has fallen victim to in recent years.

Extend Day into Night

One of the primary principles of urban centered retail is that longer store hours translate into stronger sales and stronger sales help define a successful retail and commercial street. Typically, the successful revitalization of an urban-core will result in higher rents paid by the retailer to a landlord and businesses become unable to survive unless business hours can be extended to enhance the retailer's total level of retail sales.

The Urban Land Institute found that a unique paradox confronts retailers in an urban-core. Although the evening hours are the most heavily shopped by consumers, primarily because many retail consumers work

during the day, the evening hours are the hardest to keep retailers open, especially in an urban setting. Unless the consumer feels 100% safe in the evening in a city's urban-core, they will choose retailers in the suburbs, away from the downtown.

The "revitalization team", consisting of the champion and the individual stakeholders, must implement a comprehensive strategy to extend day-time retail hours into night-time retail hours along the urban retail and commercial street. The Urban Land Institute developed a series of steps to accomplish this based upon the four different "shopping times" of a 24-hour shopping day.

1. Morning. During the morning shopping hours, commuters, residents and nearby office workers can be drawn to the retail and commercial street in the morning for coffee, breakfast or to use neighborhood services like visiting a gym.
2. Mid-Afternoon. By mid-afternoon, office and retail workers will eat lunch, perform routine errands and leisure shop during their lunch period.
3. Afternoon. Residents coming home from work and office and retail workers along the retail and commercial street will shop for groceries, stop at restaurants, bars or cafés and use neighborhood services to complete their required retail activities left undone in either the morning or the mid-afternoon.
4. Evening. It is in the evening where the municipalities "night-life" comes to life. Residents and visitors to the area will go out to leisure shop at unique boutiques and other "trend" retailers, go out for dinner, see a movie and attend cultural performances like concerts, galleries and plays.

Space is one of the most precious resources in a municipality's urban-core. The "redevelopment team" must develop a comprehensive retail strategy and recruitment plan that enhances the density and mix of uses that extends the shopping day into the shopping night by catering to all four steps outlined above.

To do so, the "redevelopment team" must take advantage of adjacent population, employment and visitor centers as well as increase the residential and visitor populations within the urban-core.

For the City's redevelopment district, three large regional centers, St. Mary's Regional Medical Center, Washoe Medical Center and the University of Nevada, Reno surround the downtown. Both Washoe Medical Center and St. Mary's Regional Medical Center are open 24-hours and have both short and long-term patient care facilities.

The University of Nevada, Reno has a large, diverse and growing student population, ideal for energizing the City's downtown retail night-life as many students, during the semester, attend class during the day and are predominately free in the evening.

Each of the three modeled streets, Virginia, West and 4th streets, can significantly benefit from the presence of these regional centers as well as the large concentration of the area's largest hotel and casino properties. For many years, many of the retailers located along Virginia, West and 4th streets have ignored the population, employment and visitor centers located within and adjacent to the redevelopment district.

Each street has not positioned itself to service the different retail and entertainment needs located in either of the population, employment and visitor centers located within and adjacent to the redevelopment district.

A comprehensive and specific capital improvement plan and specific leasing strategy for each street must take into account the need for retailers to extend their hours of operation beyond the day-time and into the night-time as a means of increasing their retail sales and their profits while servicing the retail needs of a larger urban-core than has previously been considered.

Manage for Change

Above all things, any retail revitalization strategy for a city's urban-core must be flexible and able to change to meet changing market conditions. The purpose of redevelopment is not to create a market, but to restore market conditions and the market is a dynamic, not static, force.

A retail revitalization strategy should be based on current economic and social trends in an attempt to understand what the immediate future will look like. "If you fail to plan to plan to fail" and in developing a downtown retail revitalization, any plan must incorporate an assessment of changing future economic and social conditions.

Ten years ago, the City of Reno and all of the Truckee Meadows looked very different from what it is today. The Spanish Springs, North Valleys and South Meadow areas were little more than open space dominated by sage brush and desert lizards. Today, these areas are the largest concentrations of residential, office and retail growth.

Ten years ago, the City of Reno, the City of Sparks and Washoe County experienced an upsurge of revenue as the regional economy benefited from the expansion of high-tech and bio-tech research located in the bay area outside and around San Francisco. Ten years ago, there was little to no concern regarding travel on an airplane or in a car. Ten years ago, the

City of Reno, the City of Sparks and Washoe County had a solid monopoly on casino-style gaming and recreation activities in the region.

Today, the City of Reno, the City of Sparks and Washoe County are in competition for shrinking resources generated from trade and tourism with the area's neighboring jurisdictions. The "burst of the dot-coms" at the end of the 20th Century triggered a regional recession, the spread of Indian Gaming in California, Oregon, Washington, Idaho, Arizona and New Mexico has threatened the once "monopoly" on casino gaming that the area once enjoyed. Then, in 2001, the terrorist attacks on the World Trade Center and Pentagon instilled a sense of mistrust and fear in travelers and the recent increases in the cost of energy, oil and gasoline has provided an incentive for regional visitors to stay closer to home.

The burst of the dot-coms, the expansion of legalized casino gaming in neighboring jurisdictions and the terrorist attacks of September, 2001 are only three macroeconomic conditions that the City of Reno, the City of Sparks and Washoe County could not avoid having to deal with.

The City of Reno does not live in a bubble and as the world becomes increasingly connected, the City of Reno, the Redevelopment Agency and local retailers and developers in the City's urban-core will have to become increasingly sensitive to regional, national and international activities.

A successful retail revitalization strategy in the City's urban-core must be dynamic. The champion and the individual stakeholders must commit to a long-term visioning process and commit the financial resources necessary to realize that vision over time. Monitoring emerging trends, problems and conflicts closely at all times will be fundamentally important if the City is to be successful in successfully revitalizing its urban retail.

The City and the Redevelopment Agency can act proactively in responding to changing trends by leasing proactively, keeping close tabs on the different unique markets that a downtown retail revitalization project will serve, engaging residents, businesses and leading market experts, and by providing an ongoing central point of reference for information to be shared, operated and used by existing and potential customers, tenants and investors.

A Retail Revitalization Strategy for the City's Urban-Core

Much of this chapter has already provided a basic understanding of a retail revitalization strategy for the City's redevelopment district. The Urban Land Institute's "Ten Principles for Rebuilding Neighborhood Retail" in an urban-core provided a basic understanding of the role the Redevelopment Agency and the City of Reno can play in helping spark a

catalytic and transformative retail revitalization project throughout the City's redevelopment district.

In the above section of this chapter, three uniquely different commercial and retail streets were chosen as the primary retail arterial corridors present within the City's urban-core. The purpose of this particular section is to provide a comprehensive retail revitalization strategy the Reno Redevelopment Agency can follow in order to transform the City's urban-core into a regional retail destination center while servicing the needs of a growing residential population.

Physical Identification and S.W.O.T Analysis of Retail Projects

Each of the three retail arterial corridors in the City's redevelopment district listed above, Virginia, West and 4th streets, are remarkably different from each other in-terms of current conditions and future possibilities.

Each of these three retail arterial corridors is subject to distinctly different market forces. Virginia Street, with its proximity to the downtown hotel and casino properties is more subject to swings in visitor counts than West or 4th streets. West Street is quickly becoming a residential community, soon be the center of the downtown's condominium population. 4th Street is still without a discernable pattern regarding what new development, if any, could be supported.

Considerable effort was taken in identifying physical opportunity sites along each of the three targeted retail and commercial corridors as well as each street's set of strengths, weaknesses, opportunities and threats. Although other strengths, weaknesses, opportunities and threats exist, the purpose of this SWOT analysis is to provide a basic understand of the primary conditions and future direction of each of the three selected retail arterial corridors.

