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## The Fog of War

Downtown Leaders — 2020 Lessons Learned:  
The Pandemic, Civil Unrest and Future Impact

*By David N. Ginsburg and David P. Smith*

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“War is the realm of uncertainty; three quarters of the factors on which action is based are wrapped in a fog of greater or lesser uncertainty. A sensitive and discriminating judgment is called for; a skilled intelligence to scent out the truth.”

— Carl von Clausewitz

### Overview:

This is a report of findings and learnings taken from conversations with downtown/center city organization CEOs, key industry consultants, and market influencers between August 2020 and January 2021. We held more than 100 Zoom sessions to better understand the impacts of the events of 2020 on our cities and how downtown organizations adapted, responded, innovated, and lead. **This paper will provide 9 key insights, including challenges and opportunities, for downtowns and center cities as they emerge from 2020.**

2020 has been an unprecedented and tragic year, but also one that highlighted resiliency and opportunity. Many have described the events of 2020 as a “black swan.” The black swan theory is a metaphor to describe an event that comes as a surprise, has major effect, and is often inappropriately rationalized after the fact with the benefit of hindsight. The combination of the COVID-19 coronavirus, the events in the wake of the George Floyd murder, and the political toxicity of the presidential election posed enormous challenges as well as opportunities for downtown and civic leaders.

Typically, the International Downtown Association (IDA) hosts an annual meeting which was to be in Tampa, Florida, in October of 2020. Other associations also hold annual meetings as well. These would have been opportunities to meet face to face with downtown/urban leaders. Sadly, due to the pandemic the annual meeting was held on-line via Zoom. While it was very well done

and successful, we were unable to meet with our colleagues in person. In mid-August, we began to schedule Zoom calls with downtown organization (e.g., BIDS) CEOs, and other civic leaders. Between mid-August and January 2021, we spoke to over 100 leaders throughout the United States and Canada.

At first, our calls were a good way to catch up. We thought our calls might also produce a survey: How had the pandemic impacted downtown? How many stores closed? What was the status of workers in downtown? What did the future of downtown work look like? How much damage did downtown sustain during the civil unrest following the George Floyd killing? While we were gathering answers to these questions, we gathered observations about the future of downtowns and cities, sustainability, and the increased importance of leadership. This paper is a report on those findings and our interpretations.

### **Our Sincere Gratitude:**

We are deeply grateful to the more than 100 leaders who were so generous with their time and perspectives. The value of the individual and collective wisdom and experience of these leaders is incalculable. Our access to these leaders is truly a gift as well as their willingness to be frank and open with us. We hope this paper does justice to their contributions and look forward to many more conversations in the future. It should be noted that several leaders told us our conversations were like “therapy” in an otherwise chaotic and unsettling time...for us too.

### **Key Dates:**

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1. Around February 20, 2020 — Onset/awareness of COVID-19 coronavirus crisis
2. May 25, 2020 — George Floyd murder/protests
3. August 8, 2020 — End of Paycheck Protection Program (PPP)
4. November 3, 2020 — National Election
5. January 20, 2021 — Presidential Inauguration

### **Key Phases:**

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#### **Phase 1:**

Realization and Rapid Response — *late February to late April/early May*

- Onset of COVID-19 Pandemic  
(shock and surprise — “this will be more than 2 weeks.”)
- Focus on basic services/organizational-executive visibility and communication.

## **Phase 2:**

Adaption/Innovation/Progress — *late April to mid-September*

- Outdoor dining, PPP, gift card programs, virtual events, use of public space and ground floor space.
- George Floyd killing, protests and elevation of diversity and equity issues.

## **Phase 3:**

Angst — *mid-September to election*

- Colder weather (North), expiring PPP, increased cases of COVID-19.
- Presidential election.

## **Phase 4:**

Resilience/Light at the End of the Tunnel

- Record levels of COVID-19 — cases and deaths.
- Uncertainty over stimulus package — expiring benefits.
- Introduction of vaccines — December 20, 2020.
- New political leadership — potential for progress.

