
# The Value of U.S. Downtowns and Center Cities

CALCULATING THE VALUE OF DOWNTOWN LEXINGTON, KENTUCKY
A 2020 IDA STUDY

A 2020 PUBLICATION CREATED BY
THE INTERNATIONAL DOWNTOWN ASSOCIATION

IDA
INSPIRED LEADERS
SHAPING CITIES

# ABOUT IDA

## 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 composed 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 2019 Research Committee advances the work set forth in the IDA research agenda by 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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THE VALUE OF U.S. DOWNTOWNS AND CENTER CITIES

## Stantec's Urban Places

*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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# PROJECT OVERVIEW

# Introduction

## GREAT CITIES START DOWNTOWN

No city or region can succeed without a strong downtown, the place where compactness and density bring people, capital, and ideas together in ways that build the economy, opportunity, community and identity. Downtowns across the U.S. experienced unprecedented change in 2020, a year fundamentally altered by the COVID-19 pandemic. As states and cities imposed shutdowns to control the spread of the new coronavirus, downtowns and urban centers emptied almost overnight, and the street life and interactions that give them such appeal ground to a halt.

Typically, despite a relatively small share of a city's overall geography, a downtown delivers significant economic and community benefits across both city and region. Downtown serves as the epicenter of commerce, capital investment, diversity, public discourse, socialization, knowledge and innovation. It provides social benefits through access to community spaces and public institutions. It acts as a hub for employment, civic engagement, arts and culture, historical heritage, local identity, and financial impact. In short, the proximity and density that downtown and center cities create drive the city around them to thrive.

Showcasing the ways that downtown can lead urban resilience, downtown communities in cities across the country came together almost as soon as the pandemic began to support their residents, employees, and businesses. Downtown organizations became some of the first to provide relief to shuttered small businesses. Urban place management organizations quickly organized enhanced cleaning of public areas, disseminated trusted information, and in some cases directly provided relief funds to those most affected. Recognizing the importance of small and local businesses to downtown's unique character, downtown communities rallied to help businesses realize income through the purchase of gift cards and takeout or delivered meals from restaurants.

No one knows yet how the pandemic will change cities. Physical-distancing measures seem likely to become standard at public gatherings, outdoor cafes, and in parks for some time. Even though downtowns may lose some of their vibrancy temporarily with the shuttering of some local businesses, stay-at-home mandates, and continued physical distancing, the "new normal" may present new opportunities to adapt downtowns and urban centers to a more human-centric future. Cities from Oakland to Milan have already begun experiments in reclaiming parking, travel lanes, and entire streets for pedestrians and cyclists or to add commercial space for outdoor dining that lets restaurants maintain six-foot (two-meter) separation while serving enough customers for economic sustainability. Work and school life will likely shift to include more telework and virtual options, which could maintain the improvements in air quality brought on by dramatic reductions in vehicular use during shutdowns.

On the other hand, an increasing role for remote work will reduce the customer base for downtown commerce and may lessen the importance of a location in downtown for many companies. Tourism, at least in the short-term, will shift from a national and international focus to a preference for regional travel—surveys show widespread consumer reluctance to spend multiple hours in the confines of an airplane—and that shift could have a large impact on downtown hotels and attractions. Fortunately, downtowns and center cities have a long history of evolving to adapt to changing times and market preferences. The value of downtowns may shift, along with the ways we use and evaluate them, but downtowns' resilience across economic, social, and environmental measures positions them well to lead citywide recovery. Downtowns have emerged from past crises even stronger, and there's no reason to think they won't this time.

Nobel Prize-winning economist Paul Romer has this to say about the future of urban agglomeration in the wake of COVID-19:

"The fact is that the intense interaction that cities allow is immensely productive. I think what we're going to learn from this is that there are a variety of ways to continue to interact frequently while minimizing the risks of transmitting viruses. I doubt that this is going to slow down the growth of cities. I think the underlying economic reality is that there is tremendous economic value in interacting with people and sharing ideas. There's still a lot to be gained from interaction in close physical proximity because such interaction is a large part of how we establish trust. So, I think that, for the rest of my life, cities are going to continue to be where the action is."[1]

# About the Value of Downtowns Project

Building on IDA's unique industry-wide perspective and expertise, this study quantifies the value of U.S. downtowns and center cities across more than 150 metrics organized under five core value principles, with a focus on how downtowns contribute to the city and region around them. *The Value of U.S. Downtowns and Center Cities* study has emerged from a partnership between IDA and local urban place management organization (UPMO). UPMOs have invaluable insights into the areas they manage and have the relationships that help them unlock essential data sources for this study.

The study aims to emphasize the importