Section 6

Analysis of Comparison City Downtowns

When considering business development strategies, it is important to examine the Madison market in respect to other peer cities. Section 6 provides overviews of five cities that are recognized as comparison communities for Downtown Madison. The data and the insights presented in each of the following community overviews can be combined with the analysis presented throughout this report to aid in identifying Downtown Madison's opportunities, threats and potential strategies to encourage business retention, expansion and recruitment.

To choose Madison's peer communities, certain criteria were developed. In general, each peer community had to be similar in size (with one exception), contain a major University and in many cases be home to the state capital. The communities chosen were:

- Ann Arbor, Michigan
- Austin, Texas
- Boise, Idaho
- Boulder, Colorado
- Lincoln, Nebraska

The one exception in size was Austin, Texas. Austin, although much larger than Madison, was included because it has experienced growth in recent years similar to the growth now occurring in Madison. In addition, Austin, like Madison, is home to the University of Texas, the Texas state capital and is known for having a social culture similar to the environment present in Madison.

The following community overviews attempt to convey two messages - First, each report contains a number of tables populated with data that represents attributes important to the business climate. The attributes include, but are not limited to, median income levels, employment base numbers, lease rates and downtown vacancy rates. These numbers are intended to provide a glimpse into the market forces that shape the business environment. The quantitative data for the downtown districts was compiled using two methods. First, downtown demographic information was retrieved using the boundaries defined by the various downtown alliances and redevelopment authorities. Secondly, data for the same variables was retrieved for 1.0 mile radius around the primary retail core. Both of these geographic areas are identified on the maps that appear after the community overviews.

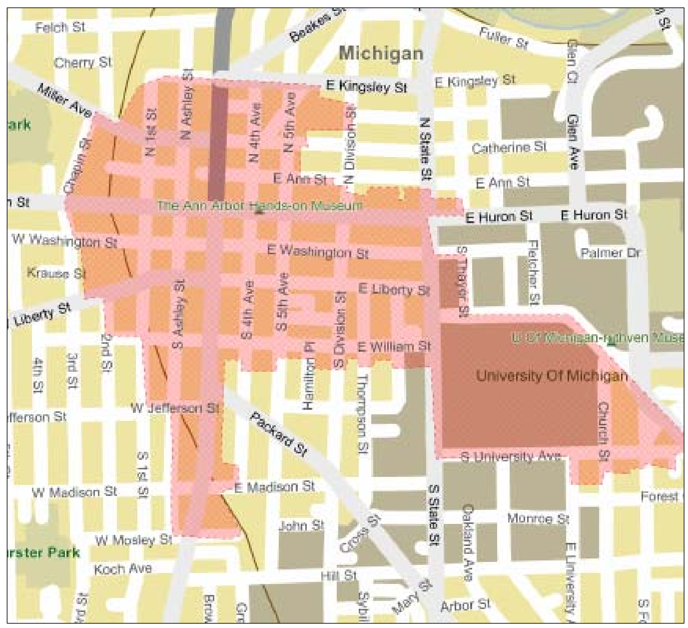
The second message being conveyed in each community's overview is their unique downtown "story." To present this story, the narrative surrounds the technical data and attempts to convey the unique aspects about each community which were gathered during personal interviews with downtown leaders. By presenting both quantitative data and more abstract characteristics of place, it is hoped the reports can create an image of each community and provide an understanding of their market forces as well as a picture of the community's downtown retail environment and atmosphere.

Ann Arbor, Michigan

Source: Ann Arbor Area Convention and Visitors Bureau

The culture of Downtown Ann Arbor is intricately connected with the culture and history of the University of Michigan. As a result, the Downtown reflects the active, diverse environment of the University campus. This environment has historically made Ann Arbor a desirable place for businesses to locate, and makes downtown living an attractive option for those who desire an urban lifestyle. The current development strategies aim to further enhance and ensure the unique culture of Ann Arbor by promoting dense urban infill and pedestrian improvements.

Demographics and Lifestyle



Downtown Ann Arbor's population is skewed towards the college age demographic which can make it difficult to maintain a balanced business mix. Despite this challenge, Ann Arbor has been successful in developing a business environment that contains almost equal amounts of retail, bars and restaurants, and service establishments; making the Downtown appeal to a wide array of potential consumer segments.

Downtown Ann Arbor is intertwined with the University of Michigan, a major research institution, home to approximately 40,000 students. The downtown area is also home to Washtenaw Community College and Cleary College, giving the city a total of approximately 55,000 students. All of these college students make up one of Downtown Ann Arbor's primary market segments.

Table 6.1 Ann Arbor Demographic Data

	Ann Arbor Downtown District[1]	Ann Arbor Downtown 1.0 mile Ring[2]	Ann Arbor MSA
Population	3,183	32,748	354,947
Households	1,783	11,839	139,351
Median Household Income	$17,790	$31,492	$64,207

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

[1] As defined by Downtown Ann Arbor; designated by map above
[2] 1.0 mile ring around the center point of the retail districts

Using ESRI's community tapestry data[3] to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Ann Arbor two main lifestyle segments emerge. Accounting for 65 percent of the population is the "dorms to diplomas" segment. This group is comprised of single, physically active residents who generally live in multi-unit housing and are attending a university or college. The second segment, which makes up 32 percent of the Downtown population, is the "metro renters." This segment is comprised of individuals with a high level of education and mid-level income. They travel frequently and shop using the internet.

Employment Market

Until recently, Downtown Ann Arbor has existed in a bubble protected from the state of Michigan's worsening employment and economic health. For example, as the Michigan economy struggled due to the loss of manufacturing jobs, Ann Arbor was compiling a waiting list of businesses interested in locating in the downtown area. Unfortunately, in spring of 2007 Pfizer Corporation, a major Ann Arbor employer not located downtown, left the city taking with it 2,500 jobs. Some people think this loss may signal the effects of the Michigan economy finally seeping into Ann Arbor. Despite these fears, the major downtown employers listed below should remain stable, because the fields they represent, education and health, are less affected by economic trends.

Table 6.2: Largest Employers in Ann Arbor

Employer	*Employees*	
University of Michigan	30,574	
U of M Health Centers	7,645	
St. Josephs Mercy Hospital	3,300	
Borders Group HQ	1,295	National book dealer

In total, the Ann Arbor MSA employs approximately 214,000 people and the 1.0 mile Downtown ring is home to just under 73,000 employees.[4]

Housing

Housing in vibrant downtown neighborhoods is usually limited and desirable; Downtown Ann Arbor is no exception. The owner occupied housing available in downtown is primarily made up of condominiums in large structures and the top floors of historic buildings. The limited nature of available housing, and the attraction of downtown living, has made affordable housing a key local issue.

Table 6.3 Ann Arbor Housing Data

	Ann Arbor Downtown District[5]	Ann Arbor Downtown 1.0 mile Ring[6]
Housing Units	1,869	12,414
Owned Units	12.8%	21.1%
Rented Units	81.6%	73.4%
Vacant Units	5.6%	5.5%

Source: ESRI Business Information Systems

[3] Full explanation of ESRI Community Tapestry refer to Section 3: Demographics
[4] Source: ESRI Business Information Systems; InfoUSA 2007
[5] As defined by Ann Arbor Downtown Development Authority; designated by map above
[6] 1.0 mile ring around the center point of the retail districts

The downtown residents are served by numerous grocers as well as a butcher and fish monger. Unfortunately, the businesses still struggle to attract downtown residents; who often travel to suburban supermarkets to do their shopping.

Physical Assessment

The Ann Arbor built environment benefits from being intertwined with a college campus where many students do not own cars and must walk to downtown destinations. There are also numerous distinct downtown districts to attract consumers for certain types of activities. This means the street activity is always relatively high. The pedestrian environment has also benefited from the Downtown Development Association's (DDA) efforts to create a unified streetscape with attractive garbage cans, mailboxes and flower planters; the presence of transparent history kiosks located throughout the downtown area also add interest and character to the streetscape. In addition to the streetscape, the buildings in downtown are well maintained because the high rental and purchase prices motivate owners to care for their properties. The result is a high quality, interesting visual environment.

Source: Ann Arbor Area Convention and Visitors Bureau

After years of political controversy and a failure to build new parking infrastructure, the city now faces significant parking problems and shortages during peak hours. To address the parking problems the DDA has been actively encouraging bike travel, and provides the LINK; a free downtown bus circulator.

Business Mix and Environment

The Ann Arbor business environment is highly diversified because of the variety of available office space. This has lead to a healthy atmosphere comprised of approximately half franchise and half locally owned businesses. In fact, the Downtown has been so desirable; the DDA has not been forced to participate in any incentive programs in order to attract businesses. One problem currently facing Downtown Ann Arbor is the size of available office and retail spaces. Because so much of the Ann Arbor building stock is from the early 1900s, the majority of available spaces would be considered small by today's standards, making it hard to attract national retailers.