## **Key Learnings and Findings:**

### **i. Recognition, Adaption and Response**

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**Learning:** Leaders must draw upon their experience, data, and instinct to recognize and respond to fast changing situations.

Downtown leaders have always dealt with episodic crises. The COVID-19 pandemic is a prolonged event impacting the functioning of our downtowns in every way. Many downtown leaders recall a moment when they realized “this is not going to be just a couple of weeks.” Information seemed to be coming constantly and there were mixed signals and reactions from government officials at all levels. Downtown executives had to operate in the “fog of war.”

Access to information and the ability to communicate with credibility, using a multitude of platforms, showcased the capability and value of many downtown organizations and Business Improvement Districts (BIDS). Relationships with the Mayor, City Manager, police leadership, county, state, and federal officials, as well with local media, helped provide timely, useful information with “one voice.” Without this credible voice, stakeholders hungry for information, were likely to be exposed to misinformation which could lead to bad decisions and even panic.

**Learning:** The value of “ambidextrous” leadership – the ability to manage the present and deliver results while visioning and innovating for the future. The best downtown leaders possess and utilize this skill.

Effective downtown leaders could adapt to changing conditions and deliver results while envisioning, or leading inclusive processes to envision the future.

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**Learning:** Plan for the next crises — not for the last one.

Something will happen. It could be a storm, a cyberattack, an explosion, or another pandemic or any number of things. Downtown leaders have both the relationships with partners and convening ability to develop communications plans and try to anticipate what they might face in the future. Chad Emerson, CEO of Downtown Huntsville Inc. in Alabama observed, “rocket scientists are good to be around in a pandemic.”

## ii. Value of Downtown Organizations:

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**Learning:** The pandemic, as well as the civil and political turbulence, has showcased the unique and special value of downtown organizations.

BIDS and other forms of urban development, management and placemaking organizations have long been recognized as effective public/private partnerships to provide highly visible and effective basic services such as “safe/clean” and beautification. Rosemarie Sansone, CEO of the Downtown Boston BID put it succinctly – “SAFE/CLEAN — VISIBILITY/COMMUNICATE, COMMUNICATE, COMMUNICATE.”

- Ambassadors were quickly and safely back on the streets (some never left) to provide services to stakeholders and assist with issues such as homelessness and street disorder when other partners were under strain.
- Special projects initiated such as deep cleaning, sanitizing, and maintenance (painting, curb repair, etc.).
- Organizations developed and implemented programs to assist businesses and residents, e.g., gift cards, outdoor dining, virtual and “safe” events, access to financial assistance for repairing and rebuilding.
- Downtown leaders convened partners to create programs to implement, communicate and distribute assistance.
- CEOs were visible and accessible to provide a responsive point of contact and reassurance.
- Organizations provided effective response to civil unrest – often able to assist with police and community relations.

### iii. Acceleration of Trends:

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**Learning:** The events of 2020 accelerated many trends already in place. 2021 will be a year in which these trends modulate.

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**Learning:** Focus on basics! Safe/Clean programs, public space management and placemaking services are more valued than ever as people return to downtowns and are uneasy about the environment.

Most downtown executives and consultants, when looking back over 2020, agree there were few if any new trends. In our work with private industry executives, this is also the case.

Pre-pandemic trends such as work-from-home; focus on inclusion, equity, and diversity; and the utilization of technology for efficiency all accelerated at a faster pace than they might have without the pandemic and the events surrounding the killing of George Floyd.

Two trends that may have been altered are the appeal of denser cities and shared services such as Uber/Lyft and public transportation. Views on the duration and impact of these trends vary widely, and by city. Some think in five years the events of 2020 will be viewed as a “blip” — temporarily blocking the desire for the benefits of dense, exciting cities. Others express caution that large, dense downtowns will come back more slowly because of changing work arrangements, a slow-recovering tourist/hotel/convention industry, changing demographics, political/leadership turmoil, and increasing concerns over crime and street disorder.

Interestingly, these trends tend to vary by city size, geography (to a degree), and by political/civic leadership.