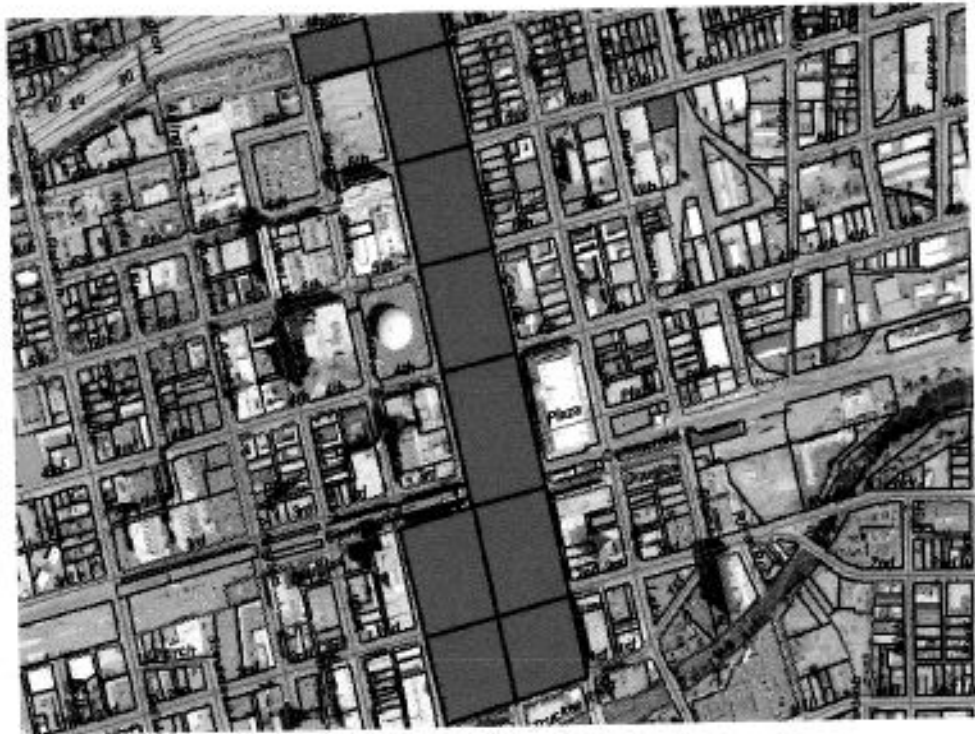
Virginia Street

Since the development of Interstate 80 and the building of the City's downtown hotel and casino properties, Virginia Street, running from Interstate 80 from the north to the Truckee River to the south, has become the City's arterial spine.

Every consultant the Agency has hired since 1983 and every plan the Agency has developed and adopted since 1983, references Virginia Street as the economic and entertainment "ground-zero" of the City's redevelopment district.

Along most of Virginia Street, many physical opportunity sites currently exist.

Exhibit 4
Identification of In-Fill Retail Project Sites – Virginia Street



Much of the identified potential retail in-fill sites are located on the eastern side of Virginia Street running from Interstate 80 to the north to 3rd Street to the south. The two blocks on either side of Virginia Street between Interstate 80 and 7th Streets are identified due to their high visibility to commuter traffic leaving Interstate 80 as well as their proximity to the University of Nevada, Reno. Portions of two blocks on the western side of Virginia Street south of Commercial Row and north of the Truckee River are also identified as potential retail in-fill sites primarily due to their proximity to a growing river-front retail market.

Strengths

- High visibility to commuter and pedestrian traffic within the City's redevelopment district. Virginia Street is the primary exit taken by commuter traffic and is the first street many visitors from outside the area experience when visiting Reno.
 - Virginia Street is the arterial spine of the redevelopment district. Residents and visitors alike view Virginia Street as the regions economic and entertainment "ground-zero". This automatically translates into a large concentration of existing visitors from outside the City's urban-core to Virginia Street.
-

-
- A large pool of available parking both on and around Virginia Street. Combined, Circus Circus, Silver Legacy, Eldorado, Fitzgerald's, Harrah's and the National Bowling Stadium offers visitors thousands of parking spaces along and immediately adjacent to Virginia Street. Additional parking is also available just to the north of the redevelopment district at the University of Nevada, Reno when the University is not in session.

To take advantage of these existing strengths, the Redevelopment Agency should pursue catalytic and transformative retail in-fill development along Virginia Street that primarily caters to tourists and visitors. Any retail in-fill development should also be designed and marketed towards students of the University of Nevada, Reno and workers and visitors of St. Mary's Regional Medical Center.

The Redevelopment Agency should also encourage catalytic and transformative retail in-fill development along Virginia Street that is pedestrian oriented. Not only should potential shoppers be encouraged to park at one of the many parking structures at any of the downtown hotel and casino properties or the University when it is not in session and walk along Virginia Street, retail in-fill development should also allow pedestrians to move within the blocks selected above in Exhibit 4.

Open space and internal plazas and pocket parks will help pedestrians move freely from Virginia Street to Center Street where the National Bowling Stadium and Reno Events Center are located and where the proposed Ballroom will be located.

Weaknesses

- Many different existing property owners. Initially, the Reno Redevelopment Agency may find it difficult to find a consensus amongst the many different property owners who own land within the selected areas of retail in-fill development.
- Many different existing retailers. Initially, the Reno Redevelopment Agency may find it difficult to find a consensus amongst the many different existing retailers and business owners located in buildings within the selected areas of retail in-fill development.
- High traffic counts, especially during holidays and weekends. Because Virginia Street is the main arterial spine of the City's downtown urban-core, it is currently not pedestrian friendly.

To minimize these weaknesses, the Redevelopment Agency must actively engage all existing property owners and all existing retailers and business owners. The Agency must also actively engage those property owners

who own property immediately adjacent to the selected areas of potential retail in-fill development along Virginia Street. Not only should the Agency actively engage the primary downtown hotel and casino owners along Virginia Street, but the property owners along Center Street to the east, just outside the redevelopment district.

After engaging all interested property and business owners, the Agency must help develop a dynamic catalytic and transformative retail in-fill vision for Virginia Street. Within this vision, the Agency must clearly identify the roles, responsibilities and rewards each property and business owner will play and share in.

In regards to the high automobile traffic count, the Redevelopment Agency must design a strategy to decrease the number of cars traveling on Virginia Street, especially during holidays and weekends. The Agency should encourage motorists, coming from Interstate 80 to use Sierra Street to access any number of the available parking garages. Coming from the Truckee River, the Agency should encourage motorists to use Center Street instead of Virginia Street.

Opportunities

- Close proximity to the City's center of visitor and entertainment activity. The selected areas of potential retail in-fill development along Virginia Street are immediately adjacent to the six of the downtown's largest hotel and casino properties as well as the Reno Events Center and the National Bowling Stadium.
- Close proximity to two major regional centers. The selected areas of potential retail in-fill development along Virginia Street are in close proximity to St. Mary's Regional Medical Center and the University of Nevada, Reno.
- Large surface paved parking and vacant lots. Much of the total land within the selected area of potential retail in-fill development along Virginia Street is vacant or just a paved parking lot. This will help reduce the cost of acquisition, demolition and site preparation.
- Most of the existing structures are fully depreciated. Because many of the existing structures within the selected area of potential retail in-fill development the cost of acquisition, demolition and site preparation will be significantly lower than if new, larger structures existed in their place.

The Redevelopment Agency should actively engage a developer and a leasing company that will support and attract "trend" retailers that will be more attractive to visitors than service retailers. Many of the hotel and

casino properties have shops that can provide visitors with the sundry retail items needed for a weekend or week-long visit.

The retailers needed to make Virginia Street a destination retail shopping center include a mix of clubs, restaurants, cafés, boutiques, bookstores and other “trend” and novelty retailers. Some service retailers are needed, like a drycleaner or small office store to service conventions and those visitors staying in the downtown on business.

Maximizing the low cost associated with developing land that is primarily characterized by paved parking lots, vacant lots and fully depreciated structures means working closely and cooperatively with existing property owners.

Threats

- Close proximity to the City’s center of visitor and entertainment activity. The selected areas of potential retail in-fill development along Virginia Street are immediately adjacent to the six of the downtown’s largest hotel and casino properties as well as the Reno Events Center and the National Bowling Stadium.
- Existing expansion of retail opportunities along the Truckee River in the City’s redevelopment district. Potential retailers maybe attracted away from Virginia Street and to the Truckee River corridor. Existing property owners and business owners along the Truckee River corridor may feel threatened by expanded retail opportunities along Virginia Street.

