The Value of U.S. Downtowns and Center Cities

AN IDA PILOT STUDY CALCULATING THE VALUE OF DOWNTOWN

A PUBLICATION CREATED BY
THE INTERNATIONAL DOWNTOWN ASSOCIATION

INSPIRED LEADERS
SHAPING CITIES

ABOUT IDA

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IDA

The International Downtown Association is the premier association of urban place managers who are shaping and activating dynamic downtown districts. Founded in 1954, IDA represents an industry of more than 2,500 place management organizations that employ 100,000 people throughout North America. Through its network of diverse practitioners, its rich body of knowledge, and its unique capacity to nurture community-building partnerships, IDA provides tools, intelligence and strategies for creating healthy and dynamic centers that anchor the well-being of towns, cities and regions of the world. IDA members are downtown champions who bring urban centers to life. For more information on IDA, visit **downtown.org**.

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The IDA Research Committee is comprised of industry experts who help IDA align strategic goals and top issues to produce high-quality research products informing both IDA members and the place management industry. Chaired and led by IDA Board members, the 2017 Research Committee is continuing the work set forth in the IDA research agenda, publishing best practices and case studies on top issues facing urban districts, establishing data standards to calculate the value of center cities, and furthering industry benchmarking.

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About the IDA Value of U.S. Downtowns and Center Cities Taskforce

A subset of the IDA Research Committee, this taskforce is focused on advancing the planning, guidance, and implementation of this project, providing insights and ideas on research methodologies, project management, and more.

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THE VALUE OF U.S. DOWNTOWNS AND CENTER CITIES

Stantec's Urban Places

Stantec

Project Advisors for The Value of U.S. Downtowns and Center Cities

Stantec's Urban Places is an interdisciplinary hub bringing together leaders in planning and urban design, transportation including smart and urban mobility, resilience, development, mixed-use architecture, smart cities, and brownfield redevelopment. They work in downtowns across North America—in cities and suburbs alike—to unlock the extraordinary urban promise of enhanced livability, equity, and resilience.

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HR&A Advisors, Inc. (HR&A) is an industry-leading consulting firm providing services in real estate, economic development, and program design & implementation. They have provided strategic advisory services for some of the most complex mixed-use, neighborhood, downtown, campus, and regional development projects across North America and abroad for over 40 years, and they understand the importance of linking accretive private investment with public resources to support investors and communities' responsibilities and aspirations.

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Executive Summary

A STRONG DOWNTOWN IS CRITICAL FOR A SUCCESSFUL CITY AND REGION.

The Value of U.S. Downtowns and Center Cities project focuses on demonstrating the impact and benefits American downtowns and center cities provide all citizens in the community. Informed by IDA's award-winning project, *The Value of Investing in Canadian Downtowns*, this study:

- Establishes a replicable, accessible, standard methodology for IDA to calculate the value of an American downtown.
- Articulates the unique contributions, importance, and multiple benefits of downtown investment for a broad range of relevant stakeholders and audiences.
- Benchmarks the performance of American downtowns and creates a baseline for future data collection.

The study identified five key principles— economy, inclusion, vibrancy, identity, and resilience—and analyzed more than 100 key data points within the principles to quantify the value of a given U.S. downtown. The study relied on both public and proprietary data sources, defining the commercial downtown beyond the boundaries of a downtown development authority or business improvement district. Metrics were calculated by change over time, by square mile, and by share of city value, allowing IDA to begin measuring each downtown against its respective city and region.

Thirteen broadly representative downtown urban place-management organizations across the U.S. participated in testing this new industry standard, including Baltimore, Charlotte, Grand Rapids, Lancaster, Miami, Norfolk, Pittsburgh, Sacramento, San Antonio, San Francisco, Santa Monica, Seattle, and Wichita. Our analysis of this pilot group of downtowns opened a window on just how much impact downtowns truly have, not only on those who live and work downtown, but also on their respective cities and regions. The findings reveal that each downtown functions as a leading economic driver in each city and region. While small in physical size, downtowns are immensely valuable, diverse, efficient, inclusive, and resilient on multiple levels.

Economy: Thanks to density of economic activity, downtown investment provides a higher level of return per dollar invested than other parts of the city. The findings from the pilot downtowns highlight the economic role that downtowns play as centers of tax-revenue generation, employment, and commercial real estate. Given their relatively small size (on average, just three percent of all citywide land), downtowns in this study deliver anywhere from 13% to 64% of the citywide tax revenue, 11% of the assessed land value, 30% of the citywide employment housed in 40% of the cities office space. Downtowns represent economic opportunity and have a built environment that supports future growth. The mix of uses, coupled with ample commercial real estate (75% of all commercial uses), positions both downtown and city for continued office, job, and residential growth.

Inclusion: Downtowns and center cities provide access to opportunities and essential services for diverse users, positioning them as highly inclusive urban nodes. The pilot downtowns exhibited marked demographic diversity with significant share of their city's foreign-born (13%), non-white (35%), middle-income (30%) and millennial populations (14%) compared to their small geographic size.

Vibrancy: Due to their higher density and expansive user base, downtowns support a vibrant variety of retail, infrastructure, and institutional uses which offer mutually-reinforcing benefits to the region. The pilot downtowns accounted for 38% of the citywide residential growth[i], 44% of the hotels, and 16% share of all retail sales and retail offerings.

Identity: Downtowns have intrinsic cultural significance, defining the region's brand by offering historical assets, culture, recreation, entertainment, and participation in civic activities. A blend of old and new, downtowns provide a high quality of life that attracts employers, investment, visitors, and residents. On average, the pilot downtowns contain 20 civic and community places, 9 museums, 72 public art installations and 71 historic structures. The average pilot downtown has 30 hotels within the smaller area "downtown" footprint, providing visitors the opportunity to experience the rich set of cultural activities a city's center offers.

Resilience: The mixed-use nature of a downtown allows for residential uses alongside commercial, connected by a variety of mobility options. Downtowns in this study consistently and significantly rank higher than their city in Walk Score (90

i Between 2010 to 2015.

downtown, 57 city), Transit Score (85 downtown, 52 city), and Bike Score (82 downtown, 57 city). The average pilot downtown contains 6 parks per square mile, providing a multitude of health, environmental, well-being and sustainability benefits. The diversity and density of resources and services in downtown make it inherently better able to rebound from economic, social, and environmental shocks and stresses than other parts of the city and region. For instance, if one area of the market is in decline, the downtown can continue growing in other market areas.

Downtown Typologies: Based on the 13 pilot downtowns, three tiers of downtowns emerged based on average growth in employment, density, population, and assessed value.

- Established Downtowns are 4.2% of the city's land area, holding 40% of citywide jobs, 36% of citywide knowledge jobs, 48% of citywide creative jobs, 49% of citywide office space, 19% of citywide millennials, 7% of the citywide population, 21-49% of citywide tax revenue, 40% of citywide hotels, and a 98 Walk Score.
- Growing Downtowns are 4.3% of the city's land area, holding 29% of citywide jobs, 32% of citywide knowledge jobs, 38% of citywide creative jobs, 44% of citywide office space, 15% of citywide millennials, 6% of the citywide population, 15-52% of citywide tax revenue, 43% of citywide hotels, and a 90 Walk Score.
- Emerging Downtowns are 1.9% of the city's land area, holding 26% of citywide jobs, 27% of citywide knowledge jobs, 28% of citywide creative jobs, 31% of citywide office space, 11% of citywide millennials, 3% of the citywide population, 5-33% of citywide tax revenue, 41% of citywide hotels, and an 85 Walk Score.

OPPORTUNITIES FOR DOWNTOWNS

Investment: Continued public investment in downtown will benefit current infrastructure, residents, and firms, but also generate outsized returns to the greater community. Because of downtown's economic productivity, every dollar invested has the potential to produce much greater returns than investment in less productive areas. To maintain downtown's economic impact, cities will need to continue investing in these areas where the tax revenues support the entire city. With shrinking federal funding, cities will be increasingly reliant on the local economic engines which are increasingly found in the downtown.

Quality of Life as a Factor in Talent Recruitment and Retention: As downtown job markets shift even more heavily toward knowledge workers and technology professionals, place-management organizations can play a crucial role in attracting and retaining talent by making sure its downtown has the amenities, qualities of place, and mix of uses these businesses increasingly seek out. The relatively recent jobs-follow-employees model hinges on quality of place and more specifically the quality of walkable urban places where talented knowledge workers are choosing to live. Municipalities have a ready-made vehicle for investing walkable urban places by partnering with their downtown management organization. Not only can they activate public spaces, place-management organizations can also champion adaptive reuse of older industrial structures, help transform office spaces for other uses, and help keep pace with the evolving marketplace.

Equity: Downtown priorities need to include equitable development and growth that does not displace residents nor exclude workforce opportunities. While place-management organizations don't typically set out to address these issues, increasingly they are organizing workforce-training programs, collaborating across sectors to improve offerings for all socioeconomic levels, or they are working to diversify a downtown's tenant mix to provide goods and services for all households. Place-management organizations should seize the opportunity to embrace a collaborative approach, engaging community cooperation, public and private leadership, thoughtful planning, and a regulatory climate that encourages strategic, place-based development designed to build community wealth, inclusion and accessibility.

Access: As downtowns strive to be inclusive homes for diverse residents and employers, they'll want to consider several questions: How can they attract more diversity and make it easier for all kinds of people to live, work, and belong? What workforce and middle-income employment and housing strategies have proved most successful? How can they encourage more transportation access, immigrants in the workforce, and jobs at all levels? Downtowns should continue work to welcome everyone within and outside the community.

CONCLUSION

Downtowns – and their place-management organizations – can bring clarifying leadership to these issues, turning challenges into opportunities. We undertook this study with the goal of creating a product that would empower local leaders to work with the public and private sectors at all levels to encourage investment in and support for downtowns. This report makes it clear, investing in downtown delivers powerful benefits for the city and region.

SECTION ONE

PROJECT OVERVIEW

1

Introduction

GREAT CITIES AND REGIONS START DOWNTOWN

A strong downtown is critical for a successful city and region. Downtowns and center cities are where people, capital and ideas have historically coalesced due to their size, proximity and density. Downtowns, with their relatively small share of land mass, provide significant economic and community impacts, with multiple benefits for both the city and region. They serve as the epicenters of commerce, capital investment, tax base, diversity, public discourse, knowledge and innovation, along with providing social benefits through access to community spaces and public institutions. Downtowns and center cities play a crucial role as the centralized hubs for a city and region in terms of a sense of place, employment, civic engagement, arts and culture, historic importance, local identity, and financial impact.

More than any other place in our cities, downtowns and center cities continue to transform and adapt to the needs of changing stakeholders, reflecting national civic, economic and social trends. The downtown of a city is a leading driver for the region, small only in physical size; downtowns are immensely valuable, flexible, dynamic, diverse, efficient, resilient and culturally resilient on various levels. The power of downtown and center cities "is rooted in its concentration of exceptional and highly significant functions—those that have a high ration of human experience to their space demands—be they residents or 'those who, due to their work or interests, are potentially the most enthusiastic participants in city life,' the seat of government representation and key offices of both public and private organizations, and other functions that have an urban, regional, national or international significance."[1] This project explores these notions by juxtaposing the inherently beneficial qualities of downtowns with comparative data from their greater cities.

Over the past two decades, U.S. downtowns have experienced a resurgence regarding their prominence, growth, livability, accessibility, and economic output. During this time, all but five of the fifty largest downtowns and Central Business Districts (CBDs) experienced residential population growth, and only two exhibited declines.[2] All the while, downtowns have continued to be culturally and historically significant and global trends "continue to appear favorable to promote growth in vibrant downtowns."[3] U.S. downtowns are poised to continue enhancing economic and political prominence to match their cultural and historical value. This project begins to unpack these trends, quantifying the value of American downtowns.

Overview

This project is informed by experts and downtown leaders from around the country, encompasses over 100 key data points over two-time periods (current year and historical reference year) and over two geographies (city and downtown), with 33 guiding benefits, and addresses nine distinct audiences to examine and evaluate downtowns through the lens of these give interrelated principles: Economy, Inclusion, Vibrancy, Identity, and Resilience.

The study achieves three goals: it articulates the multifaceted value of the American downtown, highlights its unique contributions and relative impact to its local city, and standardizes metrics to help evaluate those valuable qualities specific only to American downtowns and center cities.

About the Project

Over the course of eight months, the International Downtown Association (IDA) partnered with Stantec's Urban Places and 13 downtown place management organizations across the United States. Collaboratively, this partnership created a replicable, accessible, standard methodology to calculate the value of downtowns, articulating the mutual benefits of downtown investment to a broad range of relevant stakeholders. The goal was to use key statistical data to highlight valuable qualities and trends of center cities in the contexts of their larger city and is scalable to compare to the greater region. The project emphasized the importance of a downtown, to demonstrate its unique return on investment, to help inform future decision making and to increase support from local decision makers. *The Value of U.S. Downtowns and Center Cities* project focused on American downtowns and center cities and was informed by the award-winning project, *The Value of Investing in Canadian Downtowns.* This project:

- Provided a framework of principles and related benefits to guide measurements for evaluating the value of downtowns and center cities.
- Determined key metrics for evaluating the economic, social, cultural and environmental impacts of American downtowns.
- Developed an industry-wide standard to calculate the economic value of downtowns, creating a replicable methodology for continued data collection.
- Convened various downtown organizations to help shape the IDA data standard and the key metrics for evaluating the impact of American downtowns.
- Provided individual analysis and performance benchmarks for the 13 pilot downtowns with this new data standard, including supplemental qualitative analysis.
- Empowered and supports IDA members' economic and community development efforts through comparative analysis.
- Increased IDA's capacity to collect, store, visualize, aggregate and benchmark downtown data over time.

Participating downtowns spent eight months informing and shaping the principles, methods, value statements, and audiences, producing the resulting metrics. The pilot downtowns provided input on the project's goals, values, and vision. Through this project, downtown place management leaders built on prior efforts and existing methodologies to expand upon downtown's value proposition. IDA identified the most compelling metrics to calculate the value of downtowns, producing new analysis-based arguments for the evolving status of U.S. downtowns. Thirteen downtown urban place management organizations across the U.S. (Baltimore, Charlotte, Grand Rapids, Lancaster, Miami, Norfolk, Pittsburgh, Sacramento, San Antonio, San Francisco, Santa Monica, Seattle, and Wichita) actively participated in testing this new industry-wide data standard.

IDA and the pilot downtowns indicated the following top priorities for the study:

ENABLE ARTICULATION OF DOWNTOWN'S **IMPORTANCE AND VALUE** TO A **RANGE OF STAKEHOLDERS.**

CREATE A USEFUL SET OF TOOLS FOR **REPLICABLE, DATA-DRIVEN MEASUREMENT** OF VALUE.

DEFINE A **BASELINE FOR ASSESSMENT** OF PROGRESS AND PEER COMPARISON.

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Methodology Overview[i]

A downtown and center city "has an important and unique role in economic and social development"[4] for the greater city. Downtowns "create a critical mass of activities where commercial, cultural, and civic activities are concentrated. This concentration facilitates business, learning, and cultural exchange."[5] To measure the value of downtown in relationship to the city, this study relied heavily on data points that could be easily collected for both geographies and therefore easily compared. In cases where the downtown measured less than one square mile, the downtown-specific data has been extrapolated to facilitate per-square-mile comparisons with the city or region.

For the purposes of measuring the value of downtowns in relationship to their cities, the study relied heavily on data points that could be easily collected for both geographies.

"DOWNTOWNS HAVE 'AN IMPORTANT AND UNIQUE ROLE IN ECONOMIC AND SOCIAL DEVELOPMENT' FOR THEIR CITIES AND 'CREATE A CRITICAL MASS OF ACTIVITIES WHERE COMMERCIAL, CULTURAL, AND CIVIC ACTIVITIES ARE CONCENTRATED. THIS CONCENTRATION FACILITATES BUSINESS, LEARNING, AND CULTURAL EXCHANGE.'"

International Downtown Association

To make one-for-one comparisons, the data for both the participating downtowns and their comparative cities and regions, the data was manipulated to show the data and metric per square mile, per acre, per resident, and per worker. The rationale for manipulating the data in such a way is to measure the density of downtown and citywide inputs. Downtown boundaries were chosen to reflect the greater downtown area as opposed to any boundaries set by a place management organization, such as an improvement district, to tell the full comparative story of the downtown's impact on a city.

This innovative project analyzes the value of a downtown within its context to the greater city, slicing key metrics over time, geography, and density. The resulting value calculation focuses on the compelling metrics generated from the core indicators. A summary of data metrics includes:

Economy: employment, tax revenue, assessed value, retail sales and demand, employee typology

Inclusion: diversity, education level, attainability

Vibrancy: retail sales, demand, density, market vitality, typology, destination

Identity: events, destinations, visitors, downtown hashtags

Resiliency: environmental, social and economic resiliency including mode share, real estate, community resources

This pilot project focused on creating the framework, selecting and prioritizing the data metrics, collecting the data, creating and utilizing the new valuation methodology, providing individual downtown and aggregate analysis of the 13 pilot locations, and building a baseline dataset.

i Refer to the appendix for the full methodology.

ECONOMY

Downtowns make up a small share of their city's land area, but have substantial regional economic significance. As traditional centers of commerce, transportation, education, and government, downtowns are frequently economic anchors for their regions. Because of a relatively high density of economic activity, investment in the center city provides a high level of return per dollar of economic input. Just as regional economies vary, so do the economic profiles of center cities - the relative concentration of jobs, economic activity, retail spending, tax revenue, and innovation varies among downtowns and center cities. Comparing the economic role of downtowns and center cities in the context of the larger city or region is useful in articulating their unique value, as well as for setting development policy going forward.

INCLUSION

Downtowns and center cities invite and welcome all residents of the region (as well as visitors from elsewhere) by providing access to opportunity, essential services, culture, recreation, entertainment, and participation in civic activities. Downtowns are inherently equitable because they enable a diverse range of users from across the region to access essential elements of urban life. These elements include high-quality jobs, essential services, recreation, culture, public space, and civic participation, among others. Though the specific offerings of each downtown may vary, their attributes (density, accessibility, diversity) enable a wide degree of access. Perhaps more importantly, downtowns are the places where we expect to experience the diversity of a region, where diversity is consciously sought out and welcomed.

VIBRANCY

Due to their expansive and dense base of users, downtowns and center cities can support a variety of unique retail, infrastructural, and institutional uses that offer cross-cutting benefits to the region. Many unique regional cultural institutions, businesses, centers of innovation, public spaces, and activities are located downtown. The variety and diversity of offerings reflect the regional market and density of development. As downtowns and center cities grow and evolve, the density of spending, users, institutions, businesses, and knowledge allows them to support critical infrastructure, be it public parks, transportation, affordable housing, or major retailers that cannot be supported elsewhere in the region.

IDENTITY

Downtowns and center cities preserve the heritage of a place, provide a common point of physical connection for regional residents, and contribute positively to the brand of the regions they represent. Whether from a historical event or personal memory, downtowns have intrinsic cultural value important to preserving and promoting the brand of the region. Downtowns and center cities offer a place for regional residents to come together, participate in civic life, and celebrate their region, which in turn promotes tourism and civil society. Likewise, the "postcard view" visitors associate with a region is virtually always an image of an attribute of the downtown.

RESILIENCE

Resilience is broadly defined as the ability of a place to withstand shocks and stresses. Because of the diversity and density of resources and services, center cities and their inhabitants can better absorb economic, social, and environmental, shocks and stresses than their surrounding cities and regions. The strengths are drawn from the diversity and economic prowess of downtowns and center cities equip them to adapt to economic and social shocks better than communities which are more traditionally homogenous. Consequently, they can also support the resiliency of the region, particularly in the wake of economic shocks that disproportionately affect less economically and socially dynamic areas. Similarly, downtowns and center cities are better positioned to make the investments to hedge against and withstand increasingly-frequent environmental shocks and stresses.