### iv. Race, Equity, and Inclusion in Downtowns:

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**Learning:** The events of 2020 again brought racial equity, inclusion, and diversity to the forefront of consciousness of downtown organizations and stakeholders. The challenge of 2021 and beyond will be to ensure they remain a top priority and are translated into demonstrable and sustained progress.

Racial equity, inclusion and ownership are issues that need to be considered and addressed. In virtually every city with a BID, the bulk of revenue is derived from assessments on commercial property or business owners with highly assessed property values. About 1% of these property owners are black. Of course, this can be expected in cities with very small black populations, but it is also the case in cities with large black populations of 40-60%. Downtown leaders and their partners in all sectors will need to work together to develop strategies — both short- and long-

term — to address this issue. The good news is that in all cases, downtown leaders see this as a challenge and an opportunity. It will be very important to keep race, inclusion, and equity as a focus.

#### **v. Homelessness/Mental Health:**

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**Learning:** Homelessness, mental health, and related issues have a profound impact on our downtowns. Effective, innovative, and resourced partnerships are urgently needed to permanently address these issues. Leadership — both public and private — is essential to success.

Issues of homelessness, mental illness and related social issues are becoming a bigger and more challenging issue for downtowns. New, effective, and humane solutions are urgently needed. These issues became both more visible and more troublesome during the pandemic because there were fewer workers and tourists downtown. Panhandlers were observed to be more aggressive.

Resources to address the needs of the homeless, panhandlers, and mentally challenged were overtaxed prior to the pandemic, and systematic stress has only increased during the pandemic. In many cases, community policing and downtown organizational intervention were limited by law. This left the streets of many downtowns looking unhealthy and impoverished.

Many downtown organizations were effective in leading, or participating in, the creation of partnerships and innovative solutions, such as using empty hotel rooms to house the homeless and increasing social service outreach workers to address the situation on a temporary basis. Betsy Brennan, President and CEO of the Downtown San Diego Partnership has had success in forming and managing partnerships to develop and implement effective solutions such as a reunification program to reconnect the homeless with their families and communities. Pre-pandemic, the reunification program serviced 800 people per year. The program also included periodic follow-up with participants for a year. The city of San Diego, with full support from the community and the Downtown San Diego Partnership, purchased 3 hotels and instantly added almost 500 affordable housing units for the homeless. Common areas in the properties were staffed with supporting services to keep residents' stable.

**There is hope.** Several cities, both large and small, have found workable, community supported solutions that effectively address homelessness. For example, Downtown Tucson (Kathleen Eriksen) and Downtown San Diego (Betsy Brennan) found strong partnerships with city, nonprofit, and public-sector partners to be key.

## vi. Essential Partnerships:

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**Learning:** Committed state and mayor/city-county leadership, combined with social service and business partners is necessary to create stakeholder confidence and develop reasoned, sustainable responses to issues such as police-community relations, racial equity, and public space management.

2020 presented many challenges to elected leadership such as response to calls to “defund” the police and policies to address homelessness. Importantly, elected leadership at the federal, state and city levels were forced to make decisions regarding the COVID-19 pandemic such as business and school shutdowns. These decisions were controversial and the importance of strong partnerships with downtown organizations was vital to provide hope along with effective communication. Another example is the creation of “streateries” (street eateries — pandemic-inspired outdoor restaurants) where Downtown organizations worked with cities to change regulatory constraints on public space (such as streets and sidewalks) and overcome funding issues.

Downtown partnerships also serve as a strong voice and advocate for their stakeholders — providing yet another demonstrated value to stakeholders.

## vii. Talent:

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**Learning:** The competition for top talent in leadership positions is keener and more critical than ever.

Many downtown leaders, who may have been considering retirement or career change before the pandemic, opted to stay with their organizations to provide leadership and stability. As we look to the next 12–24 months, retirements will increase as will leadership turnover due to “burn-out.” Because of the importance of effective leadership and management, and the need for sustainable, “future-focused” organizations, identifying and attracting a diverse array of top executive talent will become increasingly competitive and more complex.