Although the proximity of the selected areas to the downtown’s visitor and entertainment core is listed as an opportunity, it is also a threat. Developing a mix of retailers that caters to visitors, ties the success of those retailers to the overall success of the Reno-Sparks visitor market. When the visitor market fairs well, those retailers that cater to that market do well, but when the visitor market fairs poorly, those retailers also fair poorly and some will likely fail.

The Redevelopment Agency must adopt a proactive leasing program. A “zero-tolerance” policy for vacated store fronts must be adopted and no store along Virginia Street should be left vacant for more than 30-days. Discounted rents, free tenant improvements and profit sharing agreements could be used to ensure that no business struggles more or less than others.

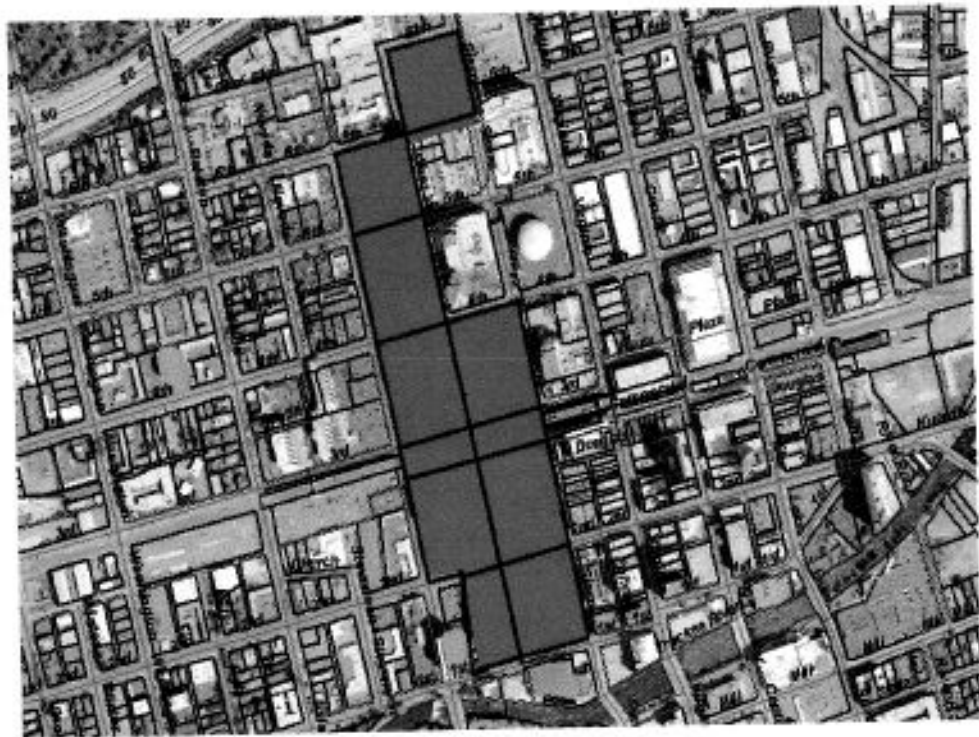
The Redevelopment Agency must proactively engage those other interested parties. The Agency should communicate effectively the different opportunities and roles each retailer in different parts of the redevelopment district is afforded and that each retailer can play in

expanding their business or how to cleverly position themselves in a growing downtown retail market.

West Street

As mentioned earlier, West Street is quickly becoming an urban residential community and is developing a unique identity separate from the rest of the redevelopment district.

Exhibit 5 Identification of In-Fill Retail Project Sites – West Street



Much of the identified potential retail in-fill sites are located immediately adjacent to the west and east curbs of West Street running from St. Mary's Regional Medical Center to the north to the Truckee River to the south.

The block surrounded by Elm and 5th streets to the north and south and West and Sierra streets to the west and east was chosen as an ideal retail in-fill project designed primarily to service the growing number of employees, visitors and patients at St. Mary's Regional Medical Center as well as its proximity to Circus Circus. The remaining areas along West Street were chosen primarily due to their proximity of a growing residential project as more condominium projects are announced and undertaken.

Strengths

-
- West Street serves as a primary arterial corridor from St. Mary's to the Truckee River. Although currently underutilized, the West Street plaza should be considered and treated as a gateway to the Truckee River corridor as well as St. Mary's Regional Medical Center.
 - A large pool of available parking located at St. Mary's Regional Medical Center, the Redevelopment Agency's Parking Gallery with parking validation as well as the major downtown hotel and casino properties.
 - Low traffic counts. Although close to the main arterial corridors like Virginia, Sierra and Center streets, West Street does not have as high traffic counts. A lower automobile traffic count is a great advantage when developing urban-oriented retail.

To maximize West Street's unique position of being a corridor between the Truckee River and St. Mary's, the Redevelopment Agency should develop a retail in-fill mix that encourages pedestrians to move up and down West Street, taking advantage of unique retail opportunities while enjoying the other existing amenities of the City's urban-core. For example, a potential retail customer could enjoy working out at St. Mary's recently opened health and fitness center, enjoy lunch or an earlier dinner along West Street and end up at the Truckee River for a movie or even a casual stroll.

With such a large pool of available parking surrounding West Street, the Redevelopment Agency should actively encourage pedestrian oriented retail in-fill development projects. Motorists should be encouraged to park their vehicle at one of the many different parking structures located around West Street and then enjoy different retail opportunities along West Street.

This strategy will require the Redevelopment Agency to work cooperatively and provide the owners of the existing parking structures with incentives to participate in a redevelopment district-wide parking plan to service the needs of the customers and visitors of the owners of the existing parking structures as well as the needs of the customers and visitors of new retailers.

Weaknesses

- Low traffic counts. Although listed as a strength, the low traffic counts, relative to the other arterial corridors in the City's redevelopment district, is also a weakness. Many retailers may choose to locate their business elsewhere until traffic counts begin to rise.

-
- A historically low level of new interest and investment. Although recent announcements of hotel-condominium conversion projects seem to indicate a growing environment of investment, West Street has historically seen little to no new private investment.
 - Many different existing property owners. Initially, the Reno Redevelopment Agency may find it difficult to find a consensus amongst the many different property owners who own land within the selected areas of retail in-fill development.

To minimize these weaknesses, the Redevelopment Agency should help facilitate a long-term vision for West Street. This vision should be developed through a collaborative effort, involving existing property owners, business owners and developers currently involved in transforming West Street into a residential community.

As West Street develops into a residential community, traffic counts will inevitably rise. Although high automobile traffic counts may morph into a threat, disrupting pedestrian traffic, the Redevelopment Agency can provide a long-term plan to solve for this issue by utilizing adjacent streets, primarily Sierra Street to the east and North Arlington Avenue to the west as the primary automobile corridors for West Street.

The Redevelopment Agency should also proactively market West Street as a significant investment opportunity site. Communicating effectively with new developers that West Street is becoming an increasingly residential community by highlighting the recent wave of hotel-condominium conversion projects, will help attract the new private investment needed to build new retail along West Street. The Redevelopment Agency should market to developers willing to build facilities suitable for retailers that are best suited to meet the needs of a growing residential population.

Opportunities

- A growing residential population. Although none of the announced hotel-condominium projects have been completed, and half of them have yet to even begin the process, it is clear that there is a growing opportunity for service oriented retail to serve a growing residential population.
- Large surface paved parking and vacant lots. Much of the total land within the selected area of potential retail in-fill development along Virginia Street is vacant or just a paved parking lot. This will help reduce the cost of acquisition, demolition and site preparation.
- Most of the existing structures are fully depreciated. Because many of the existing structures within the selected area of potential

retail in-fill development the cost of acquisition, demolition and site preparation will be significantly lower than if new, larger structures existed in their place.