Table 6.4 Ann Arbor Real Estate Data

	Downtown Ann Arbor
Office Lease Rates	$20.00[7]
Retail Lease Rates	$30.00[8]
Office Vacancy	15.5%[9]
Retail Vacancy	10.0%[10]

[7]Based on properties in Downtown currently for rent
[8] Source: Ann Arbor Downtown Development Authority
[9] Source: Ann Arbor Downtown Development Authority
[10] Source: The Michigan Daily; 11/29/06

The one major downtown retail anchor is a large Border's bookstore. Although they are now a national chain, the company originated in Ann Arbor and is viewed as a locally owned enterprise. The Border's is in fact one of many bookstores in the city that occupy their own retail niche. Currently, the City is attempting to secure a department store to add to the Downtown retail environment.

Below is a breakdown of retail establishments in the 1.0 mile Downtown ring and within the Ann Arbor MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail the segment makes up. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring. While the numbers below look skewed towards eating and drinking places, a more detailed look at only the Ann Arbor Downtown District reveals a business mix relatively evenly split between, eating and drinking establishments, services, and other retail.

Table 6.5 Ann Arbor Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Ann Arbor MSA: Number of Businesses	Ann Arbor MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	10	2%	159	6%	6%
General Merchandise	5	1%	75	3%	7%
Food Stores	27	6%	220	8%	12%
Auto Dealers, Gas, Parts	6	1%	238	9%	3%
Apparel & Accessory	33	7%	155	6%	21%
Furniture & Home Furnishings	55	12%	349	13%	16%
Miscellaneous Retail	117	26%	717	27%	16%
Eating & Drinking Places	190	43%	712	27%	27%
Total Retail, Eating & Drinking	443	100%	2,625	100%	17%

Source: ESRI Business Information Systems; InfoUSA 2007

Market Position

The businesses in Downtown Ann Arbor are frequented by specific consumer segments. They include:

- University faculty and staff
- College students
- University student's parents
- Downtown employers and employees
- Downtown shoppers (residents, visitors and tourists)

These consumer segments are important because they, in part, drive the business recruitment and product mix. Although these segments are specifically identified as being important to the Ann Arbor business mix, segments are difficult to define because Ann Arbor experiences so much fluidity within their market. For example, a college student may be a student during the academic year, and a downtown employee during the summer. What is most striking about this list is that Ann Arbor is able to serve such a variety of individuals in a downtown dominated by the presence of the University of Michigan and college students.

Major Events and Traffic Generators

• Ann Arbor Arts Festival	Four day event and four separate art fairs draw over 1,000 artists and nearly 500,000 visitors.
• Arts District	A section of the city with approximately 6 venues both publicly and University affiliated. Including the restored Michigan Theater.
• Wolverine Sports	All Michigan Wolverine sports are well attended, and bring fans into the downtown: none more so than home football Saturdays.
• University Hospital	A large, state-of-the-art hospital facility draws thousands of people into the city every year.
• Historic Michigan Theater	This performance space shows movies and stage performances.
• Downtown Farmers' Market Complex	Features offices, retail and restaurants, as well as farmers' market offerings.

Visitor Industry Characteristics

The following table presents some of the key attributes of the visitor market. In Ann Arbor, the downtown is home to very few hotels and hotel rooms, and there is no dedicated convention center. This lack of convention specific space is compensated for by the ample facilities present at the University of Michigan. To accompany the space available at the University, there are a cluster of hotels just south of downtown on the edge of the campus area.

Table 6.6 Ann Arbor Visitor Industry

	Ann Arbor Downtown
Hotels	2
Hotel Rooms	274
Restaurants & Bars	190
Movie Screens	Approx. 5
Convention Space (sf)	none

Source: Ann Arbor Convention and Visitors Bureau

Selected Economic Development Strategies

The City recently created Ann Arbor Spark. A public/private partnership focused on inspiring entrepreneurs and recruiting innovative businesses to the Ann Arbor area.

In 2005 a planning consultant created a document outlining development strategies for the Downtown area[11]. The main themes that emerged were as follows:

- Ensure the development along the campus corridor not only caters to students but to the community as a whole.
- Focus on creating pedestrian scale development by addressing corner building façades, primary street entrances and location of parking.
- Use large parking lots as catalysts for infill development
- Incorporate elements to announce the gateways to downtown; including, signage announcing Downtown, special paving, banners, lighting and plantings.

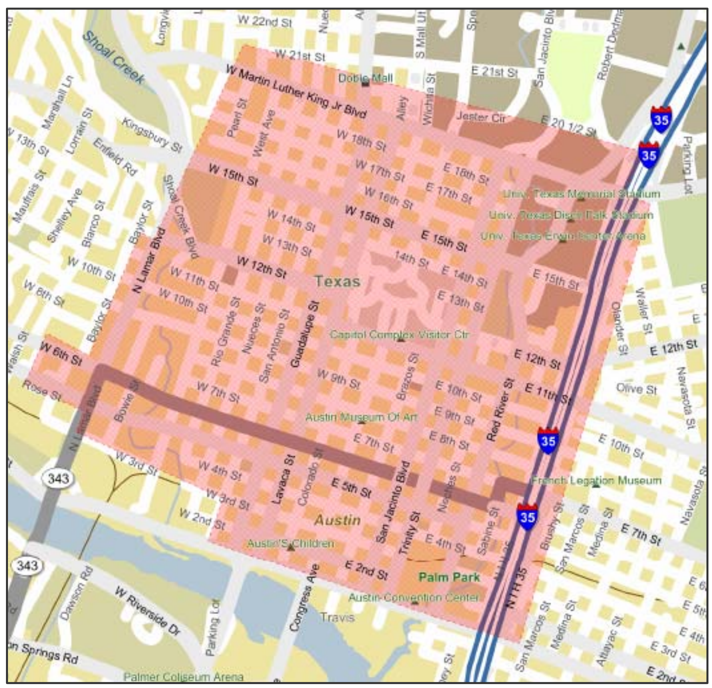
[11] Cathrope Associates and Strategic Economics, (2005). *Recommended Policy Framework for Downtown Ann Arbor: Downtown Development Strategies Project*.

Austin, Texas

Source: Austin Visitors and Convention Bureau

Austin is the fourth largest city in Texas, and the 16th largest city in the country. Over the years the City has become known for its unique mix of lifestyle, politics and entertainment. This mix has lead to labels such as the “Live Music Capital of the World,” “the People’s Republic of Austin,” and the unofficial “keep Austin weird” motto. Austin’s lifestyle has also garnered it the number two spot in *Money* magazine’s 2006 best big cities to live in, as well as two recognitions as one of the nation’s “greenest” cities. These ideas and attitudes not only affect national perception about Austin, but also influence business mix and development strategies.

Demographics and Lifestyles



As stated above, the unique characteristics of the Austin population help define the business environment. These characteristics include commitment to local businesses, support for socially conscious establishments, and a passion for involvement in local government. Austin is also known to attract outdoor enthusiasts; this fact has become important enough to prompt some retailers to target certain psychographics within the category.

Downtown Austin is anchored on the north by the University of Texas-Austin (UT) which is one of the largest universities in the country. In addition to UT, Downtown Austin and the surrounding area is home to a collection of nine other institutions of higher learning, ranging from community colleges to theological seminaries. These institutions account for approximately 80,000 students, all of which demand certain retail and entertainment opportunities and thus have an impact on Austin’s business mix and environment.

Table 6.7 Austin Demographic Data

	Austin Downtown District[12]	Austin Downtown 1.0 mile Ring[13]	Austin MSA
Population	4,944	9,266	1,249,763
Households	2,131	4,688	588,948
Median Household Income	$41,560	$44,732	$63,581

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

Using ESRI's community tapestry data[14] to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Austin two main lifestyle segments emerge. Accounting for 62 percent of the population is the "dorms to diplomas" segment comprised of single, physically active residents who generally live in multiunit housing and are attending a university or college. The second segment, which makes up 31percent of the downtown population, is the "metro renters." This segment is comprised of people with a high level of education and mid-level income, they travel frequently and shop using the internet.

Employment Market

The City of Austin relies on government and education for a large portion of its employment base. Other important, and less stable, industries include high-tech, media, and marketing. Recently, Downtown Austin has been attempting to recruit film, media, marketing and advertising firms for the second floor locations along the 6th Street entertainment corridor. They hope Downtown can create its own "Austin Hollywood."

Table 6.8: Largest Employers in Downtown Austin[15]

Employer	*Employees*	
University of Texas	20,200	
Other Gov. (state and county)	20,000	Combination of all state and county offices
City of Austin	12,000	Combination of all state offices
Whole Foods	1,000	Organic/Natural foods store
Austin American-Statesman	850	Newspaper
Brackenridge Hospital	580	
GSD&M	550	Marketing and Branding

In total, the Austin MSA has 677,000 employees and the 1.0 mile Downtown ring is home to approximately 76,000 employees.[16]

Housing

Austin does not have much second floor housing which is typical in smaller cities. Instead, there are a few whole-building condominium conversions and many new residential complexes. Those living in Downtown Austin are primarily college students and young professionals who desire the urban lifestyle. Downtown residents are served by numerous grocery stores,

[12] As defined by Downtown Austin; designated by map above
[13] 1.0 mile ring from the center point of the retail districts
[14] Full explanation of ESRI Community Tapestry refer to Section 3: Demographics
[15] Source: City of Austin and Downtown Austin Alliance
[16] Source: ESRI Business Analyst; InfoUSA 2007

highlighted by an 80,000 square foot Whole Foods. The area also offers numerous clothing stores and some furniture stores. All of these offerings create a retail environment that serves the downtown resident well.