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"DOWNTOWNS ARE ICONIC REPRESENTATIONS OF CITIES' STRENGTHS, IDENTITIES AND PRINCIPLES. THEY ARE THE ECONOMIC, CULTURAL, ENTERTAINMENT, AND CIVIC HEART OF A CITY AND NEED TO BE NURTURED AND MAINTAINED TO FUEL THE BROADER CITY'S HEALTH AND VITALITY FOR GENERATIONS TO COME."

HR&A Advisors, Inc.

Defining Downtown

This study uses an expanded definition of the commercial downtown beyond the boundaries of a downtown development authority or a business improvement district. Geographic parameters vary across data sources and may not align with existing geographic definitions of the place management organization's jurisdictions, such as an improvement district boundary. IDA's Value of Investing in Canadian Downtowns report reflects the aim of this study:

> *"Overall, endless debate could be had around the exact boundaries of a downtown, what constitutes a downtown and what elements should be in or out. Yet it is the hope of this study that anyone picking up this report and flicking to their home city will generally think: Give or take a little, this downtown boundary makes sense to me for my home city."*[6]

Similar to the Canadian study, this project has also been designed to address these boundary challenges. IDA recommended the downtowns utilize the commonly understood definition of downtown, using boundaries of hard edges, roads, water, natural features or highways. IDA worked with each downtown to determine their downtown boundaries for this project, with a focus on aligning with census tract data boundaries for ease of incorporating publicly available data from the U.S. Census. This data contributed to key takeaways, all of which are reflected in the context of how a downtown proportionally contributes to the city in a given area, over time, per resident or per square mile.

"DOWNTOWNS ARE LIVING, BREATHING THINGS THAT EVOLVE OVER TIME. THEIR BOUNDARIES WILL CHANGE AS TIME GOES ON, AND THAT'S JUST PART OF THE INEVITABLE NATURE OF 21ST CENTURY URBANISM."

Centro San Antonio

Urban Place Management Organizations

> "WITHOUT A DOUBT, A SUCCESSFUL DOWNTOWN IS CRITICAL. THE CITY'S INVOLVEMENT IS EVEN MORE SO. DOWNTOWNS DON'T HAPPEN – MOST OF THEM HAVE TO BE NURTURED AND WORKED ON FROM BOTH THE PUBLIC AND THE PRIVATE SIDE."
>
> International Downtown Association

At the local level, urban place management organizations (UPMOs) lead the resurgence in downtowns and center cities by advocating for targeted investment to activate and maintain vibrant downtown spaces to make them ever-increasingly accessible and welcoming to all. These UMPOs, including business improvement districts, downtown development authorities, and other public-private partnership organizations, successfully bring together all the stakeholders of a place, providing place-based leadership, and bridging the gap between the public and private sectors. Since 1970, property and business owners in cities throughout North America have realized that revitalizing and sustaining vibrant and coherent downtowns, central business districts, and neighborhood commercial centers require special attention beyond the services city administrations can provide alone. Inspired downtown leadership is filling this role, growing downtown confidence and strengthening the urban place management industry. This industry is now growing at a rapid rate with approximately 2,500 urban place management organizations in North America, and an estimated 3,000 globally.

The success of a downtown hinges on multilateral cooperation between individuals, developers, employers, and institutions who are seeking the same revitalization goals. Ensuring continued investment, urban place management organizations must continually articulate the value of center cities not only to a coalition of allies, but also to external stakeholders who benefit but may not recognize their part in ensuring that their downtown is economically, socially, and civically successful. Most downtowns "have active business improvement districts that have taken on critical leadership roles: they have improved the management of the public realm, offered strong advocacy for the area among public and private decision-makers, provided up-to-date research, funded capital improvements, and promoted long-term planning."[7]

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Known Limits to this Project

Downtowns are ever evolving and adapting to local needs and challenges. Downtowns and center cities are never "done;" they require investment, improvements, and development to serve the community. Every downtown featured in this report is an original place, with its own history, culture, land use patterns and politics. Some downtowns may play multiple roles as related to their economic performance and relative importance, and these contextual differences should always be kept in mind. This project has been designed to assess and summarize how each of these downtowns relate to the valuation methodology through the lenses of common metrics and the principles of economy, inclusion, vibrancy, identity, and resilience. The findings in this report reflect a small sample of 13 downtowns across a range of geographies and contexts and the generalizations reflect this. Since the data also contains 2015 ACS Census data, some of the figures may not exactly align with the updated numbers from the local downtown, municipal, or proprietary sources. However, this methodology is focused on the proportional context to highlight those impacts. This project was primarily piloted with publicly available data so that it would be replicable by those organizations without proprietary data access, though some downtowns also incorporate proprietary data. Whenever a data source was used, it had to work for both the city and the downtown to provide an apples-to-apples comparison.

Additional data challenges included difficulty acquiring data from partners or unavailable data, the length of time it may take a long time to get information from partners or city departments, the needed political will and relationships to acquire such data, the lack of municipal data at the 'downtown' level, selecting the appropriate boundaries that best align with data sources, defining the downtown boundary itself, acquiring updated data from all sources, acquiring full sets of municipal finance indicators, lack of GIS shapefiles, and the general issues around timing, funding, and staffing capacity.

Future Research and Refinement

This was the first year of what will be many iterations of this project. The pilot offered an opportunity to reflect on what was the most useful, what should be continued in future iterations, and what was not as relevant. IDA will continue to evaluate this efforts with the pilot downtowns and the IDA membership.

Future rounds of this study should include:

- Regional comparisons
- Pre-and-post-recession recovery analysis
- Public health and safety indicators
- Housing affordability implications
- Analysis of downtown adjacent neighborhood residential patterns

The next round of downtowns will incorporate the established methodology, incorporating several of these additional points. IDA will also work with Stantec's Urban Places to create a Downtown Vitality Index to create a global standard, furthering this methodology to calculate the value of downtowns on a global scale.

Project Definitions

For ease of reading this report, some commonly-used phrases are defined below.

Average Daily Pedestrian Traffic - The methodology for this figure may vary from place to place. Typically, the downtowns provide a figure for the average daily pedestrian traffic on one of their busier streets.

Bachelor's Degree or Higher - This study does not include Associate's Degrees.

Census Tract - A census tract is a small, relatively permanent statistical subdivision of a county or equivalent entity, updated by local participants prior to each decennial census.

Census Block Group - A census block group is a statistical division of a census tract, generally defined to contain between 600 and 3,000 people, which is used to present data and control block numbering in the decennial census.

Commercial Use - Commercial use is defined by all non-residential uses.

Creative Jobs - Creative jobs are represented by the share of Arts and Entertainment jobs.

Deliveries - Deliveries are a measure of the total square footage associated with the purchase or sale of real estate property.

Destination Retail - Destination retail includes clothing, electronics and luxury goods stores.

Event Venue - Event venue figures include those venues that are typically used for public events such as conferences, conventions, concerts, etc. (public access) As this metric is locally collected, it is somewhat subjective as the downtown has the final say on, for example, if there is a local venue that is more private, but that is part of the fabric of the event community, that would be included.

Knowledge Industry Jobs - Includes jobs within the following industries, as defined by the federal government's statistical North American Industry Classification System (NAICS): Finance, Insurance, Real Estate and Rental and Leasing; Management of Companies and Enterprises; Professional, Scientific, and Technical Services; Information; and Health Care and Social Assistance.

Middle-Class/Middle-Income - This study uses national definitions of employment earnings to define middle-class and middle-income when it comes to categorizing demographics, so for this reason the two terms (middle-class and middle-income) are used interchangeably in this report, realizing that it is not capturing those who self-identify as middle-class, nor those who have achieved certain aspirations, such as owning a home, having retirement savings, or sending children to college, etc. When analyzing household income data from the U.S. Census, the definition of middle-class or middle-income earnings is based on annual household income between $40,000 to $100,000.

- **Attainable middle-class rent** is defined as monthly rental rates between $800 and $1,500 a month.
- **Attainable middle-class housing** prices are those between $300,000 and $750,000.

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Professional Jobs - Professional jobs are represented by the professional, scientific, and technical services sector, which is part of the professional and business services supersector, coded 541, within the federal government's statistical North American Industry Classification System (NAICS).

Rent Burdened - This study looks at rent-burdened populations as those defined in census table measuring gross rent as a percentage of household income in the past 12 months (table B25070), looking at the sum of renter populations living with a burden above 30 percent of the household income.

Retail Demand - Retail demand is a measure of the total spending potential of an area's population, as determined by residential population and household income characteristics.

Income Tax Revenue - This statistic represents income taxes paid by workers of the area.

Public Capital Investment - Public capital investment is open for definition by the specific downtowns but should generally include municipal, state, and federal investment in capital projects downtown (i.e. open space, infrastructure). If only a specific bucket of public investment is available for measurement (i.e. municipal public investment), this can be measured and footnoted in the profiles in lieu of capturing the entire amount. The timeframe is annual investment for the last full year (2016).

Square Footage - This study focuses on square footage, but also includes some acreage as a means of slicing data. For estimating square feet of built uses, it was assumed 1,000 square feet for residential units and 330 square feet for hotel rooms.

Public and Private Investment - These numbers represent total annual investment expenditures by the public and private sectors into the downtown.

SECTION TWO

FINDINGS

Land Area

Metric: Geographic Footprint

Average Pilot Downtown: 3% of the city's land area

Downtowns constitute a small area of the city's land, yet deliver significant benefits for the city and region. The average pilot downtown constituted 3.4 percent of total citywide land area, ranging from 0.3 percent to 7 percent.

Downtown is 3% of the city's land and accounts for:

$10 BILLION ASSESSED VALUE	13% INCOME TAX REVENUE	14% SALES TAX REVENUE
19% PROPERTY TAX REVENUE	45% HOTEL TAX REVENUE	64% PARKING TAX REVENUE

Economy

Metric: Average Assessed Value of Downtown Land

Benefits: Economic Impact and Investment

Average Pilot Downtown: $10 billion

Median Pilot Downtown: $5 billion

While downtowns and center cities make up a small share of their city's land area, they have substantial regional economic impact. As traditional centers of commerce, transportation, education, and government, downtowns frequently serve as economic anchors for their regions. Because of a relatively high density of economic activity, investment in the center city provides a higher level of return per dollar compared to other parts of the city. Just as regional economies vary, so do the economic profiles of center cities—the relative concentration of jobs, economic activity, retail spending, tax revenue, and innovation varies among downtowns and center cities. Despite their small citywide footprint, downtowns are economically in-demand and lucrative districts, warranting continued investment. Examining the economic role of downtowns and center cities in the context of the larger city or region helps demonstrate downtowns' unique value.

Given their relatively small landmass, downtowns make a disproportionately large contribution to municipal revenues and local economies. On average, downtowns in this study constitute just 3 percent of city land area, while yielding much higher proportions of overall assessed land value. The average assessed value of a downtown in this study represents 11 percent of citywide land value or approximately $10 billion on average, with $5 billion as the median value.

On average, downtown land is worth $8 million an acre, compared to a citywide value of $2 million an acre. The median value for downtown land is $3 million per acre, compared to a citywide per-acre median of $487,900.

Comparatively, on average, downtown land is valued at $4.9 billion per square mile, compared to a citywide value of $1.2 billion. The median value for downtown land is $1.9 billion per square mile, compared to a citywide figure of $312 million per square mile. On a per-square-mile basis, downtown land carries 5 times the value of the same land citywide; for every $1 that citywide land is assessed at, downtown land carries an assessment of $5.

Metric: Tax Revenue

Benefits: Tax Revenue and Economic Output

The average pilot downtown contributes:

- 13% of total city income tax revenue
- 14% of total city sales tax revenue
- 19% of total city property tax revenue
- 45% of total city hotel tax revenue
- 64% of total city parking tax revenue

Not only is downtown's footprint highly valuable, downtown generates significant tax revenue. Constituting just 3 percent of the city's land area, downtowns contribute anywhere from four to twenty times the overall tax revenue produced in the rest of the city. Taking for example sales tax revenue, the average pilot downtown generates a median of $81 million per square mile compared to the median of $3 million per square mile citywide. Downtown's outsized contribution extends to hotel taxes, where the average pilot downtown contributes nearly six times the citywide average. Per square mile, the average pilot downtown generates $11 million in hotel tax revenue, compared to $2 million generated by other hotels in the city.

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Metric: Percent of Citywide Office Space in Downtown

Benefit: Density

Average for pilot downtowns:

- 40% of total citywide office space
- 46% of total citywide corporate headquarters
- 61% of total citywide co-working space
- 10% average vacancy rate

Given their broad mix of uses, density, highly-skilled workforce, and centralized multi-modal built environment, downtown locations appeal to employers. Downtown office markets nationally have seen a doubling of rents since 1990.[8] The pilot downtowns account for 40 percent of their city's total available office space.

Downtowns support a dense employment sector through a diverse office market. On average, pilot downtowns support 46 percent of a city's corporate headquarters. Market demand keeps the average pilot downtowns' office vacancy rate at a healthy 10 percent, although this only slightly outpaces the citywide average of 11 percent. Combined with higher rents than the city at large, slightly lower vacancy rates suggests that businesses will pay premium prices to locate in downtown.

The average pilot downtown provides 61 percent of citywide co-working space, positioning itself to attract innovative firms and talent, which tend to favor flexible office arrangements. This further underscores the idea that downtown employment density leads to professional spontaneity, interaction with diverse types of professionals and supports the clustering of professions, which has demonstrated economic benefits.[9]

Metric: Percent of Citywide Employment in Downtown

Benefit: Opportunity

Average Pilot Downtown: 30% of citywide jobs

With one third of citywide jobs, downtowns carry significant weight in both job creation and job growth. Downtowns are economic anchors, attracting and serving more workers than their proportional land area.

30% CITYWIDE JOBS

40% CITY'S OFFICE SPACE

Metric: Percent of Citywide Creative and Knowledge Jobs in Downtown

Benefits: Creativity and Innovation

Average Pilot Downtown:

- 30% of total citywide employment
- 39% of total citywide creative jobs
- 31% of total citywide knowledge jobs

Employment opportunities concentrate in downtowns, attracting highly skilled, innovative and creative talent from across the region. Downtowns have a dense professional base of knowledge workers, accounting for more than one-third of a city's knowledge jobs. Workers in the arts and other creative industries also cluster downtown, accounting on average for 39 percent of a city's share of creative jobs. Data show that knowledge workers are heading to cities. From 2000 to 2014, the number of 25-to-49-year-olds with a four-year degree living in the urban core increased by 15 percent, while the same age group without a 4-year degree moving into the urban core decreased by 5 percent.[10] During that same period, in 51 U.S. metro areas with more than one million residents, the number of 24- to 35-year-olds with four-year degrees living in central urban neighborhoods rose by 37 percent. This same population grew at less than half that rate in neighborhoods outside central areas.[11] The population of this same group living in these same areas grew by 19 percent from 2012 to 2016, while the cities themselves grew only by 4 percent.[12]

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Inclusion

Downtowns and center cities welcome all residents of the region and visitors from beyond. They are inherently equitable because they connect a range of users to essential elements of urban life, including high-quality jobs, indispensable services, recreation, culture, public space, and civic activities. Though offerings vary by city, of course, the pilot downtowns consistently display the qualities of density, accessibility, and diversity. Just as important, we expect to find the region's diversity represented downtown.

The downtown resurgence of the last decade or so has put pressure on the inclusive nature of many downtowns. While amenities and access to opportunities make downtowns more equitable than their metro areas, rising demand for downtown housing and office space has forced out many longtime residents and businesses. This development troubles many downtown advocates, given downtowns' historical role as regional epicenters for inclusive living and working. These advocates have focused on finding ways to counteract the pressures on lower-income users created by downtowns' success. With downtown's concentration of educational, job-training and healthcare opportunities, pushing lower-income residents further out provides a great obstacle when trying to achieve financial stability.

IDA members (downtown place management organizations) pride themselves on being diverse, equitable and inclusive. They actively seek policy and programmatic solutions to ensure that downtowns remain accessible to all users. Downtown Grand Rapids has begun to tackle the issue of equity head on in the face of economic development and deepening racial inequity and displacement. Identifying growing wealth and opportunity gaps in the city, downtown Grand Rapids initiated a citywide dialogue and a planning process for accommodating growth. These efforts resulted in setting equitable development goals, including fostering racially and ethnically diverse business ownership, attracting a diverse population to downtown, and making downtown more welcoming and inclusive.

Metric: Percentage of Foreign-Born Residents

Benefit: Accessibility

Average Pilot Downtown: 13% of citywide foreign-born residents live downtown

The logic of downtowns—their diversity, density of services, and ease of access to services— make them attractive destinations for foreign-born residents. Their own cultural experiences often reinforce downtowns' appeal, as they may come from places where cities haven't de-densified as much as U.S. cities have.

Metric: Percent of Middle-Income Households in Downtown

Benefit: Equity

Average Pilot Downtown: 30% of citywide middle-income households

Metric: Percent of Downtown Residents Who Are Non-White

Benefit: Diversity

Average Pilot Downtown: 35% of citywide non-white residential population

Accounting for nearly a third of the city's middle-income population, downtowns have the potential to sustain and expand housing options for middle-income households.

The racial and ethnic diversity of residents is reflected in downtown, contributing to downtown's vibrant energy.

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Metric: Attainable Middle-Income Housing in Downtown

Benefits: Attainability and Affordability

Average Pilot Downtown: 35% of rental units and 44% of homes for sale are attainable to middle-income households

Metric: Growth of Rental Units in Downtown

Benefit: Opportunity

Average Pilot Downtown: Rental Unit Growth from 2010-2015: 23%

The recent revival of interest in downtowns across the U.S. has drawn new residents and development to the pilot downtowns. Since markets typically respond to demand only after it appears, maintaining an adequate supply of housing to moderate housing costs becomes a game of catch-up. Housing costs have risen in response to new demand and lagging supply. Nevertheless, based on national affordability averages, 35 percent of rental units and 44 percent of owner-occupied units have remained attainable for middle-income households in the pilot downtowns. While the share of middle-income housing stock varies, all tiers of downtowns have the chance to invest in filling the "missing middle."

The average pilot downtown has seen substantial growth in the number of rental units since 2010. Every pilot downtown in this study experienced rental growth in the post-Recession period. Downtowns should harness this energy and drive investment and development toward affordable and attainable middle-class rental units, to further strengthen overall equity.

Vibrancy

Downtowns and center cities support unique retail, infrastructure, and institutional uses that serve the entire region. Made possible by the density of spending, users, institutions, businesses, and knowledge found only in downtown, these uses typically include regionally important cultural institutions, businesses, centers of innovation, public spaces, and activities.

> "AN ENGAGING DOWNTOWN CREATES THE CRITICAL MASS OF ACTIVITY THAT SUPPORTS RETAIL AND RESTAURANTS, BRINGS PEOPLE TOGETHER IN SOCIAL SETTINGS, MAKES STREETS FEEL SAFE, AND ENCOURAGES PEOPLE TO LIVE AND WORK DOWNTOWN BECAUSE OF THE EXTENSIVE AMENITIES."[13]
>
> International Downtown Association

Metric: Residential Growth in Downtown Compared To City

Benefit: Utilization

Average Pilot Downtown: Population growth 2010-2015

- 38% Downtown
- 5% Citywide

On average, population in the pilot downtowns grew by 38 percent, compared with their average citywide growth of 5 percent.

The renewed national interest in living downtown reflects changes in the market: a growing preference for living closer to work; for having the option of walking to stores and services; and for easy access to a variety of recreational and entertainment opportunities. Residents of the larger city and region tend to value downtowns as hubs for social and cultural activity.