With the announcement of the many residential projects planned along West Street, the Redevelopment Agency must act quickly to maximize this opportunity. As the Truckee River corridor shows, a critical residential population mass is needed to trigger substantial retail in-fill development. Once a residential population with adequate levels of disposable income moves into an urban area, both service and "trend" retailers are quick to follow.

Knowing and realizing the existing metamorphosis of West Street into a predominately residential community, affords the Redevelopment Agency an opportunity to begin active recruitment of retailers that could best serve the growing residential population. Service retailers, like grocery stores, drug stores, pharmacies, household furnishing stores, kitchen appliance stores and other service retailers will be needed. That said, the Redevelopment Agency must be careful not to turn West Street into a "9am to 5pm" street. A balanced mix of "trend" retailers, restaurants, cafés, clubs and boutiques that are open late into the evening should also be considered.

Like Virginia Street, maximizing the low cost associated with developing land that is primarily characterized by paved parking lots, vacant lots and fully depreciated structures means working closely and cooperatively with existing property owners. Owner participation rules for a catalytic and transformative retail in-fill project along West Street must provide fair compensation to existing property owners if they choose not to participate in a master-developer process.

Threats

- A growing residential population. Although none of the announced hotel-condominium conversion projects have been completed and only two projects are currently underway, West Street is becoming increasingly residential.
- Existing expansion of retail opportunities along the Truckee River in the City's redevelopment district. The emerging Truckee River corridor is a possible threat for two reasons. First, potential retailers maybe attracted away from West Street and to the Truckee River corridor. Second, existing property owners and business owners along the Truckee River corridor may feel threatened by expanded retail opportunities along West Street.

Although listed as an opportunity, the growing residential population of West Street is also a threat to future potential catalytic and transformative

retail in-fill development along West Street. Few residents, even within an urban environment enjoy being waken up at one o'clock, two o'clock or even three o'clock in the morning from the sounds of street automobile and pedestrian traffic.

On a square foot basis, restaurants, clubs, bars and cafés that are open late into the evening and early into the morning have a disproportionate amount of emergency services provided to them. Residents who begin to move into these hotel-condominium conversion projects may demand a restriction of the hours of operation of retail establishments along West Street. In any retail revitalization strategy for West Street, the Redevelopment Agency must proactively minimize the disturbance ground floor retail may cause for West Street residents.

Like the case illustrated for Virginia Street, the Redevelopment Agency must proactively engage those other interested parties in other parts of the redevelopment district. The Agency should communicate effectively the different opportunities and roles each retailer in different parts of the redevelopment district is afforded and each retailer can play in expanding their business or how to cleverly position themselves in a growing downtown retail market.

4th Street

4th Street was included in this study primarily because 4th Street is a central gateway from the west and the east into the City's downtown redevelopment district. 4th Street is also a primary corridor through the entire redevelopment district and serves as a vital linkage between the redevelopment district's entertainment core and one of the two incubator neighborhood cores.

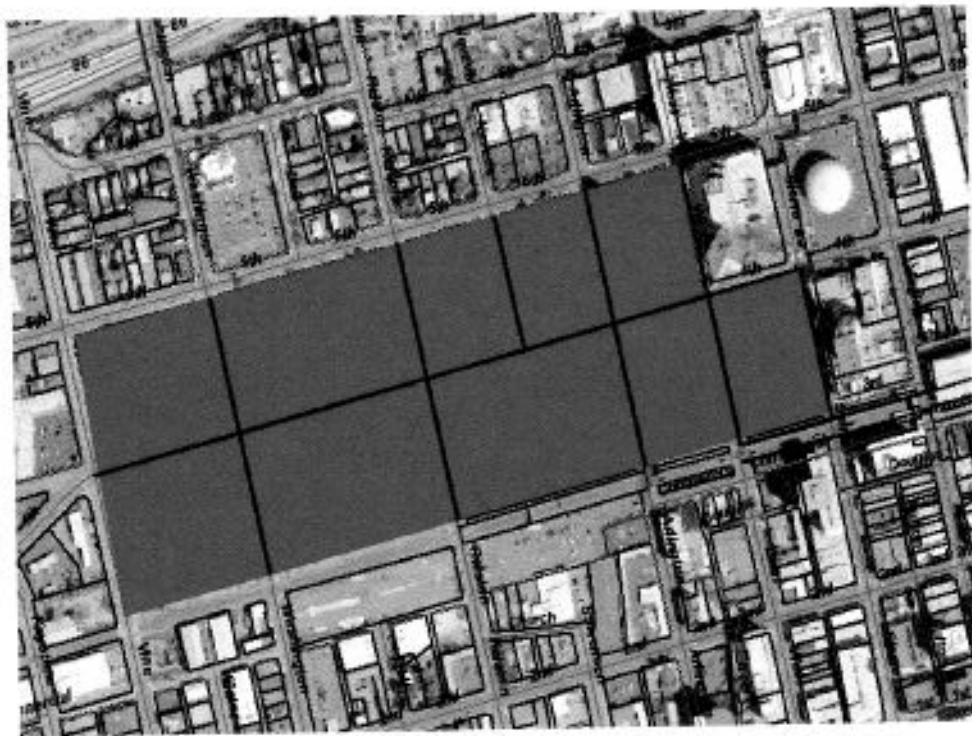
Although 4th Street was once the City's primary entertainment and visitor corridor before the development of Interstate 80, many residents and visitors today view 4th Street as a haven for criminal and other undesirable activities.

A successful retail in-fill development strategy for much of 4th Street would include some mix of different styled mixed-use development. San Francisco style row and town homes, market rate apartments and mid-rise condominiums projects are ideal for individual parts of the 4th Street downtown redevelopment district corridor.

In addition to mixed residential development, office space should also be considered to help create individual professional employment centers designed to support adjacent retail.

Because of the unique difference between West and East 4th Street, both the west and east sides of 4th Street are considered separately.

Exhibit 6
Identification of In-Fill Retail Project Sites – West 4th Street



Much of the selected area for West 4th Street is immediately adjacent to 4th Street, running from Vine Street to the west to West Street to the east. Property currently owned by Gold Dust West, the developer of the Sundowner-Belvedere Tower condominium conversion project, the Sands Hotel and Casino and the Silver Legacy. Due to the length of West 4th Street, not all of the selected areas were chosen solely for the development of commercial and retail use. Mixed-use development, including market rate apartments, San Francisco style town and row homes, entry-level condominiums and even office space both above and at street level should all be considered in new development projects for the West 4th Street corridor.

Strengths

- High visibility to commuter and pedestrian traffic extending through the entire length of the City's redevelopment district. Although current traffic counts indicate that Virginia Street is the primary entry point for visitors of the downtown, West 4th Street has historically been a primary gateway to the City's urban-core.
 - Provides a central linkage between retail and commercial centers along Keystone Avenue, residential communities to the west of Keystone Avenue and the City's urban-core. A high density of residential and retail units exist to the west of Keystone Avenue
-

and West 4th Street provides the City with an opportunity to reconnect the City's urban-core with western portions of the City of Reno.

- A large pool of parking both on and around West 4th Street. Although much of the available parking is surface parking, the Redevelopment Agency could develop a strategy to build multi-level parking structures in strategic areas adjacent to West 4th Street. Parking is also available at the Silver Legacy parking garage and the Eldorado Hotel and Casino parking garage.

To take advantage of these strengths, the Redevelopment Agency and the City of Reno should look to completely transform the appearance of West 4th Street. Because West 4th Street has historically had high commuter and pedestrian traffic, West 4th Street must become a more "inviting" street as automobile and pedestrian traffic enters the City's redevelopment district.

Future retail development along West 4th Street should be combined with new residential and professional office development. Mid-rise, two to three storey structures are ideal for West 4th Street as individuals approach the larger structures in the City's central core. With new residential and professional office development, the retail that should be recruited should be more service oriented with a medium to small mix of "trend" retailers. Although the goal will be to move visitors from Keystone Avenue to Virginia Street via West 4th Street, any retail development should provide visitors, residents and workers with an incentive to spend some of their time and money at retail shops and restaurants along West 4th Street.