Table 6.9: Austin Housing Data

	Austin Downtown District[17]	Austin Downtown 1.0 mile Ring[18]
Housing Units	2,490	5,247
Owned Units	30.2%	31.9%
Rented Units	55.4%	57.4%
Vacant Units	14.4%	10.7%

Source: ESRI Business Information Systems

Physical Assessment

The street level activity in Downtown Austin is vibrant and unique within each of the City's nine sub districts. Contributing to the pedestrian friendly environment are the newly installed sidewalks (some areas in the City had none) and a fairly robust network of green-space and trails. The booming real estate market has also benefitted pedestrians since the high prices have forced building owners to invest substantially in maintenance and aesthetic upgrades. If patrons are seeking parking in Downtown Austin they will discover it is abundant, but difficult to find and hard to navigate. A unique feature of Austin parking is the use of pre-paid metered parking cards for on-street parking. These cards can be purchased and used in place of coins at parking meters. Downtown patrons can also use the extensive bus system – 41 percent of all routes run through Downtown – or navigate the area using the "Dillo;" a free trolley circulator.

Source: Austin Convention and Visitors Bureau

Business Mix and Environment

The Austin business environment is intertwined with the spirit and culture of the City. The entrepreneurial spirit of the City, and the residents support for local businesses, can be seen in the large number of creative, successful independents located downtown. It is estimated, if you remove fast food restaurants, only five of the remaining are national chains. The famous Austin spirit of liberalism and social justice can also be seen in their national recruitment efforts. The Downtown Austin Alliance (DAA) has identified businesses that fit the community's ethos, and those are the only national chains actively pursued. Some examples of businesses considered a fit for the Austin identity include Patagonia, an outdoor company environmentally conscious and socially responsible, and American Apparel, a clothing store that does not operate sweatshops and pays their employees a living wage. National and local businesses fit the ethos of Austin and find the location desirable because they are guaranteed a loyal customer base. Currently within the City the major retail anchors are the flagship Whole Foods store, Chico's, Anthropologie and REI.

Table 6.10: Austin Real Estate Data

	Austin Downtown "Core"[19]
Office Lease Rates	$27.50[20]
Retail Lease Rates	$18.00 - 25.00[21]
Office Vacancy	17.8%[22]
Retail Vacancy	14%[23]

[17] As defined by Downtown Austin; designated by map above
[18] 1.0 mile ring from the center point of the retail districts
[19] Defined by Downtown Austin as area bounded by 1st St on the south, 17th street on the north, N. Lamar on the west and I-31 on the east
[20] Report provided by Downtown Austin Alliance
[21] Report provided by Downtown Austin Alliance
[22] Source: www.downtownaustin.com
[23] ERA presentation to Downtown Austin Alliance, August 2005

A detailed look at business within the downtown core reveals there is an over abundance of restaurants and bars, but also substantial clothing and furniture niches. Unfortunately, new bars and restaurants are outpacing other new downtown business ventures two to one. Below is a breakdown of retail establishments in the 1.0 mile Downtown ring and within the Austin MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail each segment makes up. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring.

Table 6.11 Austin Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Austin MSA: Number of Businesses	Austin MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	18	3%	753	6%	2%
General Merchandise	4	1%	289	2%	1%
Food Stores	35	6%	1,218	10%	3%
Auto Dealers, Gas, Parts	27	5%	1,221	10%	2%
Apparel & Accessory	28	5%	821	7%	3%
Furniture & Home Furnishings	77	13%	1,739	14%	4%
Miscellaneous Retail	116	19%	3,135	26%	4%
Eating & Drinking Places	293	49%	3,019	25%	10%
Total Retail, Eating & Drinking	598	100%	12,195	100%	5%

Source: ESRI Business Information Systems; InfoUSA-2007

Market Position

The businesses in Downtown Austin are frequented by specific consumer segments. They include:

- Downtown area and nearby residents
- Downtown employees
- Visitors/Tourists
- Students

Downtown Austin, like any large downtown, does cater to employees, the downtown residents, and locals who drive into the city for specialty shopping and dining. But, because Austin lacks retail districts with a critical mass of shops clustered together (except 2th St.), it is not always realistic to expect locals to use the City's retail opportunities to replace shopping that could be done more conveniently in suburban shopping malls. However, the City of Austin welcomes over seven million visitors a year. As a result, one of the primary market segments in downtown is tourists. Some downtown retailers report as much as 65 percent of their sales come from tourists,[24] and a secondary report from Economic Research Associates reveled visitors bring approximately $415 million a year in spending potential to the Austin economy.[25]

[24] Source: Downtown Austin Alliance
[25] Economic Research Associates, Executive Summary; Downtown Austin Redevelopment Strategy

Major Events and Traffic Generators

• South By Southwest (SXS)	The SXS festival features music, films, and technology and media themed panel discussions. Last year SXS brought in 32,000 out-of-town attendees and spurred $43.5 million in economic activity in the area.
• Austin City Limits Music Festival	The Austin City Limits Music Festival brings in well known bands for a series of Downtown concerts.
• UT Football Home games	Football is important to the citizens of Texas and over 100,000 come to Austin for each of the home football Saturdays.
• State Capital	The seat of Texas government brings in tourists and government related activities.
• Live music events	Austin is known for their live music, which brings in tourists and locals alike.
• 2nd Street District	Major retail development is designed more like an outdoor mall than traditional Downtown retail; area has common store hours, aesthetics, etc.
• 6th Street	The main entertainment district in Austin with clubs, restaurants, bars and live music.

Visitor Industry Characteristics

The following table presents some of the key components of the visitor industry. Because of its size Austin has by far the most hotel rooms of any of the comparison communities. These lodging facilities are also supported by the area's tourism industry which reports nearly seven million people visit Austin each year. Austin's large dedicated convention center is supported by numerous hotel meeting facilities and University facilities, making the total amount of convention space much more than what is listed.

Table 6.12 Austin Visitor Industry

	Austin Downtown
Hotels	23
Hotel Rooms	5,500
Restaurants & Bars	293
Movie Screens	6 (1 IMAX)
Convention Space (sf)	250,000

Source: Austin Convention and Visitors Bureau

Selected Economic Development Strategies[26]

- The Downtown Austin Alliance would like to partner with the city to create and maintain retail market information and recruitment efforts, and jointly address policy and financial priorities affecting retail recruitment and development. This partnership reflects the close working relationship between the DAA and the City.

- Because Austin is a diverse city comprised of distinct market districts, their retail strategy is tailored to offer suggested retail mix and recruitment strategies for each distinct area.

[26] City of Austin, (2005). *Downtown Austin Retail Market Strategy*

- Austin recognizes there is a challenge for retailers Downtown in not discovering their market. As a result, the City must educate retail industry on the market opportunities available, as well as the strength of the market already present. To achieve this goal, Austin will have to engage in a thorough and comprehensive marketing campaign.

- Likewise, Austin must continue to educate consumers about the opportunities that exist Downtown. One tool for this campaign is a television show produced by the Downtown Austin Alliance, titled *Downtown,* which is aired on Austin PBS. The half-hour program highlights what makes Downtown Austin unique. The show has been hugely successful and has even received an Emmy award.

- Downtown Austin offers a variety of parking infrastructure, but it is difficult to find and unfriendly to the user, As a result, Austin hopes to add way finding signs and parking signage through the city as well as develop a coordinated parking management plan to make parking more user friendly.

- The City hopes to publically refocus Downtown as a primary economic development effort. To achieve a public profile of commitment, the DAA and the City may need to actively pursue incentive program and public financing (such as Tax Incremental Financing).

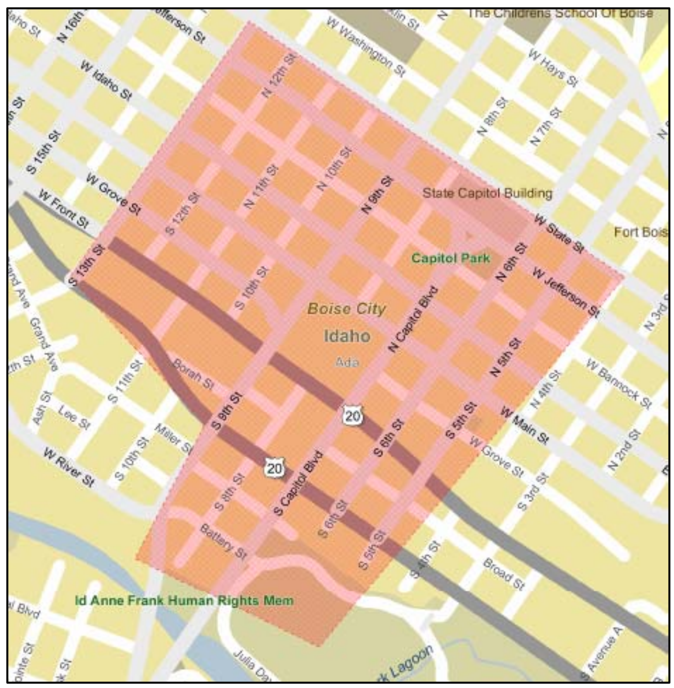
- A commuter rail line terminating downtown was planned (Capital Metro). One recommendation to utilize this line is to create a inter-modal transit center,

Boise, Idaho

Source: Boise Convention and Visitors Bureau

Boise is the largest city in Idaho and occupies an important geographic location in the center of the Pacific Northwest. Boise may be best known for their outdoor amenities, including access to foothills and the Boise River which flows through downtown. In recent years Boise has earned recognition in numerous publications as a great city to live and do business in. According to Boise Downtown Association staff, the citizenry's passion and dedication to their city is the reason Boise has seen so much success. This passion has meant extensive community involvement and a downtown that meets the needs for a variety of market segments.

Demographics and Lifestyle



Boise is home to a blossoming downtown retail district and a robust downtown business presence. This is a striking feature because there is a general lack of people living within the Downtown District. This feature would normally be considered detrimental to the area's health. Also, the greater Boise area has recently become a magnet for families seeking affordable housing, good schools, safe community and many outdoor activities.

In college towns, students are an important part of the downtown demographic, and although Boise State University is located a few miles outside downtown, students of the institution still frequent the area's entertainment and retail offerings. In addition to Boise State, George Fox University also calls Boise home; these provide a total of approximately 20,000 college students. Due to the University's geographic location, Boise's retail mix is not as focused on the college aged segment as other university-centric downtowns.

Table 6.13 Boise Demographic Data

	Boise Downtown District[27]	Boise Downtown 1.0 mile Ring[28]	Boise MSA
Population	440	11,015	587,526
Households	254	5,898	218,578
Median Household Income	$30,000	$32,168	$55,223

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

Using ESRI's community tapestry data[29] to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Boise one main lifestyle segment emerges. Accounting for 97 percent of the population is the "Old and Newcomers" segment comprised of individuals who are often in their mid 30s, purchase software and multimedia products and live in multi-unit apartments.

Employment Market

Boise has received much recognition lately as an ideal city for business. As a result, the MSA has seen numerous high-tech businesses such as Hewlett Packard and Micron locate in the area. In downtown, the flagship businesses include regional headquarters of various financial institutions. These businesses add a unique dynamic to the consumer mix of Downtown Boise.

Table 6.14: Largest Employers in Boise[30]

Employer	*Employees*
JR Simplot Company	Agriculture (Corp HQ)
US Bank	Regional HQ
Boise Cascade	Wood Products
Idaho Power	Utility
Qwest	Telecom (Regional HQ)
Wells Fargo	Regional HQ
Key Bank Corp	Regional HQ
CSHA	Architects
Government	Idaho, Ada County, Bosie City

In total, the Boise MSA employs approximately 257, 000 people and the 1.0 mile Downtown ring is home to just under 34,600 employees.[31]

Housing

Downtown Boise is currently an area with few housing options. However, following a focused housing study, they have begun to pursue the untapped residential market. Recently, 30 condominium units came online, with 70 more nearing completion and 300 proposed. Curiously, despite the assumption of a vastly untapped housing market, Downtown Boise has a residential vacancy rate of 21.3 percent which is considerably higher than the other communities in this study.

27 Defined by Downtown Boise Association; designated by map on page 6-43
28 1.0 mile ring around the center point of the retail districts; noted on map on page 6-44
28 Full explanation of ESRI Community Tapestry refer to Section 3: Demographics
30 Source: Downtown Boise Association
31 Source: ESRI Business Information Systems; InfoUSA 2007

Although there has historically not been housing in Downtown Boise, there are three grocery stores in or near downtown including the large format WinCo and Albertson and the Boise Co-op.

Table 6.15 Boise Housing Data

	Boise Downtown District[32]	Boise 1.0 Mile Ring[33]
Housing Units	336	6,557
Owned Units	13.2%	25.2%
Rented Units	65.6%	64.8%
Vacant Units	21.2%	10.0%

Source: ESRI Business Information Systems

Physical Assessment

The strength of Boise's Downtown environment is its compactness and walkablity. The short city blocks mean a person can transverse the downtown, both east to west and north to south, in around 13 minutes. Because of the short distances, most patrons of the area park once and walk to all of their destinations. The pedestrian environment is also enhanced by numerous pocket parks, but the architecture lacks high quality visual impact. If you are not walking or driving, public transportation is not ideal, but a recent grant will provide funds to explore the possibility of a downtown circulator. In addition to the shortcomings of the public transportation system, parking is seen by many as the primary barrier to doing business downtown.

Source: Boise Convention and Visitors Bureau

Business Mix and Environment

Boise's location is its biggest draw for potential businesses. The Treasure Valley provides a quality of life that includes access to mountains and the Boise River. The geographic location also means it is the central city in the Pacific Northwest; between Seattle, Portland and Salt Lake City. Although the business mix is not built around these natural assets, they have contributed to the acquisition of important business segments; for example, high-tech on the outskirts of the city and financial intuitions downtown.

Table 6.16 Boise Real Estate Data

	Downtown Boise
Office Lease Rates	$18.40[34]
Retail Lease Rates	$20.00[35]
Office Vacancy	9.7%[36]
Retail Vacancy	7%[37]

The Downtown is also home to a developing women's apparel niche which includes a Macy's department store, as well as an Ann Taylor Loft, Chico's, and Anthropologie. The apparel niche is reflected in a recent survey which shows clothing is the most purchased item in downtown followed by cards and gifts. There is also an Office Depot on the southern edge of Downtown. Downtown Boise is not home to many national chain retailers but they are often cited as the most desired downtown addition along with nightclubs, fine dining, comedy clubs and live music venues.

[32] Defined by Downtown Boise Association; designated by map above
[33] 1.0 mile ring around the center point of the retail district
[34] Source: Downtown Boise Association
[35] Source: Downtown Boise Association
[36] Source: Colliers: Boise Market Repor
[37] Western Real Estate Business, 2006

As mentioned earlier, the University is not located directly downtown, meaning the city's entertainment mix is not completely dominated by college students. This has allowed Boise to create a more diversified downtown business mix than many college towns its size. Below is a breakdown of retail establishments Downtown and within the Boise MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring.

Table 6.17 Boise Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Boise MSA: Number of Businesses	Boise MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	8	3%	413	9%	2%
General Merchandise	4	1%	155	4%	3%
Food Stores	20	7%	395	9%	5%
Auto Dealers, Gas, Parts	22	7%	548	13%	4%
Apparel & Accessory	27	9%	212	5%	13%
Furniture & Home Furnishings	32	10%	518	12%	6%
Miscellaneous Retail	77	25%	1,068	24%	7%
Eating & Drinking Places	118	38%	1,080	25%	11%
Total Retail, Eating & Drinking	308	100%	4,389	100%	7%

Source: ESRI Business Information Systems; InfoUSA-2007

Market Position

The businesses in Downtown Boise are frequented by a handful of specific consumer segments. They include:

- Office workers
- College students
- Residents seeking an experience more unique than a shopping mall
- Stop-over tourists

Boise's target consumers are varied. Some of the less important segments include the office workers who frequent the Downtown's restaurants for lunch and provide day-time street level activity. Unfortunately, employees rarely stay downtown after work hours. The biggest Boise consumer segments are residents who live within a few miles of downtown, particularly on the side opposite the mall. These customers are drawn to the downtown because it offers a varied retail experience far more unique than the offerings at the regional Boise shopping center. Overall, dinning and entertainment are the main downtown draws, along with employment and shopping.

Major Events and Traffic Generators

• First Thursday	First Thursday of every month; entertainment, shopping and food spread throughout the city, with a free trolley to get from place to place.
• Alive After Five	A weekly summer concert series at the Grove Plaza.
• The Capital City Market	Every Saturday enjoy an open-air market which includes farm stands, artists, flowers and more.
• Quest Arena	Downtown venue with seating for 5,000. Home to an ECHL (hockey) team, a NBDL (basketball) team and an Arena football team.
• Boise Center	State-of-the-art convention center located in the heart of Downtown.
• Morrison Center	A center for performing arts offering plays, Broadway, and family entertainment.
• Cultural Attractions	Downtown has 18 cultural attractions, including the Boise Art Museum, the Discovery Center of Idaho, Idaho Black History Museum, the Boise Contemporary Theatre, the Esther Simplot Performing Arts Center, the Idaho Anne Frank Human Rights Memorial, the Log Cabin Literary Center and Zoo Boise.
• Egyptian Theater	The renovated theater provides entertainment options including live concerts and the Funny Bone comedy club.
• State Capital	The presence of the state government accounts for business and tourist visitors.
• Collection of Hospitals	A group of important regional hospitals are located in Downtown Boise.

Visitor Industry Characteristics

The following table presents some key attributes of the Boise visitor industry. There are a large number of hotel rooms within the downtown area, all of which are within walking distance of the downtown convention center. There are also numerous movie screens in downtown Boise, due to the existence of a large nine screen theater on the southern edge of the downtown area.

Table 6.18 Boise Visitor Industry

	Boise Downtown
Hotels	6
Hotel Rooms	801
Restaurants and Bars	118
Movie Screens	Approx 13
Convention Space (sf)	50,000

Source: Boise Convention and Visitors Bureau

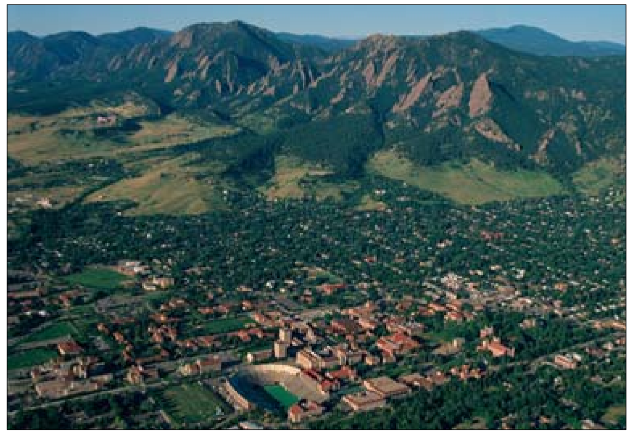
Selected Economic Development Strategies[38]

- Develop a retail business forum to discuss, among other things, the creation of a discussion/focus group to obtain feedback from local retailers.
- Increase internal marketing (e-mail communication, forums, etc) and provide marketing options and education to members.
- Create a partnership with agencies involved in economic development that include the City of Boise, Capital City Development Corporation, the Boise Valley Economic Partnership, and the Boise Convention and Visitors Bureau. As part of these partnerships, the groups could coordinate efforts to avoid duplication and include private brokers and organizations as necessary.
- Compile relevant downtown statistics (vacancy rates, housing types, employees, etc) and present them in user friendly formats such as GIS, brochures and comparison reports.
- Encourage new groups of businesses and residents to locate downtown by holding a housing tour and recruiting target businesses that fit certain demographic profiles, such as the “creative class,” and/or fill missing niches such as a drugstore.
- Offer “first hour” free in public parking garages and 20 minutes free at all parking meters
- The construction of a major catalytic development, the 8th Street Marketplace. The development is a refurbished warehouse constructed to be reminiscent of a turn of the century market. The complex includes movie theaters, restaurants and small retail shops.

[38] Downtown Boise Association Strategic Plan 2007-2011

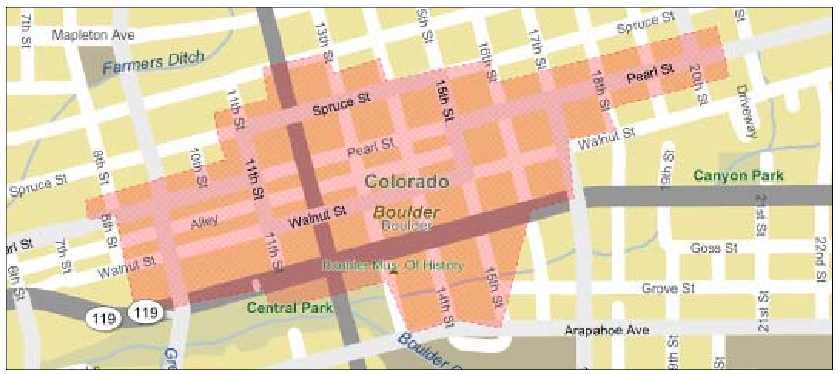
Boulder, Colorado

Boulder, Colorado is recognized around the country as having one of the premier downtown retail districts. Focused around the pedestrian mall on Pearl Street, Downtown Boulder consciously attempts to give consumers an experience that goes beyond downtown shopping; to provide them a one-of-a-kind "Boulder" retail environment. This commitment to the retail experience is reflected in the number of local businesses and the well developed aesthetic quality of the built environment.



Source: City of Boulder, Colorado

Demographics and Lifestyle



The most important characteristic regarding the population surrounding Boulder cannot be displayed or summarized by statistics. What makes the Boulder population important is the majority of people live in the area because they seek a specific lifestyle experience including user friendly outdoor opportunities and a sense of individualism. This experience is captured by the downtown retail environment; where the shops are both unique and local, and the built environment is vibrant. It is important to note the Boulder Downtown District represents only the boundaries of the Business Improvement District which was specifically drawn to include only a narrowly defined retail strip and exclude residential uses; this is why the District population is so much lower than other districts in this study. The limited geographic area of the District is a result of Colorado law which prohibits assessing residential property as part of a Business Improvement District.

Boulder is home to the University of Colorado-Boulder, which lies approximately one mile from downtown. Also in Boulder is Riverdale, a small liberal arts college, and Naropa University, one of the Country's largest Buddhist inspired schools. According to U.S. Census 2000 data, there are approximately 27,000 students residing in the City of Boulder (38,000 in Boulder County). Because the University of Colorado has a small commercial district of its own, the college students do not influence the business mix as much as some other mid-sized downtowns with major universities.

Table 6.19 Boulder Demographic Data

	Boulder Downtown District[39]	Boulder Downtown 1.0 mile Ring[40]	Boulder MSA
Population	315	26,374	285,787
Households	186	10,795	113,472
Median Household Income	$54,200	$42,897	$71,929

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

Using ESRI's community tapestry data[41] to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Boulder two main lifestyle segments emerge. Accounting for 43 percent of the population is the "dorms to diplomas" segment comprised of single, physically active residents who generally live in multiunit housing and are attending a university or college. The second segment, which makes up 21 percent of the downtown population, is the "metro renters." This segment is comprised of individuals with a high level of education and mid-level income; they travel frequently, and shop using the internet.

Employment Market

The greater Boulder area has become a hub of high-technology and creative science related industries. Segments of this market include aerospace companies and computer companies such as IBM. The role of Downtown in the employment market is to foster the City's local spirit by acting as an unofficial incubator for start-up businesses. This not only strengthens the greater Boulder business environment, but also adds to the diversity and uniqueness of the downtown retail offerings.

Table 6.20: Largest Employers in Downtown Boulder

Employer	*Employees*	
Boulder County Courthouse	350	
Daily Camera/Boulder Publishing	250	Local Newspaper
Cheesecake Factory	100	
Mediterranean Restaurant	100	
Boulderado Hotel	96	

In total, the Boulder MSA employs approximately 150,600 people and the 1.0 mile Downtown ring is home to over 27,000 employees.[42]

Housing

Like many downtown areas, the housing market is growing rapidly. As more residents enter Downtown Boulder, it has become important to maintain the balance between residential and commercial activity. Downtown Boulder Inc. wants to ensure downtown remains a commercial district with residents rather than a residential area with retail offerings. This is especially challenging in the Boulder market because the downtown is located immediately adjacent to

[39] As defined by Downtown Boulder Inc (also the boundaries of the Business Improvement District) designated by map above
[40] 1.0 mile ring around the center point of the retail districts
[41] Full explanation of ESRI Community Tapestry refer to Section 3: Demographics
[42] Source: ESRI Business Information Systems

residential neighborhoods, lacking the traditional commercial development that buffers downtowns from residential areas.

As more people move downtown the importance of neighborhood serving retail has increased. Available in the area is one grocery store and the famous Boulder farmer's market.

Table 6.21: Boulder Housing Data

	Boulder Downtown District[43]	Boulder Downtown 1.0 mile Ring[44]
Housing Units	201	11,344
Owned Units	26.4%	31.6%
Rented Units	66.2%	63.5%
Vacant Units	7.4%	4.9%

Source: ESRI Business Information Systems

Physical Assessment

The Boulder physical environment is as important to the experience as the retail mix. Downtown Boulder Inc. is consciously trying to create a unique and memorable experience for all visitors of Boulder. This means the streets must be clean, the plantings pristine and the building stock in the best possible condition. The result is a pedestrian environment considered aesthetically pleasing, pedestrian friendly and inviting. The pedestrian environment is anchored by the Pearl Street Mall, a four block pedestrian retail strip, and interactive street environment features including a water jet fountain, animals, boulders for climbing and general play areas. In a recent survey, downtown users said improvements have been made to assist navigating downtown with new directories and informational signage.[45] If walking is not an option the downtown also offers a circulator (the "Hop").

Source: City of Boulder, Colorado

Business Mix and Environment

Boulder's Business environment is known as one of the country's premier downtown retail districts. The success of Downtown Boulder is due in part to the retail niche it holds. The retail is comprised of upscale boutique shops mixed with uniquely Boulder stores, like Into The Wind – a kite store, and trendy restaurants and entertainment. This mix, which is 85 percent locally owned, means the experience here cannot be found anywhere else in the country. There are several retailers that help create this experience. Selected anchors include Title Nine (women's outdoor apparel), Chico's, Peppercorn (gourmet food and kitchen store), and Boulder Army and Navy. Collectively, the downtown restaurants serve as an important anchor.