Metric: Residential Density

Benefit: Density

Average Pilot Downtown:

- 5% of citywide population
- 18 residents per acre downtown
- 10 residents per acre citywide

Measuring density is an important component of measuring the overall value of a downtown. The denser a downtown, city, or region is, the more opportunities and amenities it produces for residents. Density provides economic advantages, bringing people and firms together while making it easier for people to exchange ideas and information, collaborate on projects, and launch new businesses.

Metric: Growth in Residential Housing Units

Benefit: Investment

Average Pilot Downtown:
- 27% growth downtown
- 6% growth citywide

Downtown Residential Averages

CITY'S POPULATION	5%
AVERAGE POULATION GROWTH	38%
CITY'S NON-WHITE RESIDENTS	35%
CITY'S MILLENIAL RESIDENTS	14%
CITY'S FOREIGN-BORN RESIDENTS	13%
CITY'S MIDDLE-INCOME HOUSEHOLDS	30%
AVERAGE RENTAL UNIT GROWTH	23%
RESIDENTIAL HOUSING UNIT GROWTH	27%

Excluding outlier downtowns with exceptionally high rates of residential growth, the pilot downtowns averaged 27 percent growth in residential inventory over the period 2010-2015. The comparable city-wide figure (again, excluding outliers) was 6 percent. No stronger demonstration of downtown vibrancy exists than the rising demand for downtown living. Over the past several years, North American city centers have seen an influx of young people, educated professionals, and wealthier older couples looking for a walkable, urban lifestyle.[14] Dynamism and density contribute to a downtown's vibrancy and growth. The confluence of people, amenities, and experiences makes downtowns immensely attractive and vital resources for their cities.

Metric: Percentage of Citywide Millennials Living in Downtown

Benefits: Creativity and Innovation

Average Pilot Downtown: 14%

Part of the growth experienced in the pilot downtowns has come from millennials attracted to the walkable, mixed-use environment that downtowns offer. Across the pilot downtowns, an average of 14 percent of citywide millennial residents have chosen to live downtown. Toronto's chief planner, Jennifer Keesmaat explores some of the reasons millennials choose downtown:

> *"There are many differing reasons why, including the high cost of driving, greater awareness of environmental impacts, a rejection of the quality of life, costs and sacrifices that accompany a long commute, and importantly, it is increasingly possible to live without a car. To do so, they are also choosing to live in neighborhoods different from the ones in which they were raised. They want the food, culture, people, job choice and activities that come with a neighborhood that thrives on diversity. And they want to be in active places where a lot is happening just steps from home."*[15]

Downtown is 16% of citywide retail sales and its land uses are 75% commercial.

Metric: Number of Retail Offerings and Annual Retail Sales in Downtown

Benefit: Spending

Average Pilot Downtown: 16% of citywide retail sales

Average Pilot Downtown: 16% of citywide retail offerings

Average Annual Retail Sales:

- Average pilot downtown retail sales: $998.7 million sales per square mile
- Average citywide retail sales: $112.1 million sales per square mile

The pilot downtowns are vibrant not just because of a dense and growing residential population, but also because of distinctive retail offerings. Despite their small land area, pilot downtowns account for 16 percent of all retail businesses in their cities. They also account, on average, for 16 percent of aggregate citywide retail sales. Median measurements tell a similar story: downtowns account for 13 percent of all retail offerings and 11 percent of all retail sales. Average annual retail sales citywide generates $112 million per square mile compared to $998 million in downtown. In other words, for every $1 in retail sales generated in the city, there are $9 of retail sales generated downtown.

A downtown's retail market contributes significantly to a city's retail sales and offerings overall. Downtown's vibrant marketplace attracts residents and workers, and it conjures a positive association for the center city. This association attracts repeat customers and visitors, and plays a key role in attracting other retailers, including those willing to pay premium rates because of downtown's vibrancy and the existence of a retail cluster. A healthy retail mix not only stabilizes a local economy, but it can also concentrate the variety of businesses needed for consumers to justify spending time and money in downtown.[16]

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Identity

Downtowns and center cities preserve the heritage of a place, provide a common point of physical connection for regional residents, and contribute positively to the brand of the regions they represent. Whether from a historical event or personal memory, downtowns have intrinsic cultural value important to preserving and promoting the region's brand. Downtowns and center cities offer a place for the region's residents to come together, participate in civic life, and celebrate the region, which in turn promotes civic society and tourism. Likewise, the "postcard view" visitors associate with a region virtually always features an image or attribute of downtown.

Downtowns "have historically served as the center of theater, arts and culture. Dating back to the 1800s, many communities first developed 'opera houses' in downtowns to mimic performance venues in Europe."[17] This history is highlighted in the pilot downtowns' averages of 72 art installations, 71 historic structures, and 12 museums. An average of 130 events and 332 conventions animate the pilot downtowns in an average year. The combination of rich identity and activation attracts visitors throughout the year. They help support an overall average of 30 hotels with 6,000 rooms that make up 44 percent of the city's hotel-room inventory.

A livable core "contributes to a downtown's vibrancy and attractiveness and can cement its place as the literal and symbolic heart of the city as a whole."[18] Innumerable characteristics—retail choices, residential density, economic performance, as well as cultural, natural, built and historic assets—help establish a downtowns' brand and identity that extend well beyond downtown residents. Downtown almost always informs the association residents, workers, and tourists have with a city. Downtowns are "iconic and powerful symbols for a city and often contain the most iconic landmarks, distinctive features, and unique neighborhoods. Given that most downtowns are among the oldest neighborhoods citywide, they offer rare insights into their city's past, present and future."[19]

IDA's 2016 Authenticity Council writes,

> *"Authenticity can be found in both the physical and cultural characteristics of a city. The cultural heritage of a city is reflected in its built environment, including residential and commercial buildings, public spaces and gathering places. The creativity and ingenuity of a people is reflected in the design of the streets, in its landscape and in its public art. Diversity and resilience are reflected in the eclectic business mix and the people that come downtown for a multitude of reasons. Some call it a 'sense of place,' others may call it 'uniqueness,' but for this exercise, we are defining what makes a city authentic: its people, its culture, the built environment, the natural environment and physical geography, and signature events."*[20]

Metric: Number of Public Art Installations

Benefits: Fun and Celebrate

Average Pilot Downtown: 72

Public art -- its creation, appreciation, and celebration – has always taken place downtown. The pilot downtowns in this study average 72 public art installations, contributing to downtown's authenticity and cultural intrigue.

Metric: Number of Historic Structures

Benefits: Heritage and Tradition

Average Pilot Downtown: 71

Downtowns contain concentrations of historic, civic, and institutional buildings, entertainment, and retail options. This clustering of activity contributes to the quality of place: Downtowns are places people want to be in and often important venues for experiences that leave lasting memories. The inclusive nature of downtowns also contributes to their vibrancy, creating a dynamic, growing community attracting diverse people, ideas, cultures, heritages and beliefs. On average, the pilot downtowns have 71 historic structures, though the figures cover a large range. For example, Emerging Downtowns have the broadest range of historic structures, from 2 to 209. These downtowns have an exceptional opportunity to preserve these structures through adaptive reuse and infill development before higher levels of growth and development occur.

Metric: Number of Museums

Benefit: Culture

Average Pilot Downtown: 9 museums

Access to and the presence of museums in downtown provide residents and visitors with the opportunity to experience historic and cultural artifacts, academic and cultural programming, and new ideas and goods not typically found elsewhere in the city, county or state.

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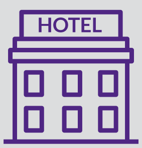

30 HOTELS

6,000 HOTEL ROOMS

44% CITY'S HOTEL ROOMS

Metric: Hotels, Hotel Rooms, and Percentage of Citywide Hotels

Benefit: Utilization

Average Pilot Downtown: 30 hotels and 6,000 hotel rooms, representing 44% of citywide total hotel rooms

Downtown hotels are a primary entry into the city for visitors, exposing them to local amenities, history, culture and significance. The density of hotels in downtown accounts for an outsized portion of hotels and hotel rooms.

Metric: Annual Conventions

Benefit: Visitation

Average Pilot Downtown: 244 annual conventions downtown

Central location and proximity to firms and transit make downtowns ideal candidates for hosting conventions. Conventions place downtowns on the international stage, attracting visitors from varying business sectors and countries to experience downtown's offerings. Downtowns are equipped to handle these visitors given their hotel inventory, access to transit and walkability, and retail and food and beverage options.

Resilience

Broadly, resilience means a place's ability to withstand shocks and stresses. Along with economic performance, diversity, density, and supply of resources and services equip city centers and their residents to absorb economic, social, and environmental, shocks and stresses more easily than the traditionally homogeneous cities and regions around them. Throughout the U.S., in fact, "diverse, mixed-use places are outperforming single-use employment districts."[21] Given their ability to bounce back, downtowns can support regional resilience, particularly to economic shocks that disproportionately affect less economically and socially dynamic areas. Similarly, downtowns and center cities are better positioned than other parts of the city to make investments to hedge against and withstand increasingly-frequent environmental shocks and stresses.

Downtown place management organizations can work to make their communities more resilient through environmental, social, and economic initiatives, like sustainable transit solutions, affordable housing advocacy, and initiatives that encourage minority populations to open businesses in downtown. For example, the Miami Downtown Development Authority (DDA) has a complete streets initiative with the goals of safer streets and more sustainable mobility. The Miami DDA will spearhead the conversion of a portion along a key street from three lanes of auto traffic to a multi-modal corridor with a bus-lane and highly visible bicycle lane. Downtown place management organizations can also work with their cities to ensure that downtown welcomes and serves everyone. For example, the Downtown Seattle Association helped found Seattle for Everyone (a coalition of "affordable housing developers, environmentalists, social justice advocates and labor organizers"[22]), and has embraced its role as a staunch advocate for affordable and market-rate housing in downtown. That work has included development of the Housing Affordability and Livability Agenda (HALA) for city council review.

Metric: Number of Parks per Square Mile

Benefit: Sustainability

Average Pilot Downtown:
- 13 parks in a downtown
- 5.6 parks per square mile

Parks not only function as the lungs of downtown and the city, but they also serve as third places, opportunities for civic engagement, and destinations for healthy exercise. The average pilot downtown has 13 parks, averaging 6 per square mile. This density of parks provides residents, workers and visitors the opportunity to participate in activities with frequency and at their convenience. The "earliest park designers understood implicitly that open spaces were linked to healthier living, and research is starting to confirm that link"[23] as it relates to increased health and happiness. Cities and downtowns with substantial access to parks are typically considered more livable, as parks elevate quality of life.

Metric: Percent of Commercial Land Use in Downtown

Benefit: Infrastructure

Average Pilot Downtown: 75% commercial land use

Having a mix of land uses can accommodate an array of real estate needs, such as offices, hotels, stores and housing, while cutting resource consumption thanks to gains in efficiency. Mixed-use buildings themselves provide significantly more fiscal revenue to a city, county, and state than single-use buildings. A 2012 study, "About Town," quantifies tax benefits, noting that, "in terms of dollars per-acre, mixed-use, downtown parcels bring in, on average, five times the property tax revenue as conventional single-use commercial establishments on the outskirts of town."[24]

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IDA's *The Value of Investing in Canadian Downtowns* report also notes that a mix of uses increases downtown vitality… [and] this concentration of activity can be even further strengthened by encouraging downtown facilities to have multiple uses at all times of the day and night.[25]

Within this study, a typical downtown land-use pattern accommodates a mixture -- with 75 percent of land dedicated to commercial uses (commercial, retail, and hotel) and 25 percent dedicated to residential uses. Because of mixed uses, downtowns can easily serve as laboratories for experimenting with new technologies, retail concepts, and cultural venues forging the way for innovative ideas. Given their ability to support a diverse and changing mix of uses -- at a variety of price points and with significant transportation access -- downtowns serve as agents of change, connecting cities and regions to technological, economic and social innovation. Encouraging a mix of uses downtown encourages the emergence of innovative goods, services, and activities. An IDA-member CEO explained, "A downtown is great when it's a place where people want to be. A great downtown is memorable, A great downtown offers enough to occupy a visitor - both though attractions and "just exploring" - for at least half a day. Great downtowns are places where people want to explore. A great downtown is a mix of uses, places, and experiences. A great downtown is built, first and foremost, for people - specifically, people on foot."[26]

	Downtown	City
WALK SCORE	90	57
BIKE SCORE	82	57
TRANSIT SCORE	85	52
DOWNTOWN NON-SOV COMMUTE*	43%	28%

*non-single occupancy commuting patterns include all modes besides SOV.

Metric: Active Transportation: Walk Score, Transit Score, Bike Score

Benefit: Health

Average Pilot Downtowns:

- Walk Score: 90 downtown / 57 city
- Bike Score: 82 downtown / 57 city
- Transit Score: 85 downtown / 52 city

The average pilot downtowns are uniformly more walkable, bikeable, and transit accessible than their city is overall. The average pilot downtowns are highly accessible and walkable, connected to a strong ring of inner neighborhoods, and generally sit at the center of their city's transportation network. The multi-modal and easily accessible nature of downtown makes for more sustainable commuting patterns. Downtowns tend to be more walkable, bikable, and transit-friendly making them more environmentally resilient than their respective cities.

Metric: Percentage of Non-Sov (Single-Occupancy Vehicle) Commuters [i]

Benefit: Mobility

Average Pilot Downtown:

- Non-SOV commute: 43%
- Citywide non-SOV commute: 28%

Given their walkable, bikable, and transit-friendly nature, downtowns provide residents access to alternative commuting patterns besides driving alone. Proximity to an extensive transit network and walkable, bicycle-friendly infrastructure helps support commuting behavior that is multi-modal, and allows residents without access to a private vehicle the opportunity to get to and from work comfortably and easily.

Metric: Number of Civic and Community Places [ii]

Benefits: Civic Participation and Services

Average Pilot Downtown: 20

Within downtowns, numerous religious institutions, community centers, and public libraries provide residents and visitors with opportunities to engage in discourse about community, cultural, and civic participation and discussion.

5.6 PARKS PER SQUARE MILE

i Residential commuting patterns of those living downtown

ii This study defines civic and community places as religious institutions, community centers and public libraries.

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Downtown Typologies

Based on the data, three tiers of downtowns emerged. The thirteen downtowns in this pilot were segmented into established, growing and emerging tiers based on average growth in downtown employment, density, population growth, live-work quotients, job density and assessed value to help understand overall trends better. It is important to note that downtown geography and demographics served as the sole basis for the types and that a sample this small requires a conservative approach to any generalizations.

Established Downtowns

- DOWNTOWN SEATTLE
- UNION SQUARE, SAN FRANCISCO
- DOWNTOWN MIAMI

AVERAGE OF 4.2% OF THE CITYWIDE LAND AREA WITH AN AVERAGE ASSESSED VALUE OF $26.5 BILLION (15% OF THE CITY'S TOTAL VALUE) AND ACCOUNTS FOR:

29%	PROPERTY TAX REVENUE
21%	SALES TAX REVENUE
49%	HOTEL TAX REVENUE
43%	MIDDLE-INCOME HOUSEHOLDS
68%	COMMERCIAL LAND USE
19%	MILLENIALS LIVING CITYWIDE
7%	CITYWIDE POPULATION

RESIDENTIAL

	DOWNTOWN	CITYWIDE
GROWTH AVG. 2010 – 2015	44%	11%
DENSITY RESIDENTS / SQ. MILE	31	7

EMPLOYMENT

40% CITYWIDE JOBS

36% CITYWIDE KNOWLEDGE JOBS

48% CITYWIDE CREATIVE JOBS

49% CITYWIDE OFFICE SPACE

HOTEL

49 HOTELS

9,139 HOTEL ROOMS

40% CITYWIDE HOTEL ROOMS

DOWNTOWN NON-SOV COMMUTE

DOWNTOWN 68%

CITY 46%

	DOWNTOWN	CITY
WALK SCORE	98	79
BIKE SCORE	82	57
TRANSIT SCORE	85	52

Growing Downtowns

- DOWNTOWN BALTIMORE
- DOWNTOWN PITTSBURGH
- DOWNTOWN SAN ANTONIO
- DOWNTOWN SANTA MONICA
- UPTOWN CHARLOTTE

AVERAGE OF 4.3% OF THE CITYWIDE LAND AREA WITH AN AVERAGE ASSESSED VALUE OF $4.2 BILLION (13% OF THE CITY'S TOTAL VALUE) AND ACCOUNTS FOR:

15%	PROPERTY TAX REVENUE
17%	SALES TAX REVENUE
52%	HOTEL TAX REVENUE
33%	MIDDLE-INCOME HOUSEHOLDS
77%	COMMERCIAL LAND USE
15%	MILLENIALS LIVING CITYWIDE
6%	CITYWIDE POPULATION

RESIDENTIAL

	DOWNTOWN	CITYWIDE
GROWTH AVG. 2010 – 2015	66%	5%
DENSITY RESIDENTS / SQ. MILE	20	9

EMPLOYMENT

29% CITYWIDE JOBS

32% CITYWIDE KNOWLEDGE JOBS

38% CITYWIDE CREATIVE JOBS

44% CITYWIDE OFFICE SPACE

HOTEL

29 HOTELS

6,968 HOTEL ROOMS

43% CITYWIDE HOTEL ROOMS

DOWNTOWN NON-SOV COMMUTE

DOWNTOWN 40%

CITY 29%

	DOWNTOWN	CITY
WALK SCORE	90	56
BIKE SCORE	80	52
TRANSIT SCORE	88	53

Emerging Downtowns

- DOWNTOWN NORFOLK
- DOWNTOWN GRAND RAPIDS
- DOWNTOWN LANCASTER
- DOWNTOWN SACRAMENTO
- DOWNTOWN WICHITA

AVERAGE OF 1.9% OF THE CITYWIDE LAND AREA WITH AN AVERAGE ASSESSED VALUE OF $4.7 BILLION (8% OF THE CITY'S TOTAL VALUE) AND ACCOUNTS FOR:

17%	PROPERTY TAX REVENUE
5%	SALES TAX REVENUE
33%	HOTEL TAX REVENUE
21%	MIDDLE-INCOME HOUSEHOLDS
68%	COMMERCIAL LAND USE
11%	MILLENIALS LIVING CITYWIDE
3%	CITYWIDE POPULATION