It will be important for boards and search committees to think deeply and understand the present and future needs of the organization to identify the key characteristics desired in new executive talent. Leadership hiring decisions are usually only made every 8 to 15 years. Consequently, the impact on the organization of making a bad executive hiring decision post-pandemic will be catastrophic in terms of both direct and indirect cost.

## viii. Placemaking and Place-Management:

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**Learning:** Place Management will become critical to the future of downtowns. The linkage between placemaking/place-management with economic development and public policy is very clear and more vital than ever to the economic and social success of our cities. Brad Segal of PUMA said, “ground level and public space will be key to the recovery of downtowns.” We are seeing this across the country, as downtowns are converting their underutilized surface parking to green space, creating parks to improve “curb management.”

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**Learning:** Real estate is an area where downtown organizations could have a much greater impact. Chris Leinberger has written that downtown organizations that own or control property and activate real estate will provide experiences that are unique to downtown, while driving down property costs and increasing revenue to cities. Mr. Leinberger advised, “we need to step up our place management efforts which presently accounts for 25% of the scope of the services we will be doing in 2030...place management will include park management, district parking management, catalytic development, transit circulation, etc. Many cities own land that could be far more effectively and efficiently used. A growing number of center city organizations possess the ability to acquire property (land banks).”

## ix. Public Safety — Reimagined:

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**Learning:** Public safety — real and perceived — is more important to our cities than ever before as we recover from the events of 2020. The scope and definition of what is considered public safety, and who (in addition to police) provide services, must be broadened and fully funded.

While cases of police misuse of power should be aggressively investigated and prosecuted, calls to “defund the police” have been misguided and in some cases have led to a dangerous diminishment of police response. Dan Biederman, founder of Biederman Development Ventures and a leading authority on public space management (Bryant Park) pointed out, “...[some] cities have made their comeback from COVID-19 tougher by adding bad street conditions to the emptiness of retail. Social justice reforms in places like New York [City] are raising crime rates rapidly — almost nobody finding their way to prison despite committing violent offenses. So, people are leaving the city for two reasons: COVID and crime. Those of us in the public space programming and management business are working twice as hard as we ever have to keep pedestrians and park users feeling safe.”

Jim Whalen, Director of Public Safety and Chief of Police at the University of Cincinnati points out that “the current national conversation is causing a reassessment of what tasks should be

allocated to the police. For generations, society considered the police as a jack-of-all-trades, primarily because of their mobility and 24-hour schedule.” Other disciplines — such as mental health, medical, housing and drug abuse professionals — are also part of the public safety sector, and downtown organizations are well-equipped to lead and facilitate these partnerships.

Many downtown organizations have “ambassador programs.” They can be excellent partners in promoting public safety by providing uniformed, friendly, and trained staff. They can provide a service-oriented visibility and act as a “force-enhancement” to the police, by addressing issues that may be problematic, but not illegal.

## **x. Challenges and Headwinds:**

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**Learning:** Cities face — and will continue to face — significant challenges as they look to the future:

1. The “urbanization of suburbs”: Walkable urbanity — attractive to many — can be found in alternative locations to traditional downtowns, often with reduced levels of safety issues (real and perceived). Chris Leinberger, Founding Partner and Managing Director at Place Platform LLC and a leading proponent of walkable urbanity points out that “downtowns and walkable suburbs do not compete. They provide attractive options at various stages of people’s lives, plus there is so much pent-up demand, we need both center cities and urbanizing suburbs to satisfy this demand.
2. Cities need to be affordable and accessible to all. Gentrification, housing policy and transportation can become competitive advantages, or impediments to local economies.
3. The recovery for the hotel, tourist and travel industries will likely lag other sectors of the economy.
4. Rebuilding small businesses: The biggest casualty of the pandemic has been small businesses, particularly those who were already marginal pre-pandemic. These businesses typically provided much street level vibrancy and uniqueness as well as employment.
5. In the wake of the pandemic, budgets will become strained. Investment in key initiatives and organizations to support them will be more important than ever. At the same time, focused workplans and clear accountability will be needed to ensure the most effective and efficient delivery of services.
6. Taxes and regulations will be a key issue for cities in a competitive environment. Important services need to be provided in an effective and efficient manner. Wages for all workers, especially frontline workers must be fair. The cost of doing business needs to provide an attractive cost/benefit value. Finding the right mix to provide important services while encouraging investment and innovation will be a challenge.