Table 6.22 Boulder Real Estate Data

	Downtown Boulder
Office Lease Rates	$22.00
Retail Lease Rates	$33.00
Office Vacancy	8%
Retail Vacancy	4.5%

Source: Downtown Boulder Inc.

Boulder has also been successful because of its appeal to multiple market segments. For example, children are entertained by Downtown Boulder because of the different interactive street environments such as water jet fountains, areas with objects to climb on and play around.

[43] As defined by Downtown Boulder Inc(also the boundaries of the Boulder Business Improvement District)designated by map above
[44] 1.0 mile ring around the center point of the retail districts
[45] (2005) Downtown Users Survey

The area is also attractive to a variety of segments because the activity is phased throughout the day. This means the family activities occur during the day and into the early evening; followed by restaurants and entertainment geared towards adults ending by 10:00 pm; and then the young adults and college age bar atmosphere. This schedule creates a vibrant atmosphere almost 24 hours of the day, and the environment feels comfortable for all different users.

As stated above, the retail mix in Boulder is dominated by locally owned boutiques and unique shopping destinations. In fact, a collection of national chains including Abercrombie and Fitch, Ann Taylor's Loft and the Gap have recently left Downtown Boulder. Instead of this being detrimental to Downtown, it has actually provided the opportunity for recruitment of more unique local establishments to successfully take the place of the departed chains. The national chains still present are generally small, more selective establishments such as Title 9, Chico's, and Quicksilver. Although Boulder's Downtown business mix does include almost one third bars and restaurants, they are predominantly aimed at a more affluent, mature market segment. Therefore, the Downtown does not battle the college age, bar town perception. In fact, retail sales outpace restaurant and bar sales by a factor of 1.33.

Below is a breakdown of retail establishments in the 1.0 mile Downtown ring and within the Boulder MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring.

Table 6.23 Boulder Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Boulder MSA: Number of Businesses	Boulder MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	8	3%	413	9%	9%
General Merchandise	4	1%	155	4%	12%
Food Stores	20	7%	395	9%	17%
Auto Dealers, Gas, Parts	22	7%	548	13%	10%
Apparel & Accessory	27	9%	212	5%	41%
Furniture & Home Furnishings	32	10%	518	12%	17%
Miscellaneous Retail	77	25%	1,068	24%	21%
Eating & Drinking Places	118	38%	1,080	25%	25%
Total Retail, Eating & Drinking	308	100%	4,389	100%	20%

Source: ESRI Business Information Systems, from InfoUSA-2007

Market Position

The businesses in Downtown Boulder are frequented by a handful of specific consumer segments

- Empty-nesters and couples without kids
- Women; middle-age and affluent
- Those in the surrounding Central and North Boulder area
- Families

The most striking feature about Boulder's consumer segments is college students do not rank among the most important consumer segments. This is partially due to the fact the University is bordered by its own small commercial district, and a business mix aimed at more affluent consumers is also a factor. Families are an important market group not because they contribute large amounts of money to the downtown businesses, but because they contribute to the atmosphere that makes Boulder accessible and comfortable to everyone. Recent improvements have been targeted at further strengthening the Downtown's appeal to children and families. All of the factors and qualities mentioned in this overview mean the Downtown's market position differs from the area's regional shopping mall and lifestyle center. Thus, the area is less affected by regional competition and remains a popular destination for shopping, entertainment and employment.

Major Events and Traffic Generators

- Farmers Market — A twice a week market provides fresh, local produce
- Pearl Street Mall — A four block retail district Downtown for pedestrian traffic only
- Bands on the Bricks — Summer concert series held Downtown in front of the court house
- Boulder Creek Fest — Popular event features music, food, vendors and exhibits
- Arts and Craft Fairs — Periodic fairs feature local arts and crafts exhibits and vendors
- Boulder Fall Festival — Three day fall festival fashioned after the traditional Oktober Feast
- Univ. of Colorado Events — Sporting events, orientation and parents weekend all bring students and their families into the Downtown area

Visitor Industry Characteristics

The following table presents some important attributes of the Boulder visitor industry. The seven hotels within the Boulder downtown area are supported by another cluster of hotels approximately 1.5 miles from downtown. Because of Boulder's tight geographic layout, this means that virtually all of the hotels in Boulder are within a relatively short distance of the downtown. Although there is currently no convention center in downtown Boulder, there are plans to consider the construction of such a facility in the near future.

Table 6.24 Boulder Visitor Industry

	Boulder Downtown
Hotels	7
Hotel Rooms	479
Restaurants and Bars	170
Movie Screens	0
Convention Center Space (sf)	0

Source: Boulder Convention and Visitors Bureau

Economic Development Strategies[46]

- To overcome the perception that Downtown Boulder is not a business friendly community, the BID is interested in making position statements and working with local government to make economic vitality a community value.

- The BID is interested in pursuing the creation of an economic development manager. This position would be in charge of:

  - Developing and maintaining a Downtown profile to provide necessary market information and statistics.

  - Working to aid in business recruitment

  - Working with current business to expand

  - Undertaking community relations to promote an economic development agenda

- Plans are underway to explore the construction of a Downtown conference center. The idea of a "hybrid" conference center, to host visual and cultural art events, is particularly intriguing for the City and Downtown Boulder Inc.

- Create a Community Development Corporation, a non-profit community based organization, to champion and lead the development of arts Downtown.

- Create the *Downtown Business Portal;* a one stop location to help businesses problem solve and transition into the Downtown market.

- It will be important to continue to position the Downtown to distinguish it from the nearby 29th Street lifestyle center that features more convenience retail establishments and big box stores.

[46]2003, Downtown Boulder Business Improvement District Economic Development Initiative: Findings and Recommendations and the "Downtown Boulder Strategic Plan" prepared by Progressive Urban Management Associates (2005).

Lincoln, Nebraska

Lincoln is the second largest city in the state of Nebraska and is home to the state capital and the main campus of the University of Nebraska. The city is the hub of state and county government and has developed a note worthy performing arts niche. The retail mix is dominated by businesses targeted at college students, but future development strategies may try to develop new retail nodes in locations outside the traditional retail corridor.

Source: Downtown Lincoln Association

Demographics and Lifestyle

The demographic makeup in Downtown Lincoln appears to be mixed (this can be seen by the numerous evenly distributed lifestyle segments discussed below). Despite downtown appearing to be more diverse than the other study communities, the downtown business mix still seems to be geared towards the college age market. In particular, O Street., their traditional retail corridor, has a concentration of drinking establishments.

The demographic profile of Downtown Lincoln reveals college students are a significant portion of the downtown population. In fact, the presence of the University of Nebraska-Lincoln accounts for nearly 30,000 college students. Like many mid-sized downtowns with a major university, the college market segment has a significant impact on the diversity of available business mix.

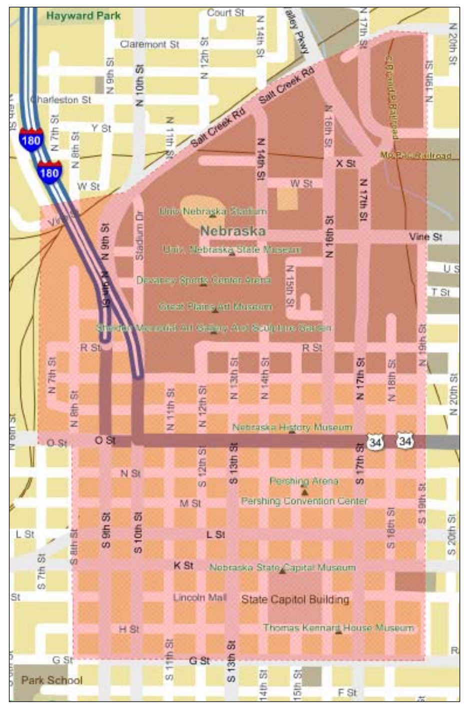


Table 6.25 Lincoln Demographic Data

	Lincoln Downtown District[47]	Lincoln Downtown 1.0 mile Ring[48]	Lincoln MSA
Population	8,687	20,211	291,909
Households	2,047	7,871	116,960
Median Household Income	$19,689	$24,4833	$53,002

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

[47] As defined by the Downtown Lincoln Association; designated by map above
[48] 1.0 mile ring around the center point of the main retail district

Using ESRI's community tapestry data[49] to categorize downtown residents provides insight into the lifestyle of the downtown resident market segment. In Downtown Lincoln numerous lifestyle segments are represented with similar percentages. This is unlike the other comparison communities in which no more than two segments often account for at least 90 percent of the downtown demographic. In Lincoln, the top two segments, each accounting for approximately 22 percent of the population, include "Inner City Tenants," who are often in their late 20s, have professional jobs and frequently play outdoor sports; and the "Social Security Set," who are often retired and members of church organizations. Following closely behind these two is the College Towns segment which is made up of college students who enjoy attending sporting events and going out to bars.