RESIDENTIAL

	DOWNTOWN	CITYWIDE
GROWTH AVG. 2010 – 2015	5%	2%
DENSITY RESIDENTS / SQ. MILE	7	6

EMPLOYMENT

26% CITYWIDE JOBS

27% CITYWIDE KNOWLEDGE JOBS

29% CITYWIDE CREATIVE JOBS

31% CITYWIDE OFFICE SPACE

HOTEL

12 HOTELS

2,102 HOTEL ROOMS

41% CITYWIDE HOTEL ROOMS

DOWNTOWN NON-SOV COMMUTE

DOWNTOWN 26%

CITY 14%

	DOWNTOWN	CITY
WALK SCORE	85	39
BIKE SCORE	95	51
TRANSIT SCORE	71	38

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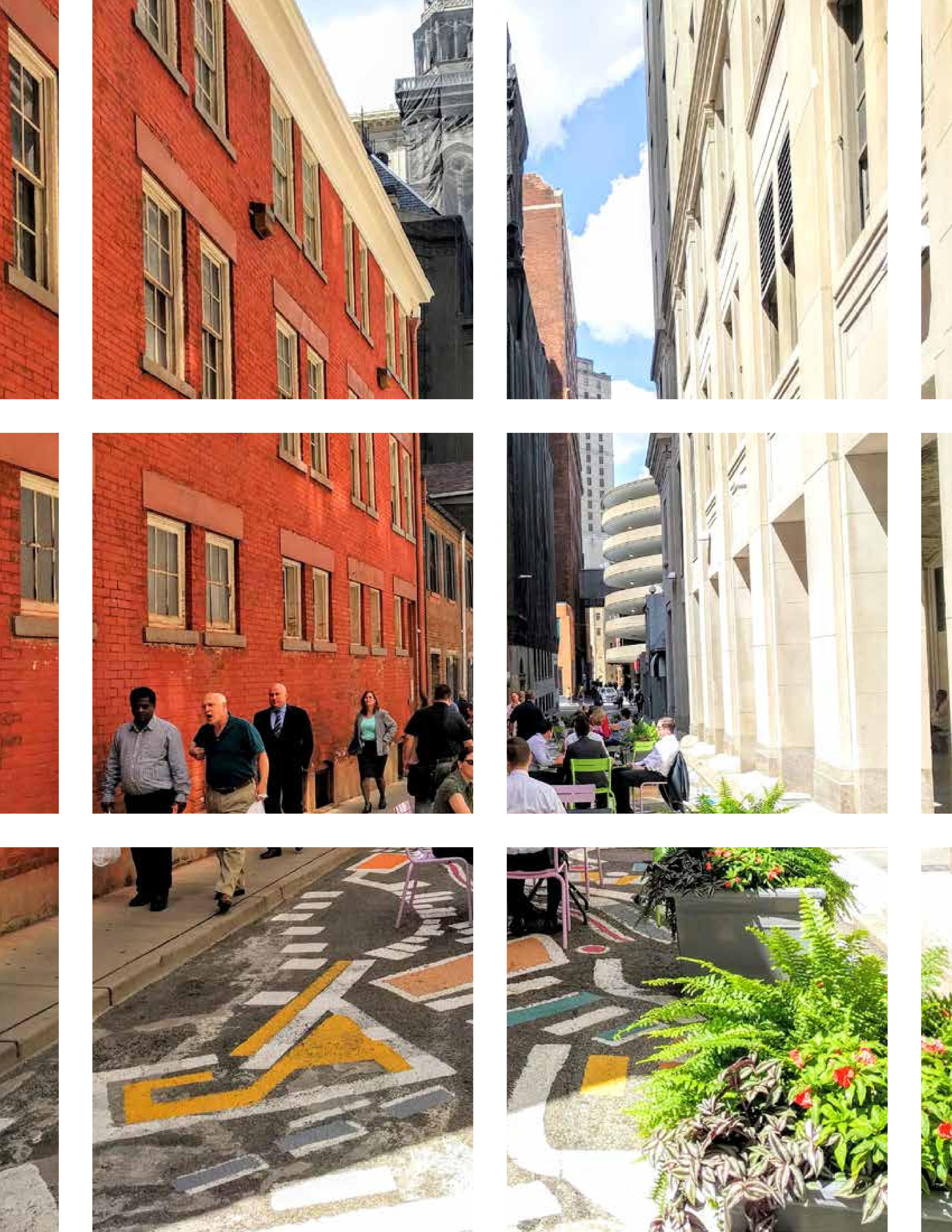


SECTION THREE

CHALLENGES & OPPORTUNITIES

Economy

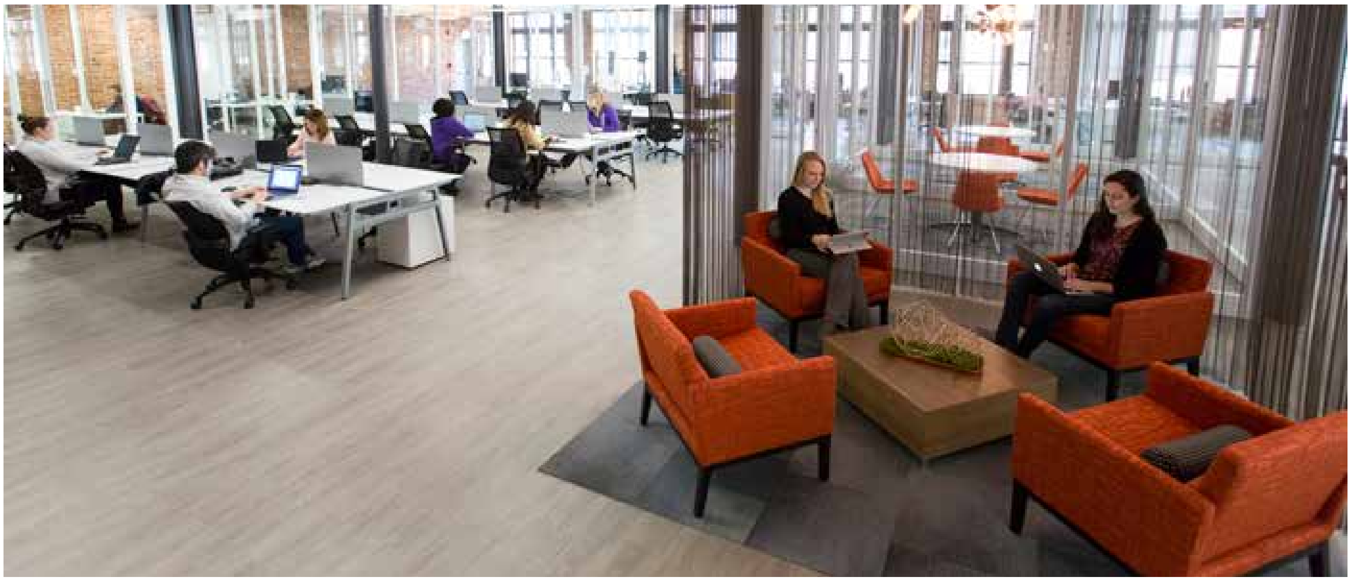
As traditional centers of commerce, transportation, education, and government, downtowns typically serve as economic anchors for their regions. Because the city, county, and region are so tightly tied to each other and to downtown, gains in the downtown economy improve performance throughout the city and regional economy. At the same time, economic losses in downtown have a direct and negative impact on surrounding areas.

Investment Efficiency: Thanks to the density of economic activity, center city investment provides a higher level of return per dollar than other parts of the city. As noted earlier, downtowns and center cities make up a small share of citywide land area, but they wield substantial municipal and regional economic influence. Assessed land value in the average pilot downtown represents 11 percent of total citywide land value, averaging $8 million an acre. Per unit of measurement, whether by acre, hectare or square mile, a downtown is more economically productive than its greater city.

Revenue Generation: Downtowns produce a disproportionately large share of local taxes, given their relatively small footprints. On average, the pilot downtowns constitute just 3 percent of city land area while yielding anywhere from 13 to 64 percent of citywide tax revenues.

But revenue sources shift over time. For example, municipalities should prepare for parking taxes to take a major hit as autonomous vehicles (AVs) become more widespread. While the future of AVs is far from certain, they clearly have the potential to shrink parking demand because of their capacity for shared and continuous use. This may yield positive externalities—fewer cars on the road, less traffic, and improved air quality—yet it will certainly create one significant negative externality: a sharp drop in parking tax revenue. More than just downtown will feel this loss. This suggests the importance of preparing to recover revenue, perhaps by converting downtown parking lots to other uses, then capturing (and benefitting from) the true value of that land. This may be an opportunity for place management organizations to convene stakeholders around this issue.

Economic Impact: Continued public investment in downtown will benefit current infrastructure, residents, and firms, and it will also generate outsized returns in comparison to downtown's size. Because of downtown's economic productivity, every dollar invested there has the potential to generate much greater returns than investment in less productive areas. To maintain downtown's economic impact, cities will need to continue investing there, both to cushion the loss from a continuing shrinkage of federal funding and to compensate for the evolving nature of tax revenues.



Employment: Downtowns attract knowledge workers and highly skilled laborers and the businesses that employ them. This positions downtowns to support clusters of new and innovative industries. At the same time, the downtown-focused employers are reshaping the landscape of commercial real estate, in particular by promoting changes in the size and function of office space. The average pilot downtown contains 32 percent of citywide jobs and 40 percent of citywide office inventory. It also contains 39 percent of creative jobs and 31 percent of knowledge jobs citywide. As co-working and shared-office models become more common, downtowns will need to continue to adapt their office space offerings to accommodate emerging uses. As downtown job markets shift even more heavily toward knowledge workers and technology professionals, place management organizations can attract and retain this talent by making sure their downtown has the amenities, qualities of place, and mix of uses that keep them competitive for these businesses. Place management organizations can also champion adaptive reuse of older industrial structures and transformation of office spaces for other uses, helping their downtown keep pace with the evolving marketplace.

Equity: Downtowns that succeed in attracting highly-skilled talent and higher-income residents can't ignore national trends of income disparity. Priorities need to include equitable development and growth that does not displace long-time residents or lower-income households, and include workforce opportunities for all residents with the skills needed to advance in today's marketplace. While a place management organization doesn't typically set out to address these issues, it can easily find itself grappling with them when it organizes workforce-training pilot programs, collaborates across sectors to improve the offerings of a place, or works to diversify its mix of tenants and services to provide goods and services for all households. Place management organizations can be part of the conversation on equitable development—or they can lead it—at the local and regional level, convening public and private partners to advocate for innovative inclusion and accessibility. They can seize the opportunity to embrace a collaborative approach, engaging community cooperation, public and private leadership, thoughtful planning, and a regulatory climate that encourages strategic, place-based development that enhances community wealth.

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Inclusion

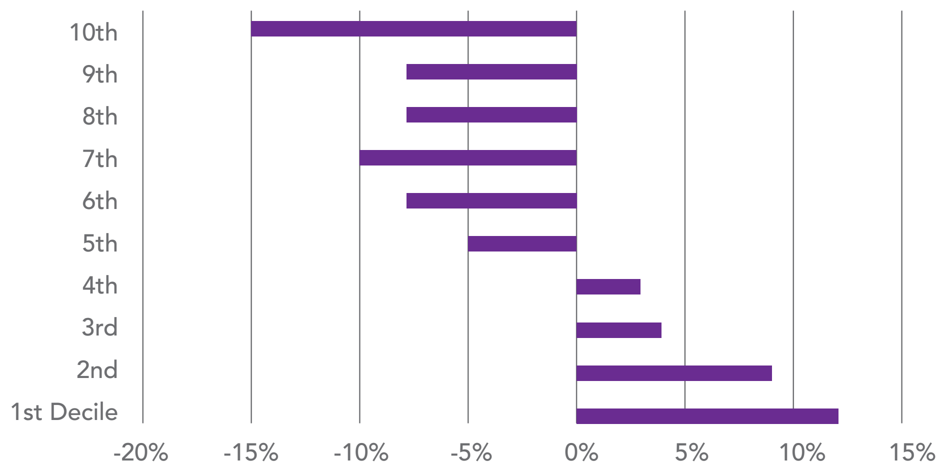
Diversity: Downtowns are home to a diverse employment sector and a diverse residential population. The average pilot downtown is home to 13 percent of citywide foreign-born residents and 35 percent of citywide non-white residents. While diverse, the average pilot downtown is not necessarily more diverse than its city. As downtowns strive to be inclusive homes for a diverse group of residents and employers, several questions come to mind for downtowns to consider: How can center cities attract more diversity and make it easier for a wide diversity of people to live and work there? What workforce and middle-income employment and housing strategies have proved most successful? How can downtowns encourage more transportation access, immigrants in the workforce, and jobs at all levels? Downtowns should continue to strive to welcome everyone within and outside the community. As each downtown evolves, it needs to develop strategies for achieving vibrant, diverse and multi-generational communities.[27]

Attainability: Central to downtown inclusion is housing attainability. In almost every downtown, affordability remains a challenge. While the national resurgence of downtowns has produced numerous benefits for many people, it has also increased property values, housing costs and demand for downtown housing, displacing some residents and making downtown living unattainable for others. Even in nascent markets, low- and middle-income housing can be scarce. Key downtown housing issues include: affordability, ownership, building complete and diverse communities for all, meaningful resident engagement, residential services, and accessibility. Downtowns have turned their focus to finding ways to counteract the pressures and burdens imposed on lower-income households by downtowns' success.

"DOWNTOWNS THROUGHOUT NORTH AMERICA ARE MAKING A MAJOR CONTRIBUTION TO THE BOTTOM LINE OF THEIR MUNICIPALITIES. IN MOST CASES, DOWNTOWNS SERVE AS THE ENGINE FOR LOCAL ECONOMIES. HOWEVER, DOWNTOWNS ARE MUCH MORE THAN A PROFIT CENTER TO CITIES. THEY ALSO REPRESENT THE IMAGE AND CHARACTER OF A CITY TO THE REST OF THE WORLD. DOWNTOWNS ARE UNIQUE IN THAT THEY ARE TYPICALLY THE ONLY NEIGHBORHOOD THAT BELONGS TO AND IS SHARED BY EVERYONE IN THE REGION."[28]

Andy Kitsinger

National Household Income 2000-2014



A 2017 study by the Harvard Joint Center for Housing Studies found that,

> *"While residential segregation and concentrated disadvantages are not new challenges in the United States, the evolving demography, income distribution, and geography of American communities are changing the nature of these problems and the solutions needed to foster more inclusive communities…. Throughout the country, job growth in central cities, improved neighborhood amenities, and increased demand for urban living have simultaneously fostered rapid increases in housing costs in longstanding low-income and minority communities in urban cores."*[29]

Equity: The downtown resurgence has put pressure on the inclusive nature of many downtowns. While amenities and access to opportunities make downtowns more equitable than their metropolitan counterparts, rising demand for downtown housing and office space has forced out many longtime residents and businesses. This development troubles many downtown advocates, given downtowns' historical role as regional epicenters for inclusive living and working. Immigrant housing patterns give further evidence of this tension: many immigrant households "drive to opportunity," skipping downtowns and urban neighborhoods and heading directly to less-expensive suburbs. National trends illustrate the educational and income divides between those moving into and out of urban cores (see National Household Income chart).

The average pilot downtown accounts for 30 percent of citywide middle-income households. Given rising demand, downtowns will need to work to make sure this proportion doesn't shrink – or, even better, that it grows. Strategic policies fill the "missing middle" with a diverse selection of housing stock and affordable for a wide range of household incomes. Housing authorities and nonprofits such as community development corporations have become creative in their approach, sometimes diversifying their portfolios to subsidize affordable housing with market-rate housing. Some cities have created land banks to hold land in order to stabilize property values.[30] Urban place management organizations can work with these organizations to advocate for affordable housing development in their downtowns. Typically, addressing these challenges involves a sequence of predictable steps: creating a vision, taking inventory, offering and promoting incentives, providing services and amenities, and conducting periodic evaluations.[31] Research has identified indicators that promote both social equity and economic vitality in downtowns: They include housing

choices that are affordable, mixed-use, mixed-income and include a mix of types; affordable and accessible mobility options including walking and biking; high-quality schools, training programs and job opportunities available to all residents; and retail offerings that appeal to a mix of consumers at a variety of price points.[32]

Downtowns such as Pittsburgh and Baltimore have pursued strategies of adaptive reuse and infill development to turn vacant commercial buildings into residential units. This has helped them keep up with market demand while enhancing downtown authenticity. The IDA Authenticity Council writes,

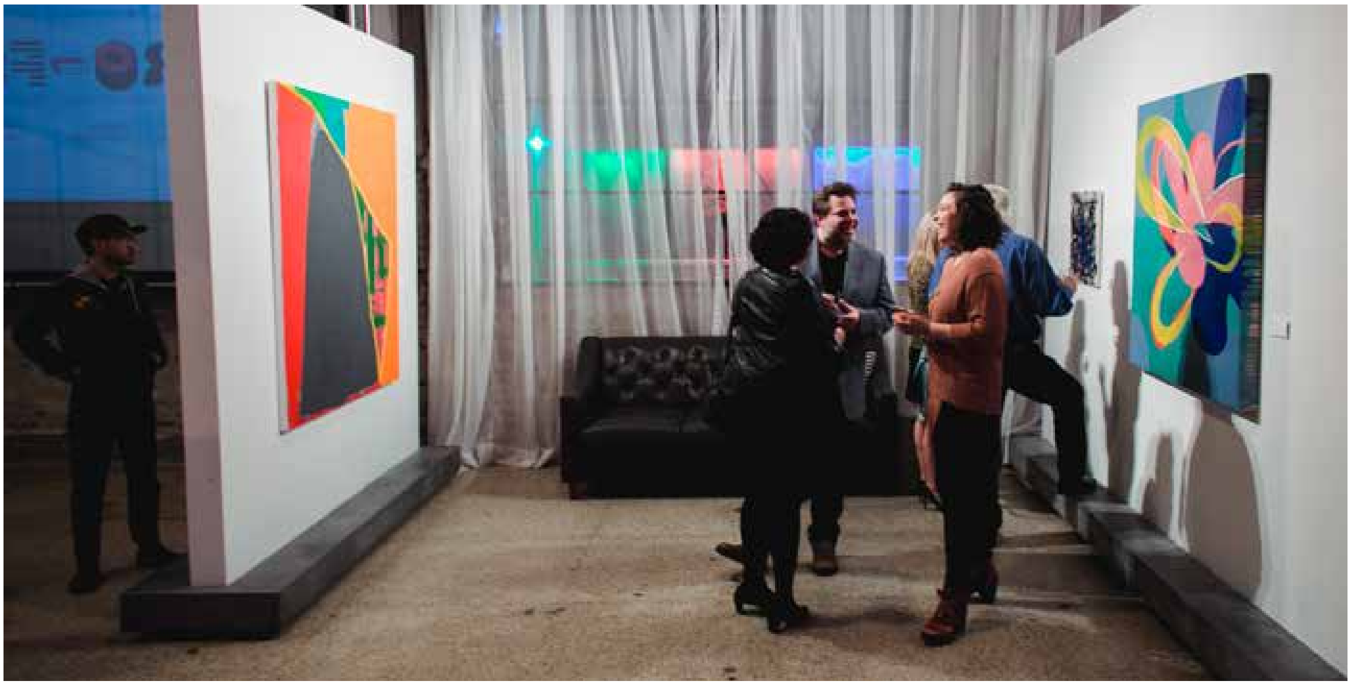
> *"Finding new, economically viable uses is crucial for historic buildings that remain in most downtowns to sustaining an area's authenticity. Often within a context of a large building (such as an old warehouse) or a sub-district within a larger downtown (old town), a number of projects have emerged to repurpose old buildings, keeping these physical assets in place while providing new vitality to the area."*[33]

Downtowns have also enacted policy measures and creative financing mechanisms as tools to promote affordable housing development. The Downtown Seattle Association (DSA) has a partnership with the mayor's Housing Affordability and Livability (HALA) taskforce, which aims to produce 20,000 new affordable and 30,000 new market-rate units across Seattle by 2025. DSA also campaigned for a successful 2016 citywide housing levy that will fund construction of housing attainable for low-income residents. Other downtowns advocate for increased development to help combat high demand, as seen in Downtown Miami. It is imperative that downtowns advocate for housing affordability using a variety of measures to ensure that downtown remains attainable for households at all income levels.

Reliable, safe, and accessible transit options can also reduce the financial burden of living in downtown. While downtown housing costs are high, mobility costs can be lower than that of suburbs, given proximity to essential services, jobs, and education. Additionally, households in downtowns depend far less on driving cars and far more on public transportation and active mobility (translation: walking and biking). This translates into significant overall savings. A joint study by the Brookings Institution, Center for Transit-Oriented Development, and the Center for Neighborhood Technology concluded that "neighborhood characteristics such as density; walkability; the availability and quality of transit service; convenient access to amenities such as grocery stores, dry cleaners, day care, and movie theaters; and the number of accessible jobs shape how residents get around, where they go, and how much they ultimately spend on transportation." While this doesn't fully solve the issue of housing affordability, reduced transportation costs do reduce the financial burdens on downtown residents.