Some retail designed to support tourism should also be considered. The proximity of the Gold Dust West and the Sands Regency Hotel and Casino abutting West 4th Street means that a large visitor population already exists along West 4th Street. Future catalytic and transformative retail should help these properties retain some of their visitor traffic, enhancing the product these casino properties already provide.

Weaknesses

- Comparatively low traffic counts when compared to either Virginia or West streets. Although high traffic counts can also be a weakness, if traffic counts are too low, it becomes increasingly difficult to attract new private investment because the private investor may fear that they will be unable to recoup their initial investment.
- Many different existing property owners. Initially, the Reno Redevelopment Agency may find it difficult to find a consensus amongst the many different existing property owners who own land within the selected areas of retail in-fill development.

-
- Many different retailers adjacent to West 4th Street, located outside the Redevelopment District along Keystone Avenue. Initially, the Reno Redevelopment Agency may experience some public resistance from the many different retailers and business owners located just outside the Redevelopment District.

These minimize these weaknesses, the Redevelopment Agency must actively engage the existing property owners located within and around the selected areas of retail in-fill development along West 4th Street as well as the existing retailers and business owners located outside the redevelopment district but adjacent to West 4th Street. The Agency should also actively engage the larger property owners who own land along West 4th Street. A comprehensive and inclusive retail in-fill development must be created.

In order to assure new private investors and developers, the Redevelopment Agency can help establish a retail market along West 4th Street through further residential and mixed-use development. Residential and professional office mixed-use development will help create the residential and professional office populations needed to support expanded service and “trend” retail along much of West 4th Street.

Opportunities

- Close proximity to the City’s center of visitor and entertainment activity. Despite being the central western gateway to the City’s central core, some of the largest hotel and casino properties are located on West 4th Street. The Gold Dust West, the Sands Regency Hotel and Casino, the Silver Legacy and the Eldorado Hotel and Casino are all located on West 4th Street.
- Close proximity to a major regional center. The selected areas of potential retail in-fill development along West 4th Street are located only one block from St. Mary’s Regional Medical Center.
- Large surface paved parking and vacant lots. Much of the total land within the selected area of potential retail in-fill development along West 4th Street is vacant or just a paved parking lot. This will help reduce the cost of acquisition, demolition and site preparation.
- Most of the existing structures are fully depreciated. Because many of the existing structures within the selected area of potential retail in-fill development are fully depreciated, the cost of acquisition, demolition and site preparation will be significantly lower than if new, larger structures existed in their place.

To maximize the impact of being so close to four major downtown hotel and casino properties as well as being in close proximity to St. Mary's Regional Medical Center, the Redevelopment Agency should actively engage a developer and a leasing company that will support and attract a certain number of "trend" retailers that will attract additional visitors and tourists to retail establishments adjacent to the major hotel and casino properties as well as visitors to St. Mary's Regional Medical Center.

Although some "trend" retailers should be recruited for West 4th Street, the retailers needed to make West 4th Street self-sustaining will require a mix of both service and "trend" retailers. Grocery stores, pharmacies, drug stores, dry cleaners, flower shops, shoe stores, household furnishing and appliance stores, coupled with "trend" retailers like restaurants, cafés, bookstores, boutiques and clothing stores will help transform West 4th Street into a retail and commercial street that can actively support an enhanced residential and professional office population as well as an enhanced visitor and tourist population.

Maximizing the low cost associated with developing land that is primarily characterized by paved parking lots, vacant lots and fully depreciated structures means working closely and cooperatively with existing property owners. The Agency should develop owner participation rules specifically for the selected areas of retail in-fill development that provides fair compensation to existing property owners if they choose not to participate in a master-developer process.

Threats

- A recently tarnished reputation. Although most of the "bad publicity" 4th Street has received has been concentrated along East 4th Street from the city limits of the City of Sparks to the National Bowling Stadium, just the mention of 4th Street, east or west, conjures images of criminal and other undesirable activities.
- Close proximity to the four of the City's principal downtown hotel and casino properties and proximity the City's center of visitor and entertainment activity. The selected areas of potential in-fill development along West 4th Street are either adjacent or in close proximity to the Gold Dust West, Sands Regency, Silver Legacy and Eldorado.

Although other threats exist, these are the two primary threats the Redevelopment Agency will have to overcome in order to successfully develop a catalytic and transformative retail project along West 4th Street. In order to overcome 4th Street's recently tarnished reputation, the Redevelopment Agency must market the potential of West 4th Street in a way that overcomes the current conditions.

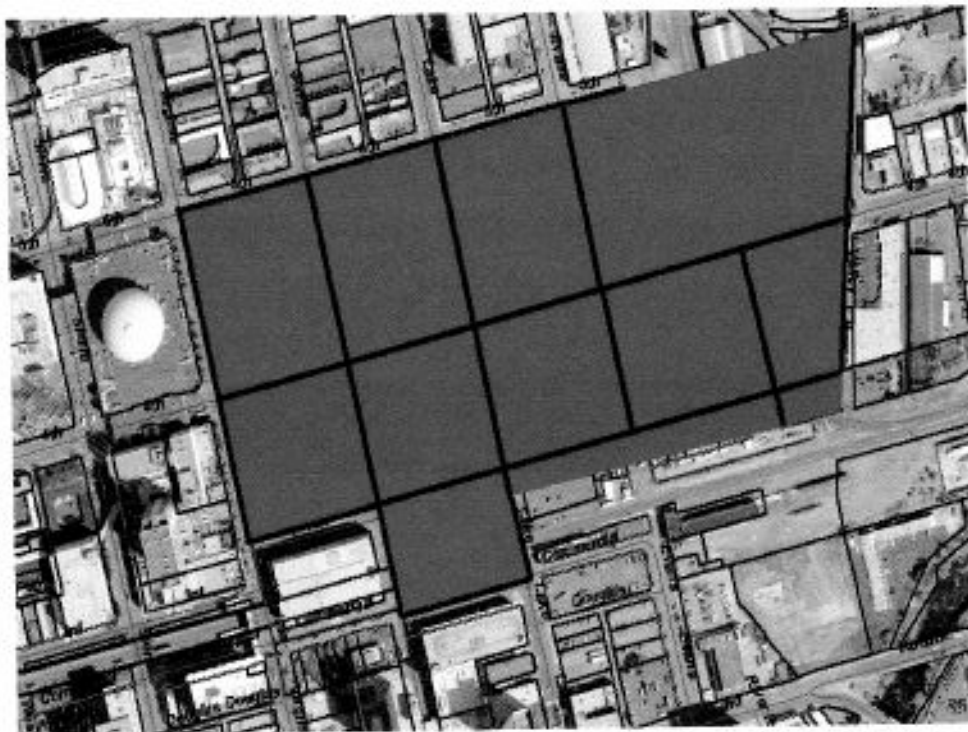
The Agency will most likely be able to attract a sole developer to develop several blocks over the course of several years. As new developments begin to take shape, the Redevelopment Agency must champion those efforts and publicize them in order to attract new residents and visitors back to West 4th Street.

Although the proximity of the selected areas to the downtown's visitor and entertainment core is listed as an opportunity, it is also a threat. The introduction of new "trend" retail, designed to support the four hotel and casino properties abutting West 4th Street may deter additional residential and professional office development.

To minimize this threat, the Reno Redevelopment Agency can establish guidelines restricting the hours of operation of new retailers located along West 4th Street. These guidelines for West 4th Street should be sensitive to the needs of a new residential population but also sensitive to the needs of retailers to "extend day into night" with longer hours.

Like West 4th Street, East 4th Street is a primary gateway into the City's downtown and several recent City and Redevelopment Agency projects have now helped revitalized this important gateway. The National Bowling Stadium and the recently completed Reno Events Center have individually contributed to improving the "look and feel" of a large portion of East 4th Street.