Employment Market

The local economy will continue to be led by the services sector. Within the service sector, growth will be led by "office using" service areas, particularly business services, as well as health, engineering and management services. The government and manufacturing sectors have been and are expected to continue to decrease in importance, although Lincoln's largest employers will continue to be the State of Nebraska, the Lincoln/Lancaster County Government and the University of Nebraska. Technology and other fast growing office using industries will continue to lead the service sector, driving demand for office space from business services.

Table 6.26: Largest Employers in Downtown Austin

Employer		*Employees*
Nelnet	600	Student Loan processors
Tier 1 Center	300	Regional Bank
National Research Corp	300	Health care market research
University of Nebraska Lincoln		
State of Nebraska		

Housing

Housing near the main retail corridor seems to be dominated by college student rentals. This is reflected in the low median home value and the low household income for the downtown area. That being said, the historic conversions in the Haymarket District may be seeking to diversify the downtown housing market and they also reflect the renewal of the downtown housing market. This renewal has lead to unmet housing demand that is further complicated by the lack of space downtown for housing projects.

Table 6.27 Lincoln Housing Data

	Lincoln Downtown District[50]	Lincoln 1.0 Mile Ring[51]
Housing Units	2,374	8,770
Owned Units	9.4%	11.1%
Rented Units	76.8%	78.6%
Vacant Units	13.8%	10.3%

Source: ESRI Business Information Systems

[49] Full explanation of ESRI Community Tapestry refer to Section 3: Demographics
[50] As defined by the Downtown Lincoln Association and designated on map above
[51] 1.0 mile ring around the center point of the main retail district

Physical Assessment

The building stock is in need of updating, and some prominent buildings, once department stores, remain vacant. On the positive side these vacant buildings provide excellent stock for potential redevelopment opportunities, and the unique downtown areas (Haymarket, University, O and P Streets, etc.) provide a distinctive downtown environment. Although at this time the different downtown areas are poorly connected and there is a lack of unity throughout the downtown. There are also a number of parks downtown, including the large Haymarket Park, which provide needed green-space.

Source: Downtown Lincoln Association

Parking costs and availability are often cited as a significant problem for shoppers. There appears to be a need to make parking more user friendly and less costly. Downtown Lincoln is also exploring the possibility of a downtown circulator.

Business Mix and Environment

The Downtown Lincoln business environment is partly defined by the abundance of locally owned businesses. While locally owned establishments provide variety to a retail environment, the absence of national chains may make it difficult to encourage significant growth in the downtown. There is also a general lack of the demographic and physical (parking, infrastructure, etc) attributes needed to attract major national retailers. Lincoln also suffers from an over concentration of bars and college age drinking establishments, particularly on O street near the east end of downtown (26 pubs within a two block area). This concentration has resulted in an image problem for them.

Table 6.28 Lincoln Business Environment Data

	Downtown Lincoln
Office Lease Rates	$12.00 – 17.50
Retail Lease Rates	$14.50
Office Vacancy	12%
Retail Vacancy	11%

Source: Downtown Lincoln Association

On the positive side, retail has become a major focus of the city, and Lincoln is now home to a large downtown movie theater and a large bookstore near campus. The city is also planning on turning a recently purchased movie theater into a venue offering dining and second run films. These establishments are part of a larger arts niche in Downtown Lincoln. There is also a growing dining market that may coincide with a decrease in drinking establishment revenues. On the following page is a breakdown of retail establishments in the 1.0 mile Downtown ring and within the Lincoln MSA. The numbers are presented in both total number of businesses within a given segment and the percentage of total retail. There is also a column that displays the percentage of total MSA businesses located within the 1.0 mile ring.

Table 6.29 Lincoln Business Mix Environment Data

	1.0 Mile Ring: Number of Businesses	1.0 Mile: Percent of Total Retail	Lincoln MSA: Number of Businesses	Lincoln MSA: Percent of Total Retail	1.0 Mile Ring as percent of MSA Retail
Home Improvement	18	6%	189	8%	10%
General Merchandise	4	1%	55	2%	7%
Food Stores	32	10%	244	11%	13%
Auto Dealers, Gas, Parts	26	8%	252	11%	10%
Apparel & Accessory	14	4%	140	6%	10%
Furniture & Home Furnishings	20	6%	221	10%	9%
Miscellaneous Retail	75	24%	553	24%	14%
Eating & Drinking Places	127	40%	614	27%	21%
Total Retail, Eating & Drinking	316	100%	2,268	100%	14%

Source: ESRI Business Information Systems, from InfoUSA-2007

Market Position

The businesses in Downtown Lincoln are frequented by a handful of specific consumer segments. They include:

- University faculty and staff
- College students
- Downtown employers and employees
- Young professionals
- Tourists (less important)

These consumer segments are important because they, in part, drive the business recruitment and product mix. The presence of the college student market segment probably explains the abundance of drinking establishments along the retail corridor. Downtown Lincoln plans to further leverage the college student segment by concentrating their business recruitment efforts on the two streets closer to the University (P and Q). In addition, the downtown has become a center for entertainment and culture, attracting consumers to restaurants, movies and theater. To that end, young professionals and the university community may be the best immediate market because they are frequent patrons of entertainment type establishments.

Major Events and Traffic Generators

- Lied Center — Large performing arts center located on the University campus
- Douglas Grand Theater — 10-plex theater; built due to the efforts of the downtown association
- Haymarket Historic District — Historic warehouse district with numerous restaurants and anchored by a busy Amtrak station
- Pershing Center — City managed arena; home to the Lincoln Blaze Arena Football team
- Rococo Theater — Theater offers music and drinks in a fully restored 1920s structure

• Haymarket Square Baseball Stadium	4,500 seat (room for 8,500) stadium; Home to the minor league Lincoln Salt dogs
• Lincoln Sports	Huskier athletics, Capitols arena football, Stars hockey, Shrine Bowl
• Sheldon Memorial Art Museum	Art museum in Downtown Lincoln that has both permanent collections and traveling exhibits
• Jazz in June	Outdoor, summer jazz series
• State Capital	The presence of the state government accounts for business and tourist visitors.

Visitor Industry Characteristics

Downtown Lincoln has three major hotels including a new Embassy Suites. As part of its entertainment district Downtown has a new ten screen movie theater. Anchoring the west side of Lincoln is the historic Haymarket entertainment district with restaurants, shopping, and nightclubs located among historic warehouses. Lincoln's exhibit space is located in the Pershing Center Arena. The facility is not dedicated to convention hosting and is also used for sporting events and concerts. Additional convention and meeting space is available through the local hotels, the University and the Lancaster Center on the edge of the City.

Table 6.30 Lincoln Visitor Industry

	Lincoln Downtown
Hotels	4
Hotel Rooms	829
Restaurants and Bars	127
Movie Screens	10
Exhibit Space (sf)	53,000

Source: Lincoln Convention and Visitors Bureau

Economic Development Strategies

- The City has identified potential catalyst projects aimed at adding vibrancy to their downtown environment. These projects include a civic square, mixed- use developments, infill development along one of their important thorough-fares, and high density urban residential complexes.

- Implementation is now underway on the first catalyst project in the Downtown master plan – a mixed use development on the block bounded by 13^{th} & 14^{th}, P and Q streets. This is one block north of the historic/traditional retail district (O Street)

- There is the potential of developing an incubator downtown; not necessarily a physical incubator but incubator services.

- There is discussion of a new arena and convention center west of Haymarket, 15,000 seating capacity built in conjunction with the University (The Pershing Center is aging) There is no convention center downtown.

- LDA has a 20-year master plan (2005-2025). It outlines new locations for retail, office and housing, describes improved venues for special events, and details suggested transportation improvements.

- A recent downtown retail analysis recommended the downtown support unique, local independent concepts with a sprinkling of brands, in order to create the visible fundamentals and "buzz" required to attract brand names. To do this, the report suggested three following selected actions:[52]
    - strengthen existing restaurant and apparel segments
    - Identify retail notes, strengthen and connect them (Haymarket district, P and O Streets. Create a clear retail corridor anchored on both ends (i.e. Haymarket) and is pedestrian friendly.
    - Implement parking study (top consumer issue)
    - develop a retail support program to help in the attraction and incubation of local independent businesses
    - Strengthen the connections to the University to create innovative new businesses and deepen market penetration. This includes both programmatic and physical linkages.
    - support civic investments in new residential development

- While existing independent retail is a priority, the Lincoln retail analysis did identify potential new national chain businesses to possibly recruit based upon their research of comparable college town markets, Examples include: Full Service Restaurants (P.F. Chang's, China Bistro, Keg Steakhouse, etc.); Quick Service Restaurants (Pei Wei, Panera Bread, Einstein's Bagels, etc.) ; Apparel (The Limited, Buckle, Francesca's, etc.).[53]

[52] Downtown Lincoln Retail Retention and Recruitment Strategy, June 14, 2007 prepared for the Downtown Lincoln Association by Progressive Urban Management Associates, Inc. and the Laramie Company.
[53] Downtown Lincoln Retail Retention and Recruitment Strategy, June 14, 2007 prepared for the Downtown Lincoln Association by Progressive Urban Management Associates, Inc. and the Laramie Company.