While affordable housing and transportation represent key components of any effort to keep downtowns inclusive, ensuring that downtown services and amenities are as diverse as the residents and visitors who frequent downtown plays just as central a role in making sure that downtown remains welcoming. Place management organizations have an opportunity to encourage existing retailers and property owners to embrace downtown's heritage and local needs.

Vibrancy



Downtowns and center cities typically are regional epicenters of culture, innovation, dense public spaces, and commerce. These activities gravitate to downtown due to its density, diversity, identity, and heavy use. Downtown's magnetism grows from its density of employment opportunities, housing, retail amenities, and public realm.

Employment: The average pilot downtown accounts for 30 percent of citywide employment and 5 percent of citywide residential population, and both uses feed its overall vibrancy. With residential options, diverse retail, and an activated public realm, downtown appeals to firms because its vibrancy helps them attract (and retain) employees. With increasing frequency, corporations have relocated their headquarters downtown from suburban settings. Equally significant, startups and innovative tech companies flock to downtowns because of the agglomeration of industries there.

For both groups of businesses, central location, accessibility and walkability make downtowns especially desirable. As an example, downtown Norfolk's transit options, accessibility, talent pool, thriving business climate, and high quality of life helped attract a Fortune 300 company. The vibrancy of downtown Norfolk's flourishing arts district, the bustling Granby Street with its dozens of independently operated restaurants, the downtown waterfront, and Town Point Park contributed to the attraction.[34]

Residential Growth: The pilot downtowns saw 38 percent growth in residential population (2010 to 2015) compared to citywide growth of 5 percent. Residential options integrated with a thriving commercial sector has helped downtowns attract millennials and creatives. The country's largest demographic cohort – millennials want to live in neighborhoods marked by diversity, creativity, and culture

– and lots of places to socialize. Combined with their preference for walkable areas and transit options, these priorities make downtowns extraordinarily appealing to this group, and the numbers show it. College-educated young adults are more likely to live within three miles of a city's downtown core.[35] Due to the dense clustering of amenities in downtown, it's no surprise that the average pilot downtown is home to 14 percent of its city's millennials.

Opportunity: As downtowns have attracted highly skilled talent and higher earners, these new residents and workers have exacerbated income disparities. Downtowns can, however, choose to promote equitable development and growth. Development that does not displace long-time residents is an integral component to downtown growth. Equipping all residents with the skills to advance economically can become a central pillar of anti-displacement planning. Place management organizations can promote more equitable growth by working to attract and retain a diverse mix of tenants and services that provide goods and services for all households. Place management organizations can take a leadership role in the conversation on equitable development at the local level advocating for inclusion and accessibility.

Adaptive Reuse: As residential growth continues, downtowns will have to find creative ways to manage adaptive reuse and infill development of a more historic building stock. Downtowns like Pittsburgh and Baltimore have integrated the adaptive reuse of older Class B and C office space, repurposing them for residential uses.

Retail: Downtowns remain key centers of economic activity, supporting a strong concentration of retail activity. The critical mass of residents, employers, and visitors drive retail sales and demand. Because of this, the average pilot downtown accounts for 16 percent of citywide retail sales.

> *"Retail is an important element in making a downtown livable. The public nature of retailers with their shop windows and accessibility to everyone creates an interesting environment on the streets of downtown that no other use can. Retail also provides 'eyes on the street,' that makes an area feel safer. In addition, retailers perform an important function for office workers, but more importantly for residents, by providing needed goods and services."*[36]

"SUCCESSFUL REGIONS HAVE TRANSFORMED THEIR URBAN CORE WITH A MIX OF USES AND ANIMATED PUBLIC REALMS THAT TRANSLATE DENSITY INTO WALKABILITY.... MOREOVER, THOSE CITIES OFFER THE VIBRANT STREETS AND ANIMATED PUBLIC SPACES THAT POPULATION DENSITY SUPPORTS."[37]

Stantec's Urban Places

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The downtowns in this study support an outsized share of citywide retail, while ground-floor retail simultaneously enhances a vibrant downtown environment by providing eyes on the street, visually stimulating and interesting sites across the public realm, and third places like cafes and restaurants where community members can socialize.

While the retail landscape is changing, urban place management organizations stand as the liaison with downtown retailers, working with property owners to attract and influence what use occupies a space. They actively market available spaces to reduce vacancies and support property owners.[38] While downtowns have encouraged experiential retailers to open storefront locations, the evolving retail environment presents some serious challenges for downtowns. Downtown merchants face threats to their economic vitality from multiple sources, including online retailers, big-box stores, and subscription home-delivery services. Place management organizations can support downtown retailers by providing them with or connecting them to grants, financial stimulus, outreach and marketing efforts, and training.

Public Realm and Walkability: A downtown public realm is categorized by mixed-use development, walkable and complete streetscapes, and human-scale design. In turn, the public realm supports a variety of residents, including the elderly, families with young children, and disabled users (planners often refer to "8-80 design" in this context – physical qualities of the public realm that make it safe, easy, and appealing for anyone from 8 to 80 to use.) The same characteristics that give downtown its appeal – including density, clustering of stores and services, and walkability – also support lower energy use.

Downtown's mixed-use environment generally delivers greater returns on investment, as "mixed-use, downtown parcels bring in, on average, five times the property tax revenue as conventional single-use commercial establishments on the outskirts of town."[39] Focusing on the goal of making downtown a truly walkable, pedestrian-friendly environment – with well-connected streets that have "things to walk to," significantly improves all aspects of a downtown area.[40] Walkability "solves a number of downtown and city center needs, including transportation

connectivity, aesthetics, access and experience."[41] Furthermore, walkability "bolsters the economy, as walkable urban areas can lead to sizeable increases in property values for homeowners and businesses."[42] Walkable infrastructure requires continued investment focused on improving connectivity and access of multi-modal transportation infrastructure. Improvement districts have the relationship in place with community leaders and should champion projects that require municipal commitments."[43] Urban place management organizations should continue to focus attention on enhancing the built environment through placemaking and placekeeping strategies, public space activation, events, marketing (including brochures and maps), the addition or improvement of sidewalk amenities and street furniture, and wayfinding.[44] Downtowns are the living room of the city and should continue to position themselves as such.

> "PUBLIC SPACES – PERMANENT AND TEMPORARY COMMUNITY-WIDE GATHERING PLACES LIKE PARKS, STREETS, AND PLAZAS – HAVE HISTORICALLY CONTRIBUTED TO DOWNTOWNS' AUTHENTICITY BY PROVIDING VENUES FOR HALLMARK EVENTS SUCH AS CONCERTS, FESTIVALS, OUTDOOR MARKETS, ART AND STREET FAIRS, AND PARADES. (OR JUST PLACES FOR FAMILY OUTINGS OR QUIET CONTEMPLATION.) COLLECTIVELY, IT IS THESE PUBLIC SPACES, AS-IS OR ACTIVATED, THAT PROVIDE DOWNTOWNS WITH THEIR DISTINCTIVE SIGNATURES AND DIFFERENTIATE THEM FROM OTHER NEIGHBORHOODS – THEREFORE CREATING AUTHENTIC CLUSTERS THROUGHOUT THE ENTIRE CITY."[45]
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Identity

A person's view of a city and region usually grows out of that person's experience in a city's and region's historical center for arts, culture, commerce, governance, education, and housing – its downtown. Downtowns often have an authentic connection with a city's founding and earliest history, and their built environment typically offers a visual record of multiple eras. These qualities offer users a place-based experience unlike anything else in the city. The recent cultural emphasis on authenticity – from makers to bespoke items created by 3D printing to a focus on local and seasonal foods – reflects America's growing appetite for deeper connections to their surroundings, including plazas, parks, restaurants, cafes and co-working spaces. An authentic place "will be honest, imperfect, unpretentious, and it will avoid being overly designed and sterile... To achieve a genuine feel, the area should be collaboratively constructed -- meaning those responsible for the space should consider the local community's input and participation in keeping or changing elements."[46]

To maintain authenticity, "place management practitioners must acknowledge and embrace the fact that downtowns are always evolving and must find ways to keep the individual character and feel of their downtown at the forefront of the planning process."[47] Preserving the authentic identity of a downtown in the face of commercial development and investment remains a challenge. Engaging a broadly diverse array of downtown users reinforces downtown's advantage over other, more homogenous neighborhoods. Diverse, cross-cultural community engagement and participation both preserves downtown's historic and authentic characteristics and promotes efforts to making downtown inclusive and authentic. Additionally, promoting and celebrating local artists and creators through placemaking programs further enforces an authentic and unique identity.

As the demand for urban living continues to rise, once historic and singular downtowns have begun to face competition from newly developed and revitalized urban

> "DOWNTOWNS HAVE THEIR OWN SPECIAL CULTURES. ROOTED FIRST AND FOREMOST IN THE ATTITUDES THAT HAVE COME TO PREVAIL DECADE AFTER DECADE, THESE CULTURES HELP SHAPE THE ONE-OF-A-KIND DOWNTOWN IMAGE, AFFIRMING THE BELIEF THAT DIVERSITY IS A STRENGTH, AND ALL ARE WELCOME REGARDLESS OF RACE, AGE, ETHNICITY, GENDER IDENTITY OR INCOME. THAT UNSHAKEABLE SPRIT OF OPEN-MINDEDNESS – FOR THE NEXT BIG IDEA OR THE NEXT CRAZY IDEA – IS WHAT HAS ESTABLISHED DOWNTOWNS AS CITY CENTERS FOR CREATIVE THINKERS AND DOERS."[50]
>
> International Downtown Association

nodes nearby. These new-growth areas often have lower barriers to entry than established downtowns, with more affordable commercial, retail, and residential space. Equally important, these urban areas tend to boast new amenities that make them not only financially attractive, but aesthetically and experientially attractive. Established downtowns must begin competing with these urban districts as well as walkable suburban town centers.

Place management grew out of efforts by downtowns and urban neighborhoods to respond to demographic changes and suburban flight in the mid-20th century. The place management industry must continue evolving alongside 21st-century demographic trends. Downtowns and downtown district managers understand that their competitive edge lies in offering a unique experience rather than a repeat of what other cities offer.[48] Demands to copy other cities, however -- whether out of skyline envy or the misguided idea that a simple formula will reproduce the growth in other urban nodes – create pressures on district management organizations. Downtown advocates must continue to balance demands from stakeholders who value authenticity and preservation with pressures for modernization.[49] Embracing the local place and the downtown brand is a key to success. However, balancing heritage preservation and new development is a major challenge for many cities. Communities can quickly become polarized around these issues, and discussion can rapidly degrade to either "development equals destruction of heritage," or "protecting heritage equals economic decline." Yet cities can enjoy the best of both worlds, simultaneously achieving heritage protection and economic growth."[51] To balance the past and future, place managers must help steer downtowns to remain authentic -- to keep their histories alive -- while focusing on the future.[52] The place "should be accessible by everyone, and it should be activated by permanent, temporary, or the combination of both uses that are compatible and appropriate to the area's character and heritage, and collectively contribute to the benefit of the community and the visitors' experience."[53]

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Resilience

The strengths of diversity and economic prowess equip downtowns and center cities to adapt to economic and social shocks better than more homogeneous communities. Consequently, downtowns can also support the region's resilience, particularly in the wake of economic shocks, which can disproportionately affect less economically and socially dynamic areas.

Economic Resilience: Economically, downtowns derive their resilience from land use, their role as employment hubs, and in their ability to outperform other areas in generating tax revenue. Downtowns have mixed land use, with the average pilot downtown representing 75 percent of commercial uses. Even in sprawling cities, downtowns remain centers of employment, with typically the highest concentration of workers and office space. The average pilot downtown, as noted, accounts for 30 percent of citywide employment and 40 percent of citywide office space.

The tax revenue generated for the city is highly concentrated, more so than other areas of the region. Constituting just 3 percent of the land area, downtown contributes anywhere from four to twenty times the overall tax revenue produced in the rest of the city. After the global financial crisis, "the slow realization of the importance of downtowns play in creating and maintaining a resilient economy became a stark reality that could no longer be ignored."[54] This study did not measure this aspect of downtown performance specifically, but future iterations should.

Social Resilience: Downtowns typically have high levels of social resilience because of their density, agglomeration, access, diversity, services, opportunity, and centralized infrastructure. Land use patterns and transportation networks in downtown connect people to opportunities, access to jobs and regional connectivity. Centralized social networks are also critical. The average pilot downtown has 20 community centers, allowing community access to resources and networks. Downtowns should capitalize on the method of sustainable development known as asset-based community

development, which capitalizes on the strength and potential of local communities. It involves "assessing the resources, skills, and experience available in a community; organizing the community around issues that move its members into action; and then determining and taking appropriate action."[55] Downtowns are also typically hubs for civic engagement, filled with spaces where citizens can conduct civic dialogue on critical issues and engage in the processes of democracy:

> *"The urban core's power of attraction is rooted in its concentration of exceptional and highly significant functions – those that have a high ratio of human experience to their space demands – be they residences for those who, due to their work or interests, are potentially the most enthusiastic participators in city life, the seat of government representation and key offices of both public and private organizations, and other functions that have an urban, regional, national or international significance."*[56]

Environmental Resilience: Downtown's environmental resiliency is in part due to its mobility, parks, and green space. Mobility is a downtown strength. Compared to the city, the average pilot downtown is more walkable, bikeable, and transit-friendly, with fewer single-occupancy vehicle commuters. The pilot downtowns averaged 41 percent of commuters who did not drive alone, while the cities averaged 27 percent. The pilot downtowns consistently scored higher than their cities – scoring 35 points higher in Walk Score, 33 points higher in Transit Score, and 24 points higher in Bike Score. Downtown development entities should pay particular attention to mobility when establishing goals and properties for economic growth.[57] Parks also play a central role in downtown resilience. The pilot downtowns averaged 13 parks, contributing to well-being, health, and equity.

As cities grow smarter, and autonomous vehicles become more prevalent, downtowns will have to respond. Smart mobility will have a particularly large impact on downtowns. Downtowns face challenges stemming from car-sharing services, such as increased traffic volume, congestion from curbside pick-up and drop-off circulation, reduced use of (and revenue for) public transit, and many as-yet unknown challenges. Because the mobility landscape is changing both rapidly and unpredictably, local officials have moved with caution in considering transit investments. Downtowns have historically provided leadership on sustainability measures, with a reliance on shared travel modes. Downtowns must continue to lead and continue to explore mobility innovation in scalable, nimble, and sustainable ways, to meet the demands both of their users and of new technologies.

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Conclusion

Downtowns provide unique contributions to and have inherent value to a city and region.

This study looked at key data points within the five principles of economy, inclusion, vibrancy, identity and resilience to begin benchmarking the value of U.S. downtowns. The study relied on public and proprietary data sources using a greater understood definition of a downtown geography. Metrics were calculated by change over time, per square mile, and share of city value, allowing IDA to begin calculating and benchmarking the value of downtowns. With this initial pilot group of downtowns, we can already begin to see how impactful downtowns truly are to not only those who live and work downtown, but to the greater city and region

These pilot downtowns highlight the economic role that downtowns play in their cities as centers of tax revenue generation, employment, and commercial real estate. Given downtowns' size in comparison to their metro areas, they represent a significant share of citywide commercial availability, positioning both downtown and city for continued office and job growth. Downtowns make a major contribution to the bottom line of municipalities and generate returns much higher than the percentage of land they take up. Unsurprisingly, downtowns, regardless of size, contribute significantly to their city's overall assessed value, with each square mile in the pilot downtowns having a higher assessed value than that of the rest of the city. Downtowns also have intrinsic cultural significance to the brand of the region. A blend of the old and new, downtowns provide a high quality of life that attracts employers, investment, visitors, and residents.

Due to their expansive base of users, downtowns can support a vibrant variety of retail, infrastructural and institutional uses that offer cross-cutting benefits to the region. The pilot downtowns represented significant citywide percentages of employment, residential growth, density, amenities, and retail sales. Downtowns and center cities have high potential for inclusion and resiliency by providing access to opportunity, essential services, historical assets, culture, recreation, entertainment and participation in civic activities. The mixed-use nature of a downtown allows for residential uses alongside commercial, connected mobility options, and a provision of opportunities and services. It is because of this diversity and density of resources and services that downtowns can better absorb economic, social and environmental shocks and stresses than other parts of a region. The pilot downtowns exhibited high percentages of demographic diversity as well, with high shares of foreign-born, non-white, middle-income and millennial populations when contrasted to their small geographic size. The challenge will be to ensure that downtowns remain inclusive and accessible to a diverse population and workforce, while continuing to offer a range of services and activities as downtowns become more in demand. While downtowns are positioned to meet these challenges, cities and regions should invest in and support the continued evolution of downtown, thus strengthening the city and region in terms of economic output, inclusion, vibrancy, identity and resilience.

Investing in a strong downtown remains crucial for a successful city and region.


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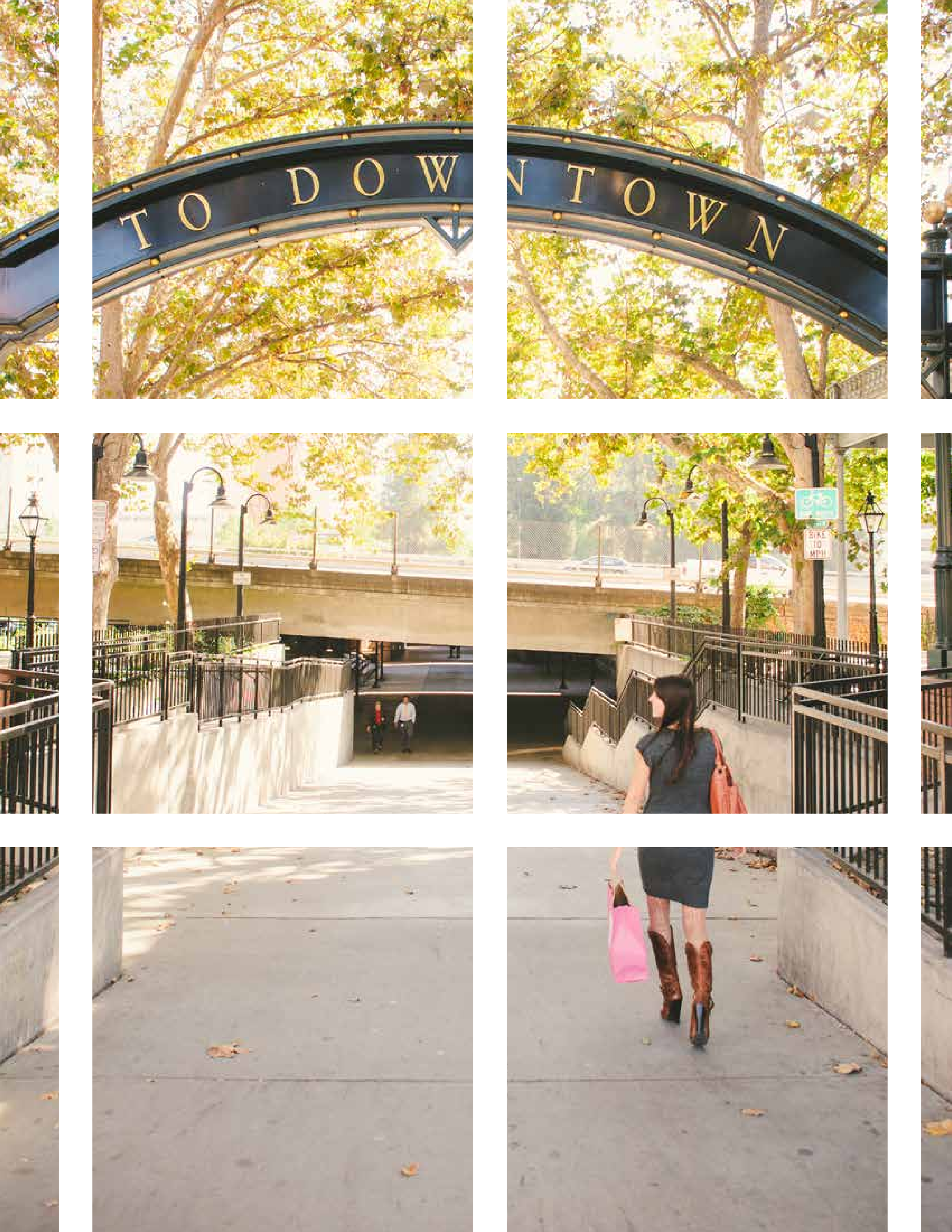
GET LOUD


TO DOWNTOWN

APPENDICES

PROJECT METHODOLOGY

PRINCIPLES AND BENEFITS

DATA SOURCES

ADDITIONAL IDA SOURCES

BIBLIOGRAPHY

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Appendix I: Project Methodology

PROCESS

The IDA Research Committee created a project taskforce with various downtown leaders across the country to embark on this project. The committee and the 13 pilot downtowns selected HR&A Advisors after reviewing all consultant submissions to host a Principles and Metrics Workshop and work with IDA to develop the valuation methodology. Stantec's Urban Places was part of the project taskforce as an expert advisor, evolving into a contributor and thought leadership for this final compendium report, *The Value of U.S. Downtowns and City Centers.* Participating downtowns spent eight months informing the resulting metrics. The pilot downtowns provided input on the goals, values and vision of the project. They also provided input on the questions they wanted answered to be able to prove the value of their downtown compared to their city. They were part of the planning, refining metrics, providing project input, geography selection, contributing funding, collecting data and information, and negotiating data sharing relationships with local partners.