Exhibit 7
Identification of In-Fill Retail Project Sites – East 4th Street



The proposed Reno Ballroom, designed to attract mid-week conventions and smaller entertainment shows, and the proposed RTC Multi-Model Center will both help to continue to improve the overall “look and feel” of a part of the City has needed improvement for several years.

Like the selected areas for potential retail in-fill development for West 4th Street, much of the selected areas for East 4th Street closely abut East 4th Street itself. The selected areas of interest run from Virginia Street to the west and to Valley Road to the east.

The National Bowling Stadium, the area of the Reno Events Center abutting East 4th Street and the area of the proposed Reno Ballroom were selected primarily because of their importance to a successful retail in-fill development project along East 4th Street.

Strengths

- High automobile and pedestrian traffic counts located along much of East 4th Street. The presence of the National Bowling Stadium and the Reno Events Center already generates considerable pedestrian traffic as visitors staying at downtown hotel and casino properties and attending events at either the Reno Events Center or National Bowling Stadium.
- A large pool of available parking both on and in close proximity to East 4th Street. Combined, parking garages at Circus Circus, Silver Legacy, Eldorado, Fitzgerald’s and at the National Bowling Stadium offer visitors to the downtown thousands of available parking spaces.
- A renewed commitment from the City of Reno to rehabilitate much of East 4th Street, even portions located outside the current redevelopment district. Projects like the Reno Events Center and the National Bowling Stadium as well as the 4th Street Lighting project indicates a strong commitment on behalf of the City and the Agency to improve East 4th Street. A proposed Ballroom and RTC’s proposed Multi-Model Center indicate an ongoing future commitment to overall improvement of East 4th Street through public investment.

To take advantage of these strengths, the Reno Redevelopment Agency must continue to invest in the overall improvement of East 4th Street by attracting new private investment to complement the high level of public investment already expended along East 4th Street. Catalytic and transformative retail in-fill development along the selected areas of East 4th Street should be primarily “trend” oriented to support growing entertainment facilities located along East 4th Street.

Like other parts of the redevelopment district targeted in this study, East 4th Street should be designed in a manner that announces arrival by automobile traffic to the City's urban-core while enhancing pedestrian movement along East 4th Street. This can be done by restricting East 4th Street to one lane in each direction with widened sidewalks, diagonal street parking and pedestrian oriented and landscaped islands in the street to help move pedestrians along East 4th Street.

At the National Bowling Stadium, completing the unfinished ground floor retail, as well as enhancing the existing structure to support ground floor retail should be made a top priority. Much of the available retail and even potential professional office space remains largely incomplete. The completion of ground floor retail at the National Bowling Stadium will help make the National Bowling Stadium a more active component of the Agency's overall effort to revitalize the redevelopment district's entertainment core.

To take advantage of the large pool of parking located within one to two blocks of the selected areas of potential retail in-fill development, the Reno Redevelopment Agency should proactively work with the owners of existing parking facilities to accommodate the needs of new customers and visitors drawn to East 4th Street as a result of new retail.

Mixed-use development should also be employed along East 4th Street. Population density levels, as well as enhanced professional office opportunities, should be focused along East 4th Street immediately east of Lake Street. Along any recruited retail mix of new retail along East 4th Street should focus on serving the growing entertainment facilities already in place, some service oriented retail should also be recruited.

Weaknesses

- Many different existing property owners. Initially, the Reno Redevelopment Agency may find it difficult to find a consensus amongst the many different property owners who own land within the selected areas of retail in-fill development.
- High traffic counts, especially during holidays and weekends. Because East 4th Street is currently home to the Reno Events Center, the National Bowling Stadium and RTC's current downtown bus station, a large amount of automobile traffic currently uses East 4th Street to move in and around the downtown. East 4th Street is largely not pedestrian friendly.
- A general climate of private disinvestment. Other than the public investment projects already completed, proposed or underway, no new private investment has occurred along East 4th Street in a very long time.

To combat the problem associated with the existence of a climate of private disinvestment, the Redevelopment Agency must proactively engage in some form of master-developer process in order to complete a catalytic and transformative retail in-fill and mixed-use development project along East 4th Street.

With many existing property owners, the Redevelopment Agency should actively engage existing property owners to participate in an East 4th Street revitalization effort. Although much of the selected areas of potential retail and mixed-use in-fill development are outside the current redevelopment district, the Agency should still focus on developing parts of East 4th Street immediately adjacent to the current redevelopment district.

Realignment of East 4th Street towards a more pedestrian oriented environment will be needed in order to attract pedestrians back to East 4th Street as a means of complementing the existing entertainment facilities already present, underway or proposed.

Opportunities

- Close proximity to the City's center of visitor and entertainment activity. As the City's primary eastern gateway to the downtown, East 4th Street is located within and immediately adjacent to the downtown's entertainment core.
- Large surface paved parking and vacant lots. Much of the total land within the selected area of potential retail in-fill development along East 4th Street is vacant or just a paved parking lot. This will help reduce the cost of acquisition, demolition and site preparation.
- Most of the existing structures are fully depreciated. Because many of the existing structures within the selected area of potential retail in-fill development are fully depreciated, the cost of acquisition, demolition and site preparation will be significantly lower than if new, larger structures existed in their place.

To maximize the impact of being located within and adjacent to the City's downtown entertainment core, the Redevelopment Agency should actively engage a developer and a leasing company that will support and attract "trend" retailers that will be more attractive to visitors than service retailers.

At the National Bowling Stadium specifically, "trend" retailers should be recruited that are oriented towards servicing potential shoppers who attend mid-week conventions as well as concerts and other special events. Much of the ground floor at the National Bowling Stadium is underutilized in-

terms of its retail potential. The Agency should make full utilization of the ground floor square footage at the National Bowling Stadium a priority.

Maximizing the low cost associated with developing land that is primarily characterized by paved parking lots, vacant lots and fully depreciated structures means working closely and cooperatively with existing property owners. Owner participation rules for a catalytic and transformative retail in-fill project along East 4th Street must provide fair compensation to existing property owners if they choose not to participate in a master-developer process.

Threats

- A recently tarnished reputation. For decades, East 4th Street has been viewed as a sanctuary for criminal and other undesirable activities. East 4th Street has some of the highest counts of prostitution, drug use and dealing, violent assaults, robberies and other criminal activities throughout the City of Reno.
- High cost of demolition and environmental remediation concerns. Because many of the structures in the selected areas of potential retail in-fill development along East 4th Street predate a ban on the use of asbestos and are located in a historically industrial area, the cost of demolition and remediation will be significantly higher in this area, than in any other.
- Although largely transient, many of the selected structures along East 4th Street are weekly motels, currently being used as long-term residential use. The Redevelopment Agency will be responsible for finding alternative housing for those individuals and families living in the weekly motels selected for a catalytic and transformative retail in-fill project.

As new transformative and catalytic in-fill developments along East 4th Street begin to take shape, the Reno Redevelopment Agency must proactively market the new developments to the general public as a means of overcoming East 4th Street's recently tarnished reputation. The selected areas of potential retail in-fill development should be marketed as an extension of the City's entertainment core while also being home to new affordable housing mixed-use projects.

To overcome the high costs associated with asbestos and soil remediation, the Redevelopment Agency should creatively seek alternative financing options. The use of Environmental Protection Agency grants, combined with the Agency's ability to bond off of future incremental property tax revenues, is one way the Agency can overcome this financing gap. Although East 4th Street is outside the current redevelopment district, the

Agency can work cooperatively with the City of Reno to fund environmental remediation costs.

One primary goal of any retail-residential mixed-use project should be the increase in residential population levels along East 4th Street in order to provide new retailers with a built in market. Developments, like the 4th Street Plaza Apartments, are ideal developments for much of East 4th Street. At the 4th Street Plaza Apartments, the structure abutting East 4th Street consists primarily of ground floor retail with second floor office space. Behind the retail-office building are two apartment complexes. This form of development can provide affordable quality housing for those residents living in weekly motels.

Identifying an Appropriate Retail-Mix

The mix of different retailers within a given urban environment will greatly impact the retail and commercial street's identity. The mix of different retailers along the urban retail street also greatly depends upon the existing street's characteristics as well as the municipalities own unique characteristics.

