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Consultant says flooding woes must be fixed downtown before development can flourish



Consultant Tom Kohler says the corridor between downtown and ETSU (shown here from the roof of the former Hamilton Bank building) is the key area for short-term development opportunities near downtown. (Jeff Keeling / Johnson City Press)

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Retail and commercial growth downtown will flourish only after development in the area between East Tennessee State University and downtown, and no developer worth his salt will invest downtown before flooding problems are fixed.

Those were the key points real estate consultant Tom Kohler made to Johnson City Development Authority members and other "stakeholders" at a Wednesday meeting.

"One main stimulus for growth is going to be mitigation of the flooding problem," Kohler said, adding that "ETSU is the key economic driver in the near term."

Kohler's Real Estate Research Consultants is under contract with the JCDA to study the entire central city area and determine both its true development

potential and the building blocks needed to spur that growth. Early findings in interviews with public officials, ETSU, elected officials and the private sector, Kohler said, show a number of people “don’t believe the city can be a change agent in and of itself” when it comes to downtown.

He said much of this stems from the long-term failure to solve downtown’s flooding problems.

“The fact that you come into the downtown and see the disinvestment, there’s obviously a disconnect between the players, the municipal and the private side.”

The good news, Kohler said, is the presence of a good-sized university and a strong hospital system — economic sectors he called essentially “bullet proof” — close enough to downtown to contribute mightily to its redevelopment.

“You’ve got a real strong economic basis on which to build. There is opportunity, but there’s got to be a three-party leadership: the city, the university and the private sector.”

RERC is assessing parcels throughout the central city, and Kohler said early steps to address flooding can start the ball rolling toward growth downtown.

“If the city says, ‘We’re going to step forward and take care of the flooding problems, we’re going to assemble some properties around it (and) make some linear parks and connect it to the university and provide some venues for private investment,’ that may be the very first step.”

Meanwhile, Kohler said, growth can begin along the State of Franklin Road corridor between ETSU and downtown, where flooding is less of an issue. He presented case studies involving Old Dominion University in Norfolk, Va., and University of Central Florida in Orlando, in which the universities, cities and private sector worked together to attract “town-gown” retail, restaurant and commercial development.

Two large pending projects — the “University Edge” apartments at Love Street and the Chamber of Commerce headquarters on the former General Mills property — create a good starting point for corridor development, Kohler said. (ETSU also hopes to get enough private donations to build a new baseball stadium at the northeast corner of the State of Franklin/Tennessee Street intersection.)

He estimated the near-term development potential for the ETSU/downtown corridor at 400 to 600 beds of student housing and 50,000 to 75,000 square feet of retail, restaurant and entertainment space.

“The question from our end as consultants is, ‘How do the public, the university and the private sector get together and collaborate on a vision for this whole corridor and ultimately develop this very nice downtown.’ ”

If the main players pull together and the infrastructure is in place, Kohler said, Johnson City’s got the type of land, downtown buildings and character and geographic location to grow beyond anyone’s expectations.

“Once the investment community understands that there is partnership and a common vision between the public and private sector, and in this case the university and the hospital, that signals to the private sector that there’s real opportunity and momentum, and you’ve got the players that are willing to be at your side when you make the investment.”

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