PILOT DOWNTOWNS

IDA partnered with 13 downtowns across the country to inform *The Value of U.S. Downtowns and Center Cities* by active engagement in shaping the principles, metrics, value statements, and audiences. The thirteen participating pilot downtowns were selected based on diversity of geography and population size, being defined as a traditional downtown place, and interest in the project. To the extent possible, the downtowns have been selected so that they represent diverse U.S. geographic regions that are relatively comparable in terms of the complexity and defined role of each downtown. Varying scales, geographies and characteristics to develop a replicable valuation methodology for all American downtowns. The sample of U.S. downtowns is representative of various U.S. regions (Northeast, West, South, Midwest), includes only IDA-members, where the area identifies as a center city node, with preference for downtowns that participated in IDA's 2013 Defining Downtowns analysis, willing to contribute to the project, and who expressed interest. The sample is small enough to work collaboratively on the details, but large enough to provide credibility.

PROJECT PURPOSE

The purpose of this project was to measure the performance of American downtowns based on collaboratively developed principles that contribute to a vital downtown. The project aims were to:

- Benchmark performance of American downtowns- while this project doesn't aim to compare the pilots to each other, it does create a means to begin benchmarking for future comparisons by assessing downtowns against the same principles and data that will consistently be collected.
- Create a baseline for future data collection to continue articulating necessary investment in American downtowns by public and private sources- data standard.
- Develop a common set of metrics to communicate value of downtowns.
- Expand range of arguments UPMOs can make to stakeholders using primarily publicly available data.
- Save time and effort by automating portions of analysis.
- Create a framework that is accessible, replicable over time, scalable across jurisdictions.

HYPOTHESIS

The hypothesis was that a downtown, with its relatively small share of land mass, would have a large economic and community impact, with multiple benefits for both the city and the region. These impacts include higher land values substantial economic development outputs, return on investment for both public and private sectors, and more efficient use of public utilities. These impacts prove that a strong downtown is critical for a region to prosper relating to economic development, identity and brand, social equity, culture, vibrancy, and resiliency.

Initial questions and challenges that the participating downtowns had going into this project included:

- What is the economic case for downtowns and what stands out about land values, taxes, or city investments?
- How do downtowns impact their regions?
- How can we standardize metrics to calculate the value of a downtown?
- How can downtowns measure their authentic, cultural and historical heritage?
- How does the diversity of downtown make it inclusive, inviting, and accessible for all?
- What are the inherent characteristics about downtown that serve as an anchor of the city and region?
- Due to downtown's mix of land-uses, diversity of jobs, and density – are they more socially, economically, and environmentally resilient?

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DOWNTOWN DATA SURVEY

The 13 pilot downtowns were surveyed to see which metrics they currently collected, which were the most impactful and what their priorities for this study were. This survey found that every participant relied on municipal data, public census, and labor data to articulate the importance and value of their downtown to a range of stakeholders. Additionally, most participants utilize proprietary real estate and labor data for their analysis. Very few participants had the research capabilities to utilize geographic information systems and economic impact software. The downtowns use (in order of greatest to least frequency): municipal data, public census and labor data, proprietary census or labor data, geographic information systems, and economic impact software. Part of the project, therefore, included sharing useful statistical tools and data sources with the pilot downtowns to enable them to replicate and scale this project over time and to use the results and methodologies to promote their downtowns in all the relevant spheres better. Based on the results of this survey, it became evident that while the majority of downtowns were fluent in utilizing public data and some proprietary data – not every downtown had the same research capabilities.

Quantitative data was collected to develop a specific set of data that could help identify key trends occurring in the downtown over time. The collection of quantitative data was generally undertaken by IDA, HR&A Advisors, and the local project partners. Data collected covers the following areas: publicly available census data (population, demographics, employment, transportation), local downtown economic data, municipal finance data, capital projects data, GIS data, and the local qualitative context.

LITERATURE REVIEW

Before determining the data points and metrics to collect, IDA and HR&A Advisors first performed a comprehensive review of existing research on downtowns, as well as methodological standards for measuring their performance and impact. The first goal was to fully understand existing methodologies, and only then to deliver options for maximum value by identifying a list of areas of analysis, best practices, and potential metrics.

PRINCIPLES WORKSHOP

A half-day, in-person, Principles and Metrics Workshop was held in Washington, D.C. in March 2017 with IDA, Stantec Urban Places, HR&A Advisors, and the 13 pilot downtowns. The goal of the meeting was to review and refine a set of successful principles to guide the analysis and identify potential metrics to be included in the valuation methodology. Workshop materials included a brief presentation on the study purpose, work plan, overview of existing research and a draft set of study principles and potential metrics for consideration. The downtowns provided feedback on value statements, a proposed set of audiences, types of data and metrics, types of data sources, and methodologies to form the basis for value assessment.

During this workshop, the convened stakeholders reviewed a draft set of principles, serving as areas of analysis for the methodology. The downtowns listed relevant audiences who have a stake in maintaining strong and thriving downtowns, workshopped a series of value statements ("arguments") to articulate the potential value of a strong downtown to each audience group. Collectively, these value statements define the different characteristics of downtown and create a narrative that connotes value to the hearts and minds to the target audience of various stakeholders.

To provide a basis for articulating downtown value, the project team proposed a set of value statements, supported by measurable benefits. Existing research was analyzed to create a starting point or attributes for a successful downtown:

- Demographics: Is the downtown growing? How fast is it growing relative to the city and region? Is the downtown's growth inclusive?
- Employment: Regarding employment and wages, how does the downtown fit into its city and region? Is it a center for major industries? Is it driving the local economy?
- Economic Impact: Does the downtown provide proven value regarding economic output? Does it provide intangible values such as the clustering of firms or industries?
- Accessibility: Can the downtown be easily accessed by all modes of transportation (driving, walking, transit)? What is the downtown's role in regional connectivity?
- Livability: Does the downtown provide a high quality of life for residents and workers?
- Tourism and Culture: Does the downtown help the city market itself on a regional, national, and global scale?
- Sustainability and Resilience: Does the downtown adapt to mitigate the impacts of natural hazards? What is its impact on the surrounding environment?

These guiding attributes around demographics, employment, economic impact, accessibility, livability, tourism and culture, and sustainability and resilience were used as a baseline. During the workshop, feedback was solicited and gathered from the stakeholders on the preliminary study principles, range of potential data, feasibility of collection and capacity for data evaluation.

The workshop also:

- Identified key stakeholder groups
- Identified measurements of value
- Constructed sample value arguments
- Discussed what the most replicable and useful principles were
- Identified metric selection criteria
- Discussed geographic comparisons considerations
- Constructed value arguments
- Created matrix aligning value arguments with audiences to identify the guiding principles
- Discussed how the metrics met the selection criteria and developed arguments to communicate value to the assigned topic and audience combination

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Discussion: What factors make a vibrant downtown?

Because many of the participating downtowns have differing strengths; some are tourist hubs, while others are employment anchors, the downtowns refined the valuable attributes that are common across all downtowns regardless of unique characteristics. Some of the factors discussed that measured the value of a downtown were: fun, diversity, density, creativity, size, economic output, mobility, brand, investment, resiliency, health, sustainability, affordability, fiscal impact and accessibility. These factors and discussions led to establishing the attributes that make downtowns valuable, value principles, statements, data points, and audiences.

Fun	Diversity	Density	Creativity	Size
Economic Output	Mobility	Brand	Investment	Resiliency
Health	Sustainability	Affordability	Fiscal Impact	Accessibility

DETERMINING PRINCIPLES FOR A VITAL DOWNTOWN

The immutable and inherent value attributes of downtown are many and vast. Refining the value principles that collectively capture these many attributes and characteristics of downtown was informed by the participatory dialogue during the Principles and Metrics Workshop. These values were refined to appropriately speak to each valuable principle that makes downtown a vital piece of the city and regional puzzle. These value principles were broken into five categories to encompass the many benefits of downtown. The principles and benefits that make downtown valuable was the basis for determining the benchmarking metrics.

Incorporating input from each of the downtowns, the ten preliminary value statements were transformed into a series of five value statements organized around the following themes: Economy, Inclusion, Vibrancy, Identity, and Resilience. Though the ways in which each downtown articulates their value may differ, each of these statements should broadly apply to every downtown. Each value statement contains multiple metrics and methods of articulation that could influence different audiences. For instance, within the economy argument, a downtown management organization could measure the generation of sales tax revenue within downtown for the city, county, and state, which would have resonance for local and regional government officials, but which is less likely to move visitors and workers. For these audiences, the downtown management organization could supplement tax data with an assessment of the types of retail available downtown, whether it meets user needs, and the level of utilization of these retail establishments by residents, visitors, and workers. During the creation of the data template, the goal was to maximize the relevance of each argument to appeal to multiple audiences, and to the extent possible, identify metrics that could support multiple value statements. The preliminary value statements discussed in the workshop were:

1. Downtowns are typically the economic engines of the regions they anchor due to a density of jobs, suppliers, customers, peers, goods, and services.
2. Downtowns offer convenient access to outlying markets of residents, customers, suppliers, and peers via historical and on-going investment in transportation infrastructure.
3. Downtowns provide a concentration of culture, recreation, and entertainment.
4. Downtowns offer choices for people who have different levels of disposable income and lifestyle preferences.
5. As a consequence of their density and diversity, downtowns enable agglomeration, collaboration, and innovation.
6. Downtowns are the brand of the cities and regions they anchor.
7. Downtowns can be economically and socially resilient, relative to their broader regions.
8. Downtowns support healthy lifestyles through their resources and urban form.
9. Their density drives relatively low rates of per capita natural resource consumption.
10. Due to relatively high rates of fiscal revenue generation and efficient consumption of public resources, downtowns have a high ROI on public investment.

These value statements were used to organize and develop the full range of applicable metrics for the valuation template. They also led to the five resulting principles guiding the project: economy, identity, vibrancy, inclusion, and resiliency.

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THE 33 SHARED BENEFITS

Each of the principles has a variety of sub-benefits related to it. These 33 benefits helped shape the metrics and arguments used in this study.

AFFORDABILITY
CREATIVITY & INNOVATION
DENSITY
DESTINATION
ECONOMIC IMPACT
ECONOMIC OUTPUT
EMPLOYMENT
INVESTMENT
OPPORTUNITY
SIZE AND SCALE
SPENDING
SUSTAINABILITY
TAX REVENUE & IMPACT

ACCESSIBILITY
AFFORDABILITY
CIVIC PARTICIPATION
COMMUNITY
CULTURE
DIVERSITY
EQUITY
HERITAGE
MOBILITY
OPPORTUNITY
SERVICES
SUSTAINABILITY
TRADITION

ACCESSIBILITY
AFFORDABILITY
CIVIC PARTICIPATION
COMMUNITY
DENSITY
DIVERSITY
EMPLOYMENT
EQUITY
HEALTH
INFRASTRUCTURE
MOBILITY
OPPORTUNITY
SERVICES
SIZE AND SCALE
SUSTAINABILITY

ACTIVITY
BRAND
CELEBRATION
CULTURE
DESTINATION
FUN
HERITAGE
INFRASTRUCTURE
MEMORY
TRADITION
UTILIZATION
VISITATION

ACTIVITY
BRAND
CELEBRATION
COMMUNITY
CREATIVITY & INNOVATION
DENSITY
DESTINATION
DIVERSITY
FUN
INFRASTRUCTURE
OPPORTUNITY
SPENDING
UTILIZATION
VARIETY

DATA POINTS

Building off of the discussion during the Principles and Metrics Workshop, the literature review and exhaustive analysis of other data points and metrics used to evaluate downtowns and center cities a compendium of data points were collected. These data points were organized based on the benefit and principle that they articulated. Further, these metrics were evaluated by how they would help define, measure and present the value of downtowns in a way that is robust, replicable and useful for downtowns. Each data point was selected for its ability to articulate the benefit that it provides downtown.

By and large, data points were selected that either downtown place management organizations already collect or have access to:

- Collected by downtown place management organizations:
  - o Retailer information
  - o Employer information
  - o Development activity
  - o Pedestrian counts
  - o Events information

- Publicly Available
  - o U.S. Census Bureau
  - o Bureau of Labor Statistics
  - o State Departments of Labor
  - o HUD State of the City Data Systems
  - o Municipal Assessment Data
  - o Municipal Land Use Data
  - o U.S. Energy Information Administration (EIA)
  - o Bureau of Transportation Statistics
  - o FBI Crime Data

- Proprietary:
  - o Real Estate Databases
  - o Proprietary Demographic
  - o Proprietary Labor
  - o Economic Impact

Additionally, data sources were considered based on the frequency in which they are updated. Sources updated frequently enough to allow for annual longitudinal analysis were prioritized. Metrics were also determined based on their ability to argue the downtown's value from numerous vantage points. Similarly, a number of different metrics can all be used to illustrate similar arguments and can be manipulated in numerous ways to address a single principle or audience. Metrics were determined that could be clustered together to bolster a single argument, as well as separated out and augmented differently based on manipulation. Considering the above factors, input from the participants, and best practices from downtown and center city studies, a series of metrics were identified to be used to articulate downtowns value.

Metrics should rely on data already collected by urban place management organizations, publicly-available sources, along with some recommended proprietary sources. Data metrics collected by the local downtowns include retailer information, employer information, development activity, pedestrian counts and event information. Publicly-available data includes U.S. Census Bureau, Bureau of Labor Statistics, State Department of Labor, HUD State of the City Data Systems (SOCDS), Municipal Assessment Data, Municipal Land Use Data, U.S. Energy Information Administration (EIA), Bureau of Transportation Statistics and FBI Crime Data. Proprietary data includes real estate databases, proprietary demographic data, proprietary labor data, and economic impact software tools. Data is most compelling when communicated relative to another data point and placed in the context with the greater city or region.

When more recent local data from a proprietary source was available for both local geographies (city and downtown), it was used. Otherwise, for the purposes of this study, the data used to describe downtown and citywide residents are derived from 2015 American Community Survey (ACS) data from the U.S. Census. This data provides a point in time comparison between the downtown and the city. While in some individual reports, the residential population in both the downtown and the city may have updated figures from recent years, this report defaulted to reference figures from the 2015 ACS to focus on contextual comparisons and to preserve the integrity of the methodological data standard.

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When reviewing the data figures and trends, it is worth noting that the size of the downtown population in downtowns with smaller populations can see some significant proportional increases or decreased based on some relatively minor shifts in numbers. Larger cities might see a slower proportional growth, while still densifying at a face pace. When reviewing these figures, it is also worth looking at the size of the study areas selected for each downtown. Some were significantly larger than others which can affect density calculations.[58]

As with any data source, ACS data estimates may better represent one place than it does another, over or underestimating as compared to locally collected data. IDA recommends utilizing On the Map to customize boundaries for the purposes of each downtown's analysis. Future research may be best utilized in creating a tiered approach for downtowns based on comfort level with data, sources, staffing capacity, and propriety data access, utilizing both qualitative and quantitative metrics.

METRICS SELECTION

To meet the goal of providing metrics that are scalable across jurisdictions, we made sure the necessary data was available at all levels: the downtown, city, and surrounding region. For each metric, the data template required an input (i.e., total workers) and calculations were then performed on a number of additional metrics to include growth rates, geographic density, residential density, employment density, shares of cohort (i.e., workers by educational attainment), and downtown's share of city and region figures. The selected data points were collected for all 13 downtowns from the appropriate sources and then input into the data template. The recommended data sources for demographic and market data, labor data, and real estate data include LEHD On the Map, U.S. Census, American Fact Finder, local demographic and real estate market data, local municipal data, and downtown stakeholder data.

The goal was to determine a set of replicable, scalable, and accessible metrics for each value statement that could be used to advocate on behalf of downtowns to a range of audiences. The assessment tool will both standardize collection of baseline metrics, typically already collected by downtowns, and introduce new metrics which attempt to enable the measurement of important but challenging elements of downtown such as inclusivity, fun, heritage and memory. To support the value statements and identified characteristics, three types of data will be used to fully illustrate an argument:

1. Absolute **facts** provide quantitative context and an idea of the scale of the characteristic being used to make the argument.

   For example, under economy, an urban place management organization may want to make the argument that its thriving financial services sector is critical to its city. The number of financial services jobs, their related earnings, and taxes paid are examples of absolute facts that can be used to make this argument.

2. **Indicators** measure an argument at a secondary level by focusing on its inputs or outputs and may reflect the subject geography or be benchmarks or case studies of other downtowns.

For this same argument, one could add that financial services are not only economically critical, but they provide a stable demand for a diversity of services and retail opportunities at a range of price points desirable to all residents. For this, the downtown management organization can look at retail vacancies and map them against the concentrations of financial services firms and hypothesize that there is a relationship between distance to financial services office nodes and viability of retail.

3. **Qualitative assessments** provide anecdotal context and color to an argument.

Finally, for qualitative detail, the downtown management organization could include news reports or an interview with the CEO of a major financial services firm that lays out the value they see in locating downtown.

Together, these different types of data allow us to articulate downtown's unique value to the city.

In addition to their relevance to audiences and ability to be easily consumed by the media, it was proposed to use three technical criteria to select metrics that considers the varying capacities of downtowns, the need for future replicability, and the difficulties encountered in comparing downtowns to each other:

1. Data must be **readily available** to most downtown management organizations (and ideally public);
2. Data must be **replicable** (enabling comparisons year-to-year); and
3. Data must be **scalable across jurisdictions**, allowing for benchmarking and regional comparisons.

Ideally, selecting metrics based on these requirements will allow downtowns to participate equally in the analysis regardless of financial resources or technical ability. For all metrics selected, detailed instructions were provided on data gathering. To enable the downtown management organizations to use metrics in their own publications confidently, each received a description of all utilized data sources including frequency of collection and method of collection. For proprietary or "crowdsourced" (i.e. surveys, Yelp reviews, Instagram posts) sources, their understood accuracy will be explicitly qualified. It is expected that most downtowns rely on similar data sources, but downtowns were empowered to choose their preferred sources (i.e., CoStar or Xceligent) to obtain similar data depending on availability. To the extent possible, data sources remained consistent across comparative geographic areas (i.e., downtown, city, region) and remained consistent for longitudinal analysis.