In identifying an appropriate mix of either service or "trend" oriented retailers for the City's downtown redevelopment district, several factors where considered. The adopted and established goals of the Redevelopment Agency, current and future economic and market conditions of the district, the City, County and region, the different impacts "home-grown" retailers and chain-store retailers have on a local economy and the unique existing characteristics of the City's downtown redevelopment district are all important aspects of what specific mix of retailers would generate the highest economic return for the City and the downtown redevelopment district.

As discussed earlier in this chapter, the unique characteristics of each street within the downtown redevelopment district targeted by this study as having the greatest opportunity for mixed-use catalytic and transformative retail in-fill development also affect the general retail-mix for the downtown redevelopment district.

Each street, be it Virginia Street, West Street or 4th Street, is currently impacted by adjacent developments and announced projects that will transform each individual retail corridor. It may not make sense to have an Albertson's, Safeway or Smith's grocery store on Virginia Street but it might make sense to have such a store on West 4th Street or even West Street. Establishing an overall retail-mix for the downtown redevelopment district should be as focused at a street level as is possible.

Economic Impacts – Chain vs. Locally Owned Retailers

Over the last several years, as many cities across the United States undertake strategies to revitalize urban retail centers and corridors, many studies have been conducted to determine what retailers should municipal agencies actively recruit. Because space is limited and resources scarce, municipal agencies like the Reno Redevelopment Agency must strategically target and recruit those retailers that will have the greatest impact on revitalizing urban neighborhood retail in-terms of visitors, taxable retail sales, new sales tax revenue and employment.

In developing a specific retail-mix for the City's downtown redevelopment district, two studies, one done by Civic Economics in December 2002 and a second one also completed by Civic Economics in December 2004, were used to form the basis for this discussion. Both studies conducted by Civic Economics measured the local economic impact both chain and locally developed and owned retailers have on a jurisdictions local economy.

In the December 2002 study, Civic Economics concluded their discussion by reviewing three principal findings.

1. Local merchants generate substantially greater economic impact than chain retailers.
2. Development of urban sites with directly competitive chain merchants will reduce the overall vigor of the local economy.
3. Modest changes in consumer spending habits can generate substantial local economic impact.

The following discussion examines the specific findings of the December 2002 Civic Economics report in relation to the three primary findings listed above.

Local Merchants have a Greater Economic Impact

Civic Economics initially studied the different levels of economic impact of three typical freestanding stores in Austin, Texas. The 2002 Civic Economics study examined different retail industry categories but focused primarily on book sellers. In their study, Civic Economics studied the economic impact of a Borders Bookstore (a national chain bookstore) versus the economic impact of two locally owned and operated bookstores, BookPeople and Waterloo.

The 2002 Civic Economics studied concluded that in 2002, Borders Bookstore generated approximately \$800,000 in total economic impact, BookPeople generated approximately \$2.8 million in total economic

impact and Waterloo generated approximately \$4.1 million in total economic impact.

Three primary distinctions accounted for the difference between the total economic impact of a national chain retailer like a Borders Bookstore and the total economic impact of a locally owned and operated retailer.

1. Local merchants spend a higher percentage of total revenue on local labor to run the enterprise and sell merchandise.

National chain retailers often “import” labor into an area, especially higher level store managers with higher incomes. The locally owned and operated retailer more often depends on local sources of labor for all employment levels of the business.

2. Local merchants keep their profits in the local economy.

National chain retailers often “export” a majority of their profits back to a parent corporation. An individual Starbucks, for example, exports a large percentage of their individual store profits back to the parent corporation in Seattle, Washington. Locally owned and operated retailers retain a majority of their profits which are spent in the local economy.

3. Local merchants will more often support local events, artists and authors, creating further economic impact.

Because locally owned and operated retailers are owned by members of the community, the locally owned and operated retailer has a vested interest in the overall success of the community. Locally owned and operated retailers often do not have to ask permission from a centralized corporate office to donate to specific community groups and are therefore more responsive to local financial needs.

Any mix of new retail along Virginia, West or 4th streets should have an adequate mix of local retailers in order to enhance the overall economic impact of new retailers in the downtown. Although local retailers may not generate the high volume of total taxable retail sales that a Nordstrom’s, PF Chang’s or a TJ Max would generate, some local retailers even within a destination retail development project, are necessary to off-set the economic benefits exported out of the region to the central corporate offices of national chain retailers.

Sole development of Chain Merchants Reduces Economic Vigor

Civic Economics reviewed three possible scenarios to account for a range of possible impacts using a chain retailer, Borders, and two locally owned

and operated retailers, BookPeople and Waterloo. In all three scenarios, Civic Economics found that a chain retailer like Borders would actually trigger a decline in local economic activity despite increasing total taxable retail sales.

The principal cause of this scenario was that national chain retailers often “crowd-out” local merchants. The corporate strategy of main chain retailers is to saturate a market to the point that the market is no longer competitive. Eventually, as the chain retailer becomes the only dominant force on an urban retail and commercial street, potential shoppers, customers, visitors and residents will be discouraged from visiting the urban retail street. As fewer and fewer visitors visit the urban retail street, the urban core begins to deteriorate until a point where even the chain retailer can no longer survive.

Civic Economics, in their December 2002 study, put forth two alternative outcomes in which urban neighborhood economies would be enhanced.

1. New merchants bring a new line of goods to the market, attracting additional consumer traffic to the area to the benefit of the neighboring merchants.

The more diverse the Reno Redevelopment Agency can make the retail-mix in the City’s urban-core, the better off all existing and future retailers will be. As new retailers, consisting of a mix of chain and locally owned and operated retailers, enter the City’s urban-core, the number of new consumers and visitors attracted to the downtown will also increase.

2. New merchants bring a complementary line of goods to the market, leading to increased browsing amongst merchants with similar but unique lines of goods.

This principal is best illustrated in the City’s current downtown redevelopment district within the Truckee River corridor. Several restaurants have opened in recent years and several others are scheduled to open within the next few years. Although each restaurant offers a similar product, primarily a unique dining experience along the Truckee River, each restaurant is modifying its product to attract a different clientele.

The Reno Redevelopment Agency should actively attract new retailers to each street identified in this study that provides a “best fit” to the line of goods present within the City’s existing retail market, as well as the line of goods available along each individual street.

For Virginia Street, this means a line of retailers, both chain and locally owned and operated, that blends smoothly into the City’s entertainment

core. For West Street, this means a line of retailers, both chain and locally owned and operated, that can service a higher-income based residential population while accenting the recent developments along the Truckee River. For 4th Street, this means a line of retailers that can serve a diverse residential population while supporting a growing entertainment district.

Modest Consumer Spending Changes Equals Substantial Impacts

In the examination of chain vs. local retailer expenditures and impacts for the City of Austin, Texas, Civic Economics found that for every \$100 in consumer spending at a chain retailer, like a Borders, \$13 was generated in additional local economic return. However, Civic Economics found that for every \$100 in consumer spending at a locally owned and operated retailer, \$45 was generated in additional local economic return.

The primary driver behind this scenario is that local retailers contribute more to the local economy than do chain retailers who typically import goods, services and employees while exporting their profits. Locally owned retailers create additional economic linkages throughout the local economy that helps the local jurisdiction capture additional revenues from increased local economic activity.

Although some national chain retailers will be needed throughout the three streets, Virginia, West and 4th, the Reno Redevelopment Agency should actively promote business recruitment and retention of local retailers and merchants in order to enhance the City's urban-core economy.

The Agency's support of the Riverwalk Merchant's Association, an association of locally owned and operated merchants along the City's downtown Truckee River corridor, indicates how successful local merchants can be in enhancing an urban economy like the City's current redevelopment district.

Current trends in a variety of economic indicators within the City's downtown redevelopment district indicate that the downtown retail market could support additional growth. Future trends, especially the growing residential population within the redevelopment district, the growing student population at the University of Nevada, Reno and the growing number of visitors and patients at both St. Mary's Regional Medical Center and Washoe Medical Center, indicate that locally owned and operated retailers have a unique opportunity to capitalize on a growing customer base.