## **xi. Optimism and Tailwinds — Cities Will Prevail**

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**Learning:** Cities will emerge from the pandemic stronger, more attractive, and more important than ever before.

1. The best downtown leaders are both innovators and optimists. They are also lifelong learners. The value of the city as a place of culture, commerce, education, and innovation will be treasured as never before because its uniqueness has been sorely missed during the pandemic. Cities will be more equitable because of the lessons learned in 2020. Cities will be more attractive and accessible places because of the creative solutions devised and tested during the pandemic such as more effective use of public spaces and street level retail as well as the creation of innovation centers.
2. Cities will continue to attract investment and development. Almost all cities reported “cranes in the air” and a continuation of projects already underway. In cities with BIDS, collection rates were high (over 90%) in 2020 and several were successfully renewed.
3. Cities are the hearts of regional economies and express that uniqueness and special value for each community. The “brand equity” for each region is the downtown and the partnership between urban, suburban, and rural America is vital to maximize the success of each.

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**Learning:** The relationship between place management, economic development and public policy is very clear and is key to the economic success of our cities.

## **xii. Ongoing Priorities – Housing and Retail**

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**Learning:** Housing and retail were key issues for downtown organizations as they continue to be areas of priority.

The key housing issues are:

- Housing costs in many cities is becoming unaffordable, resulting in loss of population and gentrification.
- Availability of a mix of housing alternatives, including affordable housing.
- Solutions to help address homelessness.
- Consideration of housing for seniors, e.g., proximity to parks, transit, medical facilities, and other amenities.

Key retail issues are:

- Managing the trend in retail industry from “brick and mortar” to online.
- Preserving and supporting small, independent retail businesses (including restaurants) throughout the pandemic and post-pandemic.
- Addressing increased vacancy.

## **Conclusion and Next Steps**

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The “war” is far from over. In 2021 and beyond, tremendous uncertainty and the “fog of war” will still exist. Over the next months and years, downtown leaders will continue to face issues such as racial equity, returning workforce, re-establishing retail, potential mutations of COVID-19, police community relations, contentious political environments, and strained budgets. Downtown organizations have risen to the challenge and have demonstrated tremendous resiliency in the face of many unknowns. They have adapted by continuing to provide valuable services under very stressful circumstances. Most importantly, they continue to be trusted downtown advocates and expert partnership builders and collaborators.

Many of the issues discussed in this paper are complex and will require more study, data, engagement, and resources. Organizations such as the International Downtown Association (IDA), community foundations, and others will play an important role in facilitating and advocating next steps. We fervently hope this paper provides context for continued research and discussion of the issues facing downtowns and center cities, while documenting the importance that downtown organizations have played — and will continue to play — in driving economic vibrancy in our cities.

## About the Authors:

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David Ginsburg is a Partner in HRS, Inc., as well as a Senior Advisor to Gilman Partners in Cincinnati, Ohio – also, a retained executive search firm. David is a downtown “practitioner” having served for more than 17 years as CEO and President of Downtown Cincinnati Inc. (DCI). David retired from DCI in 2018 and has served as a “subject matter expert” for HRS, Inc. Prior to working in the downtown field, David had a successful career in retail management with Marshall Field’s in Chicago and US Shoe Corporation in Cincinnati. He is also an IDA member and served on the board for several years.



David Smith is the President and Founder of HRS, Inc. He has been in the executive search business for more than 30 years and has had a profound impact on talent acquisition for many downtown and civic organizations throughout North America. He is the author of a landmark behavioral leadership study of top performing downtown leaders and has served as a resource to the International Downtown Association. David is a native of upstate New York and a longtime resident of Pittsburgh, PA. Prior to his career in executive search, David had a distinguished and life-defining career in military service with the U.S. Army.