To meet the goal of providing metrics which are scalable across jurisdictions, the majority of metrics enable comparison across the downtown, city, and region. While the data template and profiles will highlight data points for comparison purposes, it is also encouraged that each downtown customize its presentation of arguments to articulate the value most relevant to their downtown and the audience receiving the presentation. For instance, a downtown with a strong transportation system may choose to emphasize transit accessibility in articulating inclusion, while another downtown without major public transportation infrastructure may choose to emphasize the diversity of users.

VALUE STATEMENTS

The immutable and inherently valuable attributes of downtown are too numerous to list. After incorporating feedback from each of the downtowns, IDA and the pilot downtowns identified a series of five value statements as themes for the project: Economy, Inclusion, Vibrancy, Identity, and Resilience. Though the way in which downtowns provide value for their city and region may differ, broadly applied, these statements convey the overarching value of downtowns. Each value statement is developed and communicated using multiple metrics and methods of articulation tailored to different audience groups. During the creation of the data template, the goal was to maximize the relevance of each argument to appeal to multiple audiences, and to comprehensively utilize metrics highlighting multiple value statements by effectively articulating all relevant findings.

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DEFINING DOWNTOWN

This study uses an expanded definition of the commercial downtown beyond the boundaries of a downtown development authority or a business improvement district. Geographic parameters vary across data sources and may not align with existing geographic definitions of the place management organization's jurisdictions.

Urban place management organizations vary widely in terms of their geographic definition. To make these definitions replicable and compatible between data sources, the study recommended that the downtowns align them with commonly used census boundaries. For most downtowns, it is recommended to use census tracts, which are the smallest permanent census-defined subdivisions to receive annual releases of the American Community Survey, making them ideal geographic identifiers since new data is frequently released and boundaries do not change.

For some downtown management organizations, however, using census tracts may not accurately reflect the value of downtown. In some cases, census block groups can more accurately capture the downtown boundaries. Though block groups are occasionally subdivided over time, block groups receive annual releases of data and are compatible with most data sources. Informing the downtown definitions recommended for this study, the recommendations were informed by *The Value of Investing in Canadian Downtowns*, which used the following criteria:

1. The downtown boundary had to include the city's financial core;
2. The downtown study area had to include diverse urban elements and land uses;
3. Where possible, a hard-edged boundary such as major streets, train tracks, or a natural geographic feature should be used;
4. An overarching consideration is that data compiled should align with selected downtown study areas.

> "DEFINING DOWNTOWN BOUNDARIES IS A MAJOR CHALLENGE, AS EACH PERSON LIVING IN A CITY HAS A DIFFERENT UNDERSTANDING OF DOWNTOWN BASED ON THEIR PERSONAL EXPERIENCES."
>
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IDA's *Downtown Rebirth: Documenting the Live-Work Dynamic in 21st Century Cities* study also provided guidelines for selecting the boundaries and defining the downtown geography. Recommendations for defining downtown include defining employment nodes at the Census Tract level; expanding census tracts beyond the commercial downtown to account for the greater definition of downtown, including half-mile and one-mile polygons within the conformal conic projection; and calculating population, workforce, and live-work characteristics for the commercial downtown, half-mile, and one-mile areas. After determining boundaries, resident population statistics were calculated by these geographic definitions for U.S. Census data. Total Jobs statistics were calculated using Total Jobs data for each of the tracts identified in the buffered areas. Finally, live-work statistics were calculated using Primary Jobs data by taking the number of workers who live and work in an area divided by the total number of workers living in an area. Primary Jobs differ from Total Jobs: if an individual holds more than one job, Primary Job statistics are computed for the job at which a worker earns the highest wage. Maps for these boundaries were created within On the Map to show the borders of each area.

This study utilizes the recommendations from each and defines downtown beyond the boundaries of a district management organization to encompass the understood definition of the downtown by those in that community. To assist in geography selection, census tract and block group reference maps are available in PDF format the county level. With the reference maps, downtown management organizations can manually select the list of FIPS codes (two-digit numbers that represent census tracts within a county) that will define their downtown when pulling data. Reference maps provide a summary of all boundaries within a county, allowing downtown management organizations to select one or more tracts or block groups to analyze.

Alternatively, the U.S. Census Bureau's On The Map system also provides a useful tool for generating sets of census tracts and block groups based on custom drawings: onthemap.ces.census.gov.

Each downtown provided IDA with the geography selection for their downtown and IDA consulted with each downtown to determine their custom geography. For downtown boundaries, a customized shapefile or census tracts were used. For city and regional boundaries, the downtown management organization confirmed with IDA that the respective CDP or MSA were appropriate.

TESTING THE DATA TEMPLATE

A set of metrics aimed at measuring downtown performance was created from using the draft attributes. These metrics were then tested on four of the 13 downtowns (Charlotte, Grand Rapids, San Antonio, and Union Square, San Francisco) to determine which ones were readily available, the most accurate, and the most useful. A valuation template reviewed the sources for data collection including publicly available sources and available primary data collected by the downtowns.

This test run of the methodology probed for issues of data availability, manipulability, and relevance. If the selected metrics did not produce results or were unavailable, the selected metrics were then revised and recollected, with a test run on the new metrics. Downtowns were encouraged to test the feasibility and practicality of being able to obtain and collect all the data points.

The data collection for the test downtowns and the remaining nine downtowns was guided by a work plan, an instruction manual and a valuation template to help the downtowns collect data on demographic and social characteristics, real estate market conditions, employment and occupational metrics, and economic and fiscal impact measures. Group conference calls were used to conduct group check-ins with the 13 participating downtowns to review progress, compare notes and share lessons learned among the participating downtowns. When all the data was collected, the valuation templates and findings were reviewed to ensure the accuracy, outcomes, and replicability of the exercise. The participating downtown provided feedback on the output of the methodology, the ease of implementation, suggestions for how to improve the methodology both in terms of process and output, guidance on how the methodology could be easily replicated, and suggestions for how to use the findings to present a case to local stakeholders for investment in downtown.

After incorporating feedback on this proposed framework and value principles, a data template was created that links these values with metrics. The value template was revised for data availability issues and to ensure that outputs reflect on-the-ground reality. Following the refinement, each metric within the data template had an identified preferred source and where appropriate, a set of alternative data sources. The pilot study participants were provided a detailed user manual that laid out instructions for how to access each data source, obtain data puts, and input data into the template. The user manual is a tool for IDA to continue to implement this methodology year over year but was used by the pilot downtowns to test the feasibility and accessibility of the data template.

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DATA SOURCES

The selected data points were collected for all 13 downtowns from the recommended sources and then input into the data template. Completing the data template will necessarily involve a wide range of sources. This section covers preferred sources for demographic and market data, labor data, and real estate data, which we expect will be commonly used by the majority of downtown place management organizations.

	Demographic + Market Data	Labor Data	Real Estate Data	Municipal Data	Primary Research
Preferred Source	• American Factfinder • ESRI	• LEHD on the Map	• Costar, Market Reports, Brokers	Varies	Varies
Other Sources	• Social Explorer • PolicyMap	• EMSI	• Xceligent	Varies	Varies

■ Covered in this guide

The range of recommended data sources for demographic and market data, labor data, and real estate data include:

LEHD On the Map: The data template requires two datasets from LEHD: (1) an "area profile" of workers in the years 2014 and 2010 and (2) an "inflow/outflow" profile which describes how many workers live in the study area versus outside it.

WHAT IS IT?	An intuitive, easy-to-use mapping and data tool for the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) dataset.
WHAT DOES IT DO?	On the Map pulls and aggregates labor data (e.g. employment, workforce composition, commute flows) from the LEHD based on an inputted geography.
HOW ARE WE USING IT?	LEHD allows UPMOs to define their geographies in cesus-compatible terms as well as access labor data.

U.S. Census, American FactFinder: American Factfinder (AFF) is the U.S. Census Bureau's publicly available data source. It is a powerful tool for accessing the bureau's data. For this study, this source provides the basis of our demographic and social analysis. AFF pulls and aggregates demographic and social data from the U.S. census decennial census (every 10 years) and ACS (every year).

WHAT IS IT?	The U.S. Census Bureau's free, public data portal.
WHAT DOES IT DO?	American FactFinder pulls and aggregates demographic and social data from the U.S. Census bureau's decennial cesus (every ten years) and American Community Survey (every year). Any user can query the American FactFinder for a specific fact or set of facts, a geography, and a time period and receive raw numbers for use in a template.
HOW ARE WE USING IT?	FactFinder provides the basis of our demographic and social analysis.

ESRI Business Analyst: ESRI Business Analyst is ESRI's tool for accessing demographic and market data targeted towards business users. This source includes custom geographies, pull demographic and social indicators, as well as proprietary indicators such as retail spending and establishment data.

WHAT IS IT?	ESRI's proprietary data tool designed for casual and business users.
WHAT DOES IT DO?	ESRI Business Analyst allows users to define custom geographies (including drive times) and pull demographic and social indicators as well as proprietary indicators such as retail spending.
HOW ARE WE USING IT?	UPMOs will use ESRI to pull retail spending and establishment data, as well as demographic data within an average commute time.

Real estate market data: Real estate market data can come from a variety of sources including real estate data services, which require subscriptions; market reports, which can be accessed online; and local brokers and economic development agencies, who frequently track real estate information. This data includes indicators such as absorption, deliveries, vacancy rates, and average rent. Real estate data are accessed through real estate data services, market reports, or brokers, allowing the downtown to speak to the built form and economy of their downtowns from a variety of sources to make economic and density arguments.

WHAT IS IT?	Indicators such as absorption, deliveries, vacancy rates, and average rent.
WHAT DOES IT DO?	Real estate data, accessed through real estate data services, market reports, or brokers, allows UPMOs to speak to the built form and economy of their downtowns.
HOW ARE WE USING IT?	Real estate data, which can come from various sources, is used to make economic and density arguments in the data template.

Local municipal data: This is data collected at the local municipal level includes information such as local investments, capital projects, tax assessments, tax revenue, crime and safety statistics, and land uses. These municipal agencies include, among others, the mayor's office, the tax assessor's office, planning and zoning, licensing and codes, economic development and the comptroller's office. These data can further tell the story of the economic and fiscal impact that downtown commercial cores have upon the city.

Downtown stakeholder data: Data collected from the local downtown stakeholders at the place management level include bicycle and pedestrian counts, cleanliness and safety statistics, events, major employers, development tracking, residential tracking, surveys, and other insights into the localized place. These include many statistics that downtown management organizations report out in their annual reports or state of downtown reports.

DATA TEMPLATE

After the testing phase, IDA integrated the final data metrics, principles, audiences, and downtown boundaries to calculate the contextual value statements within the project's data template.

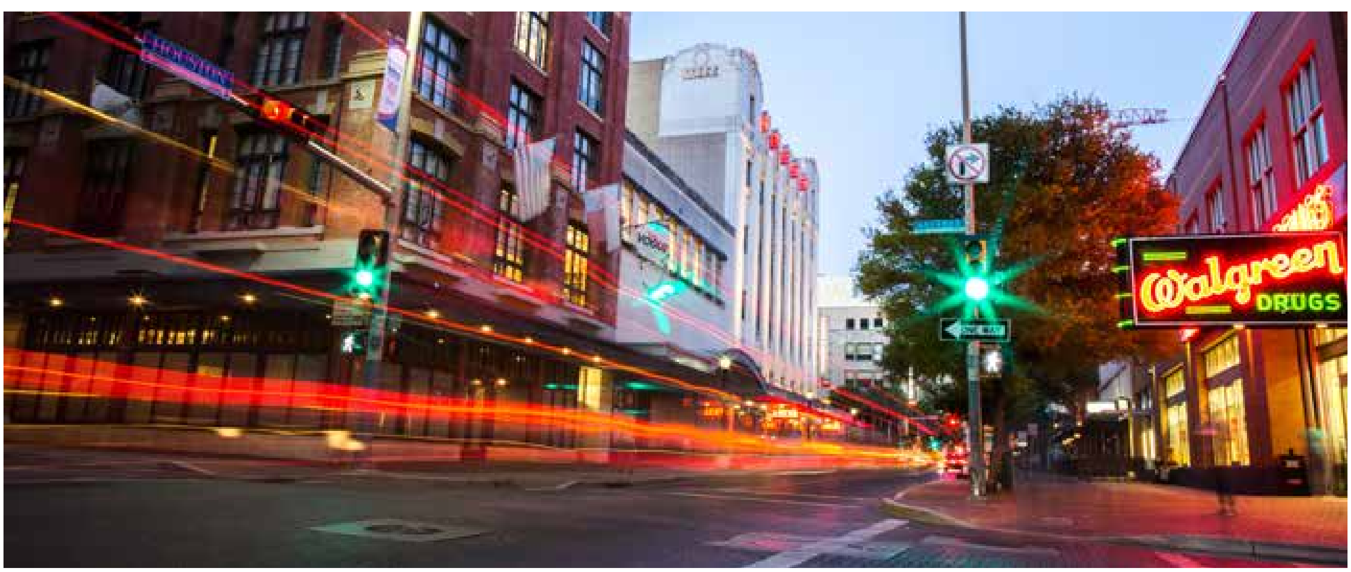
The data template provides a framework for a three-step process. First, IDA input a series of static data points from the downtown and data sources for the downtown, city, and region in two-time periods: the current year and a historical reference year (in this case, 2010). Based on these inputs, a set of valuation metrics were automatically generated into a detailed outputs sheet. The outputs were then linked to final profiles with the most compelling statistics that could be used to construct value statements on the significance of downtowns.

THE DATA TEMPLATE WAS CREATED WITH SEVERAL PURPOSES IN MIND:

Provide a **common set of metrics** to communicate the value of downtown.

Expand the **range of arguments** UPMOs can make to their stakeholders using publicly available data.

Save **time and effort** by automating portions of analysis.



Enter value for downtown, city, and region	Computed automatically	Selected and refined by downtowns
INPUTS	**OUTPUTS**	**ARGUMENTS**
• Total land area • Number of jobs	• Jobs per mi^2 downtown vs. city (dividing jobs by total land area) • Growth in jobs over time (comparing 2010 to the current year) • Percentage of city jobs (dividing downtown jobs by city jobs)	"As the economic engine of the city, downtown has a density of jobs nearly three times the city average, a rate of job growth twice the city average, and nearly 40 percent of total city jobs."

For each static data point that was inputted, the "outputs" tab of the data template contained calculations which compared and normalized metrics across time and geography including:

- Change since 2010
- Value per square mile
- Value per acre
- Value per resident
- Value per worker
- Share of cohort
- Share of city
- Share of region (for some data points)

The selected data had to communicate the arguments for downtown while being scalable, compelling, and replicable across jurisdictions. The metrics underpin a framework designed to enhance advocacy efforts by downtown place management organizations by creating arguments relevant to various audiences.

The final methodology, informed by experts and downtown leaders, encompasses over 100 key data points, 33 benefit metrics, and nine distinct audiences, through the lenses of the five principles of economy, inclusivity, vibrancy, identity, and resilience. The resulting study articulates the value of downtown as a place, highlighting its unique contributions and inherent value on the local city and region.

Every downtown featured in this report is unique, having its own history, culture, land use patterns and politics. Some downtowns may play multiple roles as related to their economic performance and relative importance to the wider city, and these contextual differences should always be kept in mind. This project has been designed to assess and summarize how each of these downtowns relates to the valuation methodology through the lenses of common metrics and the principles of economy, inclusion, vibrancy, identity, and resilience.

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Making The Case: Audiences

Each metric can be used to support the various benefits and value statements. These benefits align differently with various stakeholder groups. Downtowns can customize their arguments for various audiences and stakeholder groups by using a "Value Statements" template. This provides a blueprint that will help downtown management organizations target their arguments towards various stakeholder groups based on the relevancy of the benefit. Based on feedback from the pilot downtowns, the following key audiences and their relationships to downtowns were proposed:

- Local government (representing downtown)
- Local government (representing outlying areas)
- State and regional government
- Business
- Philanthropy
- Residents
- Visitors
- Worker
- Media

DISCUSSION: WHO NEEDS TO UNDERSTAND THE VALUE OF DOWNTOWNS?

GOVERNMENT
- City
- Regional
- State
- Federal
- Local + State Economical Development

BUSINESS
- Employees
- Retailers
- Organization members

PEOPLE
- Workers
- Residents
- Visitors

PHILANTHROPY
- Foundations
- Non-Profits
- Services

MEDIA
- Local
- National
- Specialty

Each downtown management organization can select audiences most critical to target based on their priorities:

Local government, frequently Including at large and city center elected officials and senior staff: Over the past two decades, local governments have been the primary source of funding and infrastructural support for downtown investment. Local government allies recognize downtown as a place, defined by boundaries frequently created by infrastructure, in which a concentration of economic and cultural activity occurs, and which is an effective platform for marketing and visibility.

Local government, frequently including elected officials from outlying urban districts: Local urban governments are made up of elected officials representing both downtown and the surrounding neighborhoods. UPMOs need arguments that speak to the elected officials that represent surrounding neighborhoods and communities, who may otherwise default to the view that downtowns receive an outsize share of capital investment relative to both their size and number of voters.

State and regional government: Outside the city limits, regional and state government officials also have a major stake in a strong downtown. Their stake in downtown centers both on the health of the regional economy, which is often anchored and fueled by downtown, and on the experiences of their constituents, who are frequent visitors to downtown and benefit from access to centers of employment, government, culture, and recreation. In many instances, these officials have played a small role in the broad coalition of downtown advocates, yet depending on the political environment can have the tendency to also default to the view that too much money is spent on downtowns relative to their size and population.

Businesses: For retail and corporate businesses, locating downtown has long been an attractive way to expand their access to customers and talent. Furthermore, these businesses receive increased visibility and an enhanced brand from locating downtown, as well as, agglomeration benefits from proximity to peers, partners, suppliers, and in some cases, transportation infrastructure. Though the extent to which downtown is a center of commerce varies from city to city, making the case of these benefits is key to attracting business investment.

Philanthropy: In many downtowns, philanthropy plays a key role in downtown capital investment, as well as, the provision of social services to underserved residents. Philanthropic organizations approach downtown both as a policy goal (i.e. philanthropic organizations may invest directly in downtown) and a philanthropic investment vehicle to efficiently and equitably achieve other policy goals.

Residents: An increased downtown resident population supports downtown investment, represents an engaged political constituency, and can be a potential source of downtown advocates. Residents move downtown to access a vibrant quality of life, as well as, proximity to desired jobs, services, culture, and recreation. By making the case for downtown value to current and prospective downtown residents, UPMOs leverage this population to catalyze political pressure for continued investment.

Visitors: Many visitors travel downtown to access centers of commerce, culture, and recreation. These visitors include tourists, business travelers, and residents of suburban geographies who are constituents of the state and regional elected officials described above. Similar to downtown residents, visitors' positive transactions, experiences, and memories in downtowns spur them to advocate for continued downtown investments.

Workers: Many downtowns serve as the central employment center of their regions. Workers often prefer downtown locations for its multiple modes of transportation and access to nearby entertainment, dining, recreation, and shopping options. Residing across the region, these workers represent a powerful political constituency in advocating for downtown investment and care about downtown success regarding accessibility, retail offerings, and safety.

Media: Although they are frequent downtown tenants, media frequently do not view themselves as having a direct stake in a strong downtown. However, the media influence many of the other key stakeholders by functioning as a conduit of information and the filter through which audiences learn about downtown. Therefore, each argument should be considered not only due to its relationship to these other audiences, but also in terms of its ability to be understood, consumed, and promulgated by the media.