Although many current trends indicate that locally owned and operated retailers could profit from recent growth trends in the City's urban-core, there does exist a need to recruit and retain chain retailers as well. The development of a catalytic and transformative retail in-fill project along

much of Virginia Street will depend on the ability of the Redevelopment Agency to attract new chain and “trend” retailers to complement the developing entertainment core. Locally owned and chain retailers should be given equal priority throughout the downtown in the Agency’s efforts to rehabilitate the City’s urban retail neighborhoods.

Consumer Patterns – What does the average customer expect from urban retail?

In a December 2004 follow-up study to the Civic Economics December 2002 study outlined above, Civic Economics studied consumer preference patterns in regards to choosing a chain retailer over a locally owned and operated retailer.

The December 2004 Civic Economics follow-up study provided three primary findings.

1. Locally-owned businesses generate a substantial “Local Premium” in enhanced economic input.
 - On average, for every \$100 in consumer spending with a local firm, \$68 remains within the local economy.
 - On average, for every \$100 in consumer spending with a chain firm, \$43 remains within the local economy.
 - On average, for every square foot occupied by a local firm, the total local economic impact is approximately \$179.
 - On average, for every square foot occupied by a chain firm, the total local economic impact is approximately \$105.
2. Consumers surveyed indicated that they strongly prefer local neighborhood retailers over common chain stores.
 - Approximately 70% of consumers surveyed preferred to patronize locally-owned businesses.
 - Approximately 80% prefer traditional urban business districts than large “big-box” malls or neighborhood strip-malls.
 - For many urban-centered retail neighborhoods, approximately 10% of all consumers are from outside the immediate jurisdiction.
3. The December 2004 Civic Economics study pointed to several clear policy implications.

-
- Local merchants generate substantially greater economic impact than chain firms.
 - Replacement of local businesses with chains will reduce the overall vigor of the local economy by discouraging new visitors to the urban retail and commercial street.
 - Changes in consumer spending habits can generate substantial local economic input. Focusing on the development, retention and recruitment of locally owned and operated businesses captures additional dollars for the local economy as more locally owned retailers become available for new customers.
 - Great care must be taken to ensure that public policy decisions do not inadvertently disadvantage locally owned businesses. It may be in the best interests of communities to institute policies that directly protect locally owned businesses.

For the downtown redevelopment district, the Reno Redevelopment Agency must develop retail recruitment and retention programs that meet the specific needs of locally owned and operated retailers. Because the typical American consumer in an urban environment is more inclined to visit and shop at a locally owned and operated retailer, the Agency should be sensitive to this pattern in its retail in-fill development strategy in order to attract more “local” retail and consumer business back to the City’s urban-core.

Many small businesses operate with smaller profit margins and are more likely to fail within the first few years of operation when compared to their larger, chain retailer counterparts. Small business loan programs, reduced rents and enhanced tenant improvement packages are some of the many ways the Reno Redevelopment Agency can actively support locally owned and operated businesses within the City’s urban-core.

However, the Reno Redevelopment Agency should also develop programs specifically designed to recruit and retain chain retailers, especially in “high-profile” areas along Virginia, West and 4th streets. The proximity of these streets to the City’s downtown entertainment core offers a unique opportunity to attract additional visitors from throughout the region to the City’s urban-core. Chain “trend” retailers will be needed in order to enhance the City’s developing entertainment district as a destination retail center.

Current Goals and Strategies of the Agency’s Existing Retail-Mix

The adopted mission statement of the Reno Redevelopment Agency reads as:

"To attract and assist businesses both independently and through public-private partnerships, to energize the Truckee River, to eliminate physical and social blight, and to develop a mix of uses including quality downtown housing, all of which will improve the quality of life for our citizens, create value, and position the City as the economic, civic, cultural, and entertainment capital of the region."

The challenge facing the Reno Redevelopment Agency is developing a catalytic and transformative retail in-fill development project that is both feasible given current and future market conditions and that supports the adopted goals and objectives of the Agency. Any retail in-fill development project for the Redevelopment Agency will involve careful consideration of the impact it will have on City's economic, civic, cultural and entertainment industry within the downtown redevelopment district.

The Reno Redevelopment Agency has a strong record regarding the development and retention of downtown retailers. In the past, the Agency's retail development efforts have been focused primarily along the Truckee River corridor. The Agency's continued support of the Riverwalk Merchants Association, the continued financial support of locally owned and operated retailers through small business loans, the development and retention of ground floor retailers at the Agency-owned Parking Gallery, the Agency's early commitment to build and open the Century Theater and the Agency's contractual requirement for ground floor retail at projects like Palladio and Chambolle, have all contributed the development of a successful retail development strategy.

Although a large amount of research indicates that a focus on the development of locally owned and operated retailers is critical to successful urban neighborhood retail revitalization, the Agency must consider the unique characteristics of the downtown redevelopment district. Recent trends in the City's tourism and gaming trends, a growing residential population both within and around the downtown redevelopment district, growth in the adjacent regional centers and the overall change in the social, demographic and economic characteristics of the surrounding Northern Nevada and Northern California area will all impact what specific retail-mix development is appropriate and sustainable in the downtown redevelopment district.

As stated throughout this study, the large concentration of hotel and casino properties within the downtown redevelopment district presents the Agency with unique opportunities as well as threats. Any retail development should build off the strengths of the tourism, hospitality, gaming and entertainment infrastructure already present throughout the

City's urban-core. The downtown has a unique opportunity to become a destination retail center with the introduction of retailers that would help attract new visitors from outside the Reno-Sparks area. The proximity to the City's highest concentration of hotel and casino properties is a double-edge sword. On one hand, the high concentration of visitor traffic makes destination retail ideal for the City's urban-core. On the other hand, a dramatic downturn in visitor tourism counts could significantly impact the overall market competitiveness of destination-oriented retailers within the City's urban-core. To avoid this potential problem, the retailers the Agency recruits for retail in-fill development project should be chain and "trend" oriented but should have a greater appeal to more than just tourists.

The current trend across much of the downtown redevelopment district is a renewed focus on creating a base residential population. Condominium projects like Palladio, Chambolle, the project located at 1st and Lake streets, the Belvedere-Sundowner and Riverwalk-Comstock condominium conversions, coupled with the recent announcement of the Golden Phoenix and Kings Inn condominium conversion projects could potentially introduce thousands of new residents to the City's urban-core with large disposable incomes. To sustain a growing residential population, new service retailers will be needed. Service retailers should be a mixture of chain and locally owned retailers to serve a growing residential population in the City's urban-core.

The University of Nevada, Reno, Washoe Medical Center and St. Mary's Regional Medical Center are all undergoing extensive expansions in response to a growing demand. To take advantage of the growth in the regional centers adjacent to the downtown redevelopment district, the Agency should develop mixed-use retail in-fill development projects that not only offer retail and entertainment opportunities for the students, employees and visitors located at the three adjacent regional centers, but housing opportunities to better "blur the line" between the downtown and the three regional centers.

If any one trend in the level of economic activity supports the further development of locally owned and operated retailers within the City's redevelopment district, the growth of the three adjacent regional centers certainly does. By helping attract and retain local retailers, the Agency will be providing a valuable base of retail and commercial activity to each of the three adjacent regional centers.

Finally, the changing social, demographic and economic characteristics of Northern Nevada and Northern California offer the Redevelopment Agency an opportunity to establish the City's downtown redevelopment district as the *regional* capital for economic, civic, cultural and entertainment activities, helping the Agency fulfill its established mission. Overall population and overall median income levels throughout the

Northern Nevada and Northern California area are growing just as fast as the Reno-Sparks area.

In developing a mix of retailers that services both the needs of immediate area citizens and residents as well as the wants of potential customers living in Northern Nevada and Northern California, the Agency can successfully position the City's urban-core as a *regional* capital in regards to entertainment and retail opportunities.