Conclusions

The quantitative and qualitative analysis conducted during the study of Madison's five peer city downtowns resulted in a large amount of comparison data and anecdotes. The following are some of the findings that may be transferable to Madison:

- Distinct but connected business clusters exist in the peer city downtowns. Ann Arbor's downtown retail corridor balances the need to serve students and the general public by having a spatial organization that separates the two retail nodes (one targeted at college aged consumers, the other catering to a wider array of consumers). The two nodes are connected by a retail corridor that serves as a transition between the areas.

- The peer city downtowns have strengthened their identity based on local culture and attitudes. Austin has successfully integrated its national identity as a "green," socially-conscious community into their business recruitment strategies. As a result, national chains identifying themselves with the Austin ethos and are drawn to the area for a potentially loyal customer base.

- The downtowns examined are more than places to buy products or services. Boulder has created a vibrant retail environment by focusing not just on the retail mix, but on creating a retail experience to provide a unique, aesthetically pleasing quality environment.

- Some of the peer city downtowns have developed a niche around home furnishings, especially targeted to urban residential life. Austin offers a small collection of retailers who sell "hip" furniture and home furnishings. This niche adds a new dimension to the creative, eclectic retail offerings seen in many cities.

- Given the educated demographics of the peer cities, downtown book stores, including a large format retailer such as that in downtown Ann Arbor, adds to the draw of the downtown business mix.

- The peer city downtowns recognize the importance of neighborhood-serving businesses (such as grocery stores) to better serve downtown residents. For grocery stores, upscale and natural-foods niches appear to be important.

- Apparel continues to be an interest of many of the peer city downtowns. Boise's women's clothing niche provides retail offerings that distinguish the Downtown from the nearby shopping mall (despite the fact the Downtown is home to a Macy's Department store which is a retailer often found in a mall setting). The mix of boutiques and a department store may demonstrate the opportunity for a downtown to have an apparel niche.

- Unique, one-of-a-kind local retail establishments allows the peer downtowns to differentiate themselves for traditional retail centers. Boulder's unique retail mix, as an example, remains successful despite regional competition. Examples of one-of-a-kind stores could also tie into specific retail niches (such as stores serving musicians and the arts community).

- The presence of a downtown movie theater, such as in Lincoln, fills a major need for the college age consumer segment, and creates another anchor for the entertainment niche in Downtown.

- Several of the peer city downtowns have seen construction or are considering the potential for major catalytic developments with the necessary footprints and commercial space to accommodate new business ideas.

- Some of the peer city downtowns appeal to the entire community including families with children. Boulder has actively attempted to attract families downtown by integrating street level entertainment, targeted at drawing children and families into their retail corridor. In addition, Boulder has successfully expanded their consumer segment appeal by strategically scheduling events so the Downtown primarily serves one or two segments at a time.

- The peer city downtowns are aware that there may be significant impact on both consumer attitudes and retail business profitability if their business mix is unbalanced with too many eating and drinking establishments.

- Many of the peer city downtowns work to inspire downtown entrepreneurship including efforts to build more formal programmatic linkages with the University. Ann Arbor and Lincoln provide examples of this.

- A portal available to existing businesses, entrepreneurs, site selectors and the real estate community can provide a one-stop shop to provide valuable market information and help solve problems. As in Austin, this can also be used to help the retail industry become more aware of opportunities downtown.

Appendix 6A: Comparison Tables

Demographic Comparison

	Ann Arbor Downtown 1.0 mile Ring	Austin Downtown 1.0 mile Ring	Boise Downtown 1.0 mile Ring	Boulder Downtown 1.0 mile Ring	Lincoln Downtown 1.0 mile Ring	Madison Downtown 1.0 mile Ring
Population	32,748	9,266	11,015	26,374	20,211	32,698
Households	11,839	4,688	5,898	10,795	7,871	13,064
Median Household Income	$31,492	$44,732	$32,168	$42,897	$24,4833	$19,157

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

Housing Comparison

	Ann Arbor Downtown 1.0 mile Ring	Austin Downtown 1.0 mile Ring	Boise Downtown 1.0 mile Ring	Boulder Downtown 1.0 mile Ring	Lincoln Downtown 1.0 mile Ring	Madison Downtown 1.0 mile Ring
Housing Units	12,414	5,247	6,557	11,344	8,770	13,619
Owned units	21.1%	31.9%	25,2%	31.6%	11.1%	4.1%
Rented Units	73.4%	57.4%	64.8%	63.5%	78.6%	90.8%

All numbers are 2007 predictions based on 2000 Census data.
Source: ESRI Business Information Systems

Real Estate Data Comparison

	Downtown Ann Arbor	Downtown Austin	Downtown Boise	Downtown Boulder	Downtown Lincoln	
Office Lease Rates	$20.00	$27.50	$18.40	$22.00	$14.75	
Retail Lease Rates	$30.00	$25.00	$20.00	$33.00	$14.50	
Office Vacancy	15.5%	17.8%	9.7%	8%	12%	
Retail Vacancy	10%	6.2%	10-15%	4.5%	11%	

Sources varied, see communities section for more details

Business Mix Comparison – 1.0 Mile Ring

	Ann Arbor 1.0 Mile Ring		Austin 1.0 Mile Ring		Boise 1.0 Mile Ring		Boulder 1.0 Mile Ring		Lincoln 1.0 Mile Ring		Madison 1.0 Mile Ring	
	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail
Home Improvement	10	2%	18	3%	8	3%	13	2%	18	6%	4	1%
General Merchandise	5	1%	4	1%	4	1%	6	1%	4	1%	0	0%
Food Stores	27	6%	35	6%	20	7%	42	8%	32	10%	31	8%
Auto Dealers, Gas, Parts	6	1%	27	5%	22	7%	20	4%	26	8%	8	2%
Apparel & Accessory	33	7%	28	5%	27	9%	54	10%	14	4%	38	9%
Furniture &Furnishings	55	12%	77	13%	32	10%	74	14%	20	6%	32	8%
Miscellaneous Retail	117	26%	116	19%	77	25%	161	30%	75	24%	97	24%
Eating & Drinking Places	190	43%	293	49%	118	38%	170	31%	127	40%	192	48%
Total Retail	443	100%	598	100%	308	100%	540	100%	316	100%	402	100%

Source: ESRI Business Information Systems; InfoUSA 2007

Business Mix Comparison – MSA

	Ann Arbor MSA		Austin MSA		Boise MSA		Boulder MSA		Lincoln MSA		Madison MSA	
	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail	# of bus	% of total retail
Home Improvement	159	6%	753	6%	413	9%	139	5%	189	8%	298	6%
General Merchandise	75	3%	289	2%	155	4%	52	2%	55	2%	87	2%
Food Stores	220	8%	1,218	10%	395	9%	249	9%	244	11%	455	9%
Auto Dealers, Gas, Parts	238	9%	1,221	10%	548	13%	202	8%	252	11%	430	9%
Apparel & Accessory	155	6%	821	7%	212	5%	131	5%	140	6%	284	6%
Furniture & Furnishings	349	13%	1,739	14%	518	12%	436	17%	221	10%	530	11%
Miscellaneous Retail	717	27%	3,135	26%	1,068	24%	750	28%	553	24%	1,403	29%
Eating & Drinking Places	712	27%	3,019	25%	1,080	25%	679	26%	614	27%	1,348	28%
Total Retail	2,625	100%	12,195	100%	4,389	100%	2,638	100%	2,268	100%	4,835	100%

Source: ESRI Business Information Systems; InfoUSA 2007

Percent of Businesses within the MSA that are Located Downtown

	Ann Arbor 1.0 Mile Ring	Austin 1.0 Mile Ring	Boise 1.0 Mile Ring	Boulder 1.0 Mile Ring	Lincoln 1.0 Mile Ring	Madison 1.0 Mile Ring
	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring	% of business within the 1.0 mile ring
Home Improvement	6%	2%	2%	9%	10%	1%
General Merchandise	7%	1%	3%	12%	7%	0%
Food Stores	12%	3%	5%	17%	13%	7%
Auto Dealers, Gas, Parts	3%	2%	4%	10%	10%	2%
Apparel & Accessory	21%	3%	13%	41%	10%	13%
Furniture & Furnishings	16%	4%	6%	17%	9%	6%
Miscellaneous Retail	16%	4%	7%	21%	14%	7%
Eating & Drinking Places	27%	10%	11%	25%	21%	14%
Total Retail	17%	5%	7%	20%	14%	8%

Source: ESRI Business Information Systems; InfoUSA 2007

Visitors Industry Comparison

	Downtown Ann Arbor	Downtown Austin	Downtown Boise	Downtown Boulder	Downtown Lincoln	Downtown Madison
Hotels	2	23	6	7	4	9
Hotel Rooms	274	5,500	801	479	829	1,228
Restaurants and Bars	190	293	118	170	127	192
Movie Screens	Approx. 5	6 (1 IMAX)	Approx 13	0	10	2
Convention Space (sf)	none	250,000	50,000	0	53,000	165,000

Sources: Communities' Visitors and Convention Bureau