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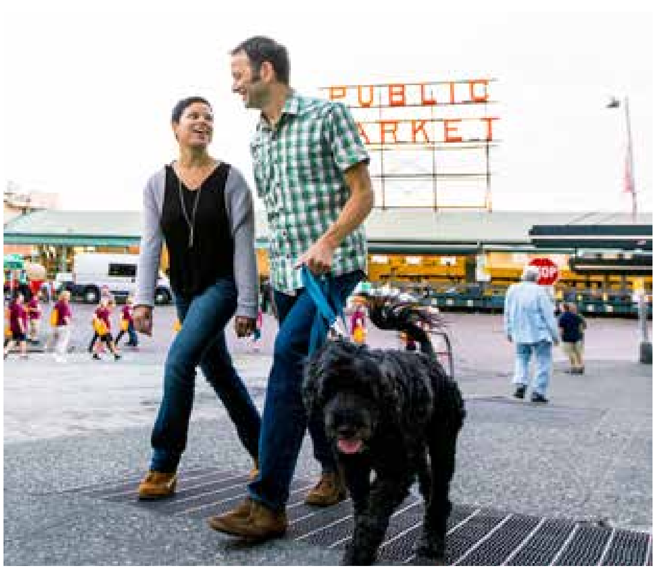
		LOCAL GOVERNMENT (REPRESENTING DOWNTOWN)	LOCAL GOVERNMENT (REPRESENTING OUTLYING AREAS)	STATE AND REGIONAL GOVERNMENT	BUSINESSES	PHILANTHROPY	RESIDENTS	VISITORS	WORKERS	MEDIA
ECONOMY	ECONOMIC OUTPUT	MOST RELEVANT	MOST RELEVANT	MOST RELEVANT	MOST RELEVANT	LESS RELEVANT	LESS RELEVANT	LESS RELEVANT	LESS RELEVANT	RELEVANT
	INVESTMENT	MOST RELEVANT	RELEVANT	MOST RELEVANT	RELEVANT	LESS RELEVANT	RELEVANT	LESS RELEVANT	LESS RELEVANT	RELEVANT
	CREATIVITY/ INNOVATION	RELEVANT	RELEVANT	RELEVANT	MOST RELEVANT	RELEVANT	RELEVANT	LESS RELEVANT	LESS RELEVANT	RELEVANT
INCLUSION	DIVERSITY	MOST RELEVANT	RELEVANT	RELEVANT	LESS RELEVANT	MOST RELEVANT	MOST RELEVANT	LESS RELEVANT	RELEVANT	RELEVANT
	AFFORDIBILITY	MOST RELEVANT	RELEVANT	RELEVANT	LESS RELEVANT	RELEVANT	MOST RELEVANT	RELEVANT	RELEVANT	RELEVANT
VIBRANCY	SPENDING	MOST RELEVANT	RELEVANT	MOST RELEVANT	RELEVANT	LESS RELEVANT	LESS RELEVANT	LESS RELEVANT	LESS RELEVANT	RELEVANT
	FUN/UTILIZTION	MOST RELEVANT	MOST RELEVANT	LESS RELEVANT	RELEVANT	RELEVANT	MOST RELEVANT	MOST RELEVANT	MOST RELEVANT	RELEVANT
RESILIENCE	SUSTAINABILITY	MOST RELEVANT	RELEVANT	RELEVANT	LESS RELEVANT	MOST RELEVANT	RELEVANT	LESS RELEVANT	LESS RELEVANT	RELEVANT
	HEALTH	MOST RELEVANT	RELEVANT	RELEVANT	LESS RELEVANT	MOST RELEVANT	MOST RELEVANT	LESS RELEVANT	LESS RELEVANT	RELEVANT
	DIVERSITY	MOST RELEVANT	RELEVANT	RELEVANT	LESS RELEVANT	MOST RELEVANT	MOST RELEVANT	LESS RELEVANT	RELEVANT	RELEVANT
IDENTITY	VISITATION	MOST RELEVANT	RELEVANT	MOST RELEVANT	RELEVANT	RELEVANT	RELEVANT	MOST RELEVANT	LESS RELEVANT	RELEVANT
	TRADITION HERITAGE/MEMORY	RELEVANT	RELEVANT	RELEVANT	LESS RELEVANT	RELEVANT	MOST RELEVANT	MOST RELEVANT	LESS RELEVANT	RELEVANT
	FUN/UTILIZATION	MOST RELEVANT	MOST RELEVANT	LESS RELEVANT	RELEVANT	RELEVANT	MOST RELEVANT	MOST RELEVANT	MOST RELEVANT	RELEVANT

Appendix II: Principles And Benefits

ECONOMY: Within their regions, downtowns have substantial economic importance.

Downtowns and center cities make up a small share of their city's land area, but have substantial regional economic significance. As traditional centers of commerce, transportation, education, and government, downtowns are frequently economic anchors for their regions. Because of a relatively high density of economic activity, investment in the center city provides a higher level of return per dollar of economic input as compared to other parts of the city. Just as regional economies vary, so do the economic profiles of center cities - the relative concentration of jobs, economic activity, retail spending, tax revenue, and innovation varies among downtowns and center cities. Comparing the economic role of downtowns and center cities in the context of the larger city or region is useful in articulating their unique value, as well as for setting development policy.

Benefits of Economy: Economic Output, Economic Impact, Investment, Creativity, Innovation, Visitation, Spending, Density, Sustainability, Tax Revenue, Scale, Commerce, Opportunity



Illustrative Metrics and Standards of Comparison:

- Total assessed value (square footage, average)
- Total property tax revenue
- Total hotel tax revenue
- Total parking tax revenue
- Total sales tax revenue
- Total income tax revenue
- Total public investment expenditure ($), capital investment ($)
- Total private investment ($)
- Total worker population (per square mile, city share)
- Total worker population by age
- Total worker population by industry (2-digit NAICS)
- Percentage of citywide jobs located downtown
- Employment share, including percentage of knowledge jobs and creative jobs
- Office vacancy rates
- Office market (square footage, per square mile, city share)
- Total office inventory (square feet, city share)
- Total office deliveries (square feet)
- Average office vacancy rate (percentage)
- Average office rent (square footage, year)
- Total corporate headquarters

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INCLUSION: Downtowns invite and welcome all residents of the region (as well as visitors from elsewhere) by providing access to opportunity, essential services, culture, recreation, entertainment, and participation in civic activities.

Downtowns and center cities welcome all residents of the region and visitors from elsewhere by providing access to a diverse range of uses and elements of urban life. Downtowns are inherently equitable because they connect a range of users to essential elements of urban life, including high-quality jobs, essential services, recreation, culture, public space, and civic activities. Though offerings vary by downtown, the consistently display the qualities of density, accessibility, and diversity. Just as important, we expect to find the region's diversity represented downtown.

Benefits of Inclusion: Equity, Diversity, Affordability, Civic Participation, Civic Purpose, Culture, Mobility, Accessibility, Tradition, Heritage, Services, Opportunity

Illustrative Metrics and Standards of Comparison:

- Employment diversity
- Demographic characteristics of downtown workers vs. city composition
- Distribution of jobs by industry, education level, salary
- Total worker population (by earnings)
- Total worker population (by race and ethnicity)
- Residential educational attainment
- Total non-white residents
- Total foreign-born residents
- Median household income
- Middle class residents (percentage and growth)
- Average monthly residential rent (square footage, city share)
- Median home value for owner-occupied housing units
- Percentage of downtown land reserved for public, institutional, or civic use
- Presence of major regional attractions (qualitative)
- Diversity of land use (percentage of commercial use)

"INCLUSION IS ONE OF MANY COMMON CHARACTERISTICS OF VIBRANT AND THRIVING DOWNTOWNS ACROSS THE NATION. SO WHAT EXACTLY DOES INCLUSION MEAN? IT MEANS THAT DOWNTOWNS INVITE AND WELCOME ALL RESIDENTS AND VISITORS BY PROVIDING ACCESS TO OPPORTUNITY, ESSENTIAL SERVICES, CULTURE, RECREATION, ENTERTAINMENT AND PARTICIPATION IN CIVIC ACTIVITIES. GREAT DOWNTOWNS ARE INHERENTLY EQUITABLE BECAUSE THEY ENABLE A DIVERSE RANGE OF USERS TO ACCESS ESSENTIAL ELEMENTS OF URBAN LIFE. THESE ELEMENTS INCLUDE, BUT ARE NOT LIMITED TO, HIGH-QUALITY JOBS, RECREATION, CULTURE, USE OF PUBLIC SPACE, FREE PASSAGE, AND CIVIC PARTICIPATION. PERHAPS MORE IMPORTANTLY, DOWNTOWNS ARE THE PLACES WHERE WE SHOULD EXPECT TO EXPERIENCE THE DIVERSITY SO UNIQUELY APPEALING TO PEOPLE EVERYWHERE."

Centro San Antonio

VIBRANCY: Due to their expansive base of users, downtowns can support a variety of unique retail, infrastructural, and institutional uses that offer cross-cutting benefits to the city.

Many unique city and regional cultural institutions, businesses, centers of innovation, public spaces, and activities are located downtown. The variety and diversity of offerings reflect the regional market and density of development. As downtowns and center cities grow and evolve, the density of spending, users, institutions, businesses, and knowledge allows them to support critical infrastructure, be it public parks, transportation, affordable housing, or major retailers that cannot be supported elsewhere in the region.

Benefits of Vibrancy: Density, Creativity, Innovation, Investment, Spending, Fun, Utilization, Brand, Variety, Infrastructure, Celebrate

An engaging downtown *"creates the critical mass of activity that supports retail and restaurants, brings people together in social settings, makes streets feel safe, and encourages people to live and work downtown because of the extensive amenities."*[59]

Illustrative Metrics and Standards of Comparison:

- Total annual retail sales (per square foot, per resident, city share)
- Total retail demand (per resident, per square mile, city share)
- Average retail vacancy rate (percentage)
- Average retail rent (square footage and growth)
- Total number of retail businesses (per square mile, city share)
- Total number of destination retail businesses (per square mile, city share)
- Total number of food and beverages (per square mile, city share)
- Presence of unique retailers or attractions (qualitative)
- Total resident population by race and ethnicity
- Total resident population by age
- Total resident population by education
- Total resident population by income
- Presence of major universities, hospitals, and other institutions (qualitative)
- Future capital investment projects (qualitative)
- Resident and employee growth
- Total residential inventory (units)
- Total residential deliveries (units)
- Average residential rent (Square footage/month)
- Average daily pedestrian traffic (and methodology)
- Total annual visitors
- Total annual visitor spending
- Total annual downtown venue attendance

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IDENTITY: Downtowns preserve the heritage of a place, provide a common point of physical connection for regional residents, and contribute positively to the brand of the regions they represent.

Downtowns and center cities preserve the heritage of a place, provide a common point of physical connection for regional residents, and contribute positively to the brand of the regions they represent. Whether from a historical event or personal memory, downtowns have intrinsic cultural value important to preserving and promoting the brand of the region. Downtowns and center cities offer a place for regional residents to come together, participate in civic life, and celebrate their region, which in turn promotes tourism and civic society. Likewise, the "postcard view" visitors associate with a region is virtually always an image of an attribute of the downtown.

Benefits of Identity: Brand, Visitation, Heritage, Tradition, Memory, Celebrate, Fun, Utilization, Culture

Downtown preserves heritage, connects regional residents, and contributes positively to the brand of the place.

Downtowns are *"iconic and powerful symbols for a city and often contain the most iconic landmarks, distinctive features, and unique neighborhoods. Given that most downtowns were one of the oldest neighborhoods citywide, they offer rare insights into their city's past, present and future."*[60]

Illustrative Metrics and Standards of Comparison:

- Types of destinations, events, traditions (qualitative)
- Total annual visitation figures
- Total number of events and outdoor events per year
- Total number of event venues
- Total hotels and hotel rooms
- Average hotel occupancy rate
- Total number of annual conventions and convention attendees
- Number of and attendance at museums and attractions

- Total number of public art installations
- Total number of registered historic structures
- Total number of farmers' markets
- Total number of sports stadiums, sports teams and annual sporting events
- Total number of publicly accessible playgrounds and pools
- Total place-based Instagram tags

RESILIENCE: Because of the diversity and density of resources and services, downtowns and their inhabitants can better absorb economic, social, and environmental, shocks and stresses.

Resilience is broadly defined as the ability of a place to withstand shocks and stresses. Along with economic performance, diversity, density, and supply of resources and services equip city centers and their residents to absorb economic, social, and environmental, shocks and stresses more easily than the surrounding city and regions, traditionally more homogenous. Consequently, they can also support the resiliency of the region, particularly in the wake of economic shocks that disproportionately affect less economically and socially dynamic areas. Similarly, downtowns and center cities are better positioned to make investments to hedge against and withstand increasingly-frequent environmental shocks and stresses.

Benefits of Resilience: Health, Equity, Sustainability, Accessibility, Mobility, Services, Density, Diversity, Affordability, Civic Participation, Opportunity, Scale, Infrastructure

A downtown's diversity and density of resources and services make it better positioned to absorb economic, social, and environmental, shocks and stresses than other parts of a region. Research reveals that "in comparison to other parts of the new American city, namely suburbs and edge cities, preliminary evidence reveals that downtowns have been a little more resilient during the downturn and possess certain sectors with the potential for recovery."[61] Not only does density create an economically productive result, urban density leads to efficiencies that cannot be replicated in suburban and less urban areas. The denser an area is, the more walkable, bikeable, and transit friendly the downtown is. The denser a center city, the more employees work in taller more compact office buildings compared to the sprawling office parks of their suburban counterparts. These efficiencies that are inherent in downtowns and center cities contribute to the downtown's overall resiliency. Downtowns and center cities are well positioned to be socially resilient due to their diversity, density, and access to public gathering places. Furthermore, research shows that walkable urban places are more apt to have greater diversity, a higher share of low-income people, and lower racial segregation compared to drivable sub-urban areas.[62] Additional research by the George Washington University School of Business finds that there is a positive relationship between walkable urbanism, economic performance, and social equity, but cautions that it doesn't remove the growing concerns around affordability from a public policy standpoint.[63]

Illustrative Metrics and Standards of Comparison:

- Average monthly residential rental rates
- Average residential housing costs
- Attainable middle-class rental rates
- Total rent or owner-cost burdened residents (city share)
- Percentage of city's residents in poverty
- Percentage of city's renter households
- Mix of real estate and land uses: retail, residential, hotel, office
- Total number of community centers, libraries and religious institutions
- Total number of parks (city share, per square mile)
- Total residents living within half a mile of a park
- Total acreage or square miles of public-access open space in downtown
- Average travel time to work
- Commute to work figures (transit, carpool, walk, bike, single-occupancy vehicle)
- Average bike score; Average transit score; Average walk score
- Total bike share stations
- Total carshare services
- Total electric car-charging points
- Total LEED-certified buildings

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Appendix III: Data Sources

DATA SOURCES FOR THE VALUE OF U.S. DOWNTOWNS AND CENTER CITIES

Source	Data Available	Pricing	Geographic Limitations	Release Schedule
ESRI	Demographic, Housing, Detailed Establishments and Consumer Spending	Proprietary	None; allows for drawing of custom geographies; selection of sub-geographies down to census tracts	Most data available to most recent American Community Survey year; Some data available in current year
EMSI	Labor: workers and firms	Proprietary	Allows for selection of sub-geographies at the state, MSA, city, and zip code level	Data available in current year
Social Explorer	Demographic, Housing, Crime, Health	Proprietary	Allows for selection of sub-geographies down to the census block group level	ACS data released annually
PolicyMap	Demographic, Housing, Crime, Health	Proprietary; some features public	Allows for selection of sub-geographies down to census tracts	Varies by data product
American FactFinder	Demographic, Housing, Crime, Health	Public	Allows for selection of sub-geographies down to the census block group level	Data released annually
LEHD on The Map	Labor: workers and firms	Public	None; allows for drawing of custom geographies; selection of sub-geographies down to census block group level	Data released annually and quarterly
Bureau of Labor Statistics	Labor: workers and firms	Public	Most data products are available at the state level. Some at the county level. A few at the MSA level.	Varies by data product
State Departments of Labor	Labor: workers and firms	Public	Most data products are available at the county level. Some at the zip-code level.	Varies by data product
CoStar	Real estate: development, rents, vacancy, absorption	Proprietary	None; allows for drawing of custom geographies	Data available in current year
Xceligent	Real estate: development, rents, vacancy, absorption	Proprietary	None; allows for drawing of custom geographies	Data available in current year
Municipal Data Portals	Varies by city	Public	Varies by Data Product	Varies by data product
HUD State of the City Data Systems (SOCDS)	Housing statistics; building permits; affordable units	Public	Data available at municipal level, county level, state level	Data released annually

Background: Additional IDA Sources

Quantifying the Value of Canadian Downtowns: A Research Toolkit: This toolkit is a groundbreaking effort to provide a downtown data standard, a common set of data and processes that will help Canadian place management organizations, such as BIAs/BIDs, establish and sustain evaluation and compare progress among downtowns. While this toolkit is geared towards Canadian downtowns, it also is of value for urban districts outside of Canada who are looking to move toward data standardization and data best practices. In the toolkit, organizations will find directions and insights on collecting, organizing, storing, and presenting downtown-specific data to make the case for continued investment and support. The toolkit includes instructions and rationale for data metrics, along with recommending core, trend and pulse metrics. The core indicators are framed around the principles of visibility (unique identity, brand, definition); vision (leadership, planning, collaboration); prosperity (economic data); livability (residential and uses); and strategy (types and values of public investment). The core indicators are: population density (downtown/city); job density (downtown/city); number of new commercial, residential, mixed-use buildings; current value assessment of downtown properties (commercial, residential, institutional); capital investment (downtown/city); transportation modal split; number of large format grocery stores; amount invested in parks and public realm; and number of annual cultural events and festivals.

The Value of Investing in Canadian Downtowns, 2013: This study provides an extensive portrait of the contributions being made by downtown areas across Canada, highlighting innovative approaches to revitalization and efforts being applied across the nation. It builds on 2012's initial phase of the study examining 10 of those downtowns, and tracks population, population density, job density and average block size of the downtown core and the municipality. The data were framed around visibility, vision, prosperity, livability and strategy.

Creating a State of Downtown Report, 2012: State of Downtown reports serve two major purposes. The first is to build upon the materials published by downtown organizations in Annual Reports to show how the work of downtown organizations have led to quantifiable improvements in various areas of downtowns. The work done by downtown organizations does not just lead to cleaner downtowns or increased numbers of events, but also translates into successes in all areas of the downtown. The second purpose is to draw further investment in downtowns by showing companies that downtowns are thriving environments and profitable sources of investment. State of Downtown reports offer investors the supporting data which they require to make informed decisions about their investments. Common categories of indicators include: office market, employment, residential market, residential demographics, retail and restaurants, nightlife, tourism and hospitality, events, arts and culture, transportation, development and investment, sustainability, and education.

Defining Downtowns - Downtown Rebirth, 2013: Downtown Rebirth: Documenting the Live-Work Dynamic in 21st Century U.S. Cities is the culmination of a year-long effort by IDA and partners across the country to develop an effective way to quantify the number of people who live and work in and around 231 job centers in 150 American cities. Without standard geographic definitions for downtowns and downtown residential neighborhoods, previous research relied on overly simplified boundaries that did not capture the unique, idiosyncratic shapes of urban employment nodes and thus failed to maximize the use of existing Federal data resources. For the first time, Downtown Rebirth suggests a way both to define and quantify downtown workforce and population numbers and document how these employment hubs and live-work environments are quickly changing.

The Value of U.S. Downtowns & Center Cities study expands upon the efforts of IDA's "Downtown Rebirth: Documenting the Live-Work Dynamic in 21st Century Cities" study, that provided guidelines for selecting the boundaries and defining the downtown geography. This study utilizes these recommendations and defines downtown beyond the boundaries of a district management organization to encompass the generally understood definition of the downtown by those in that community. For a small sample of downtowns in this study, IDA also expands upon and updates the data from the Downtown Rebirth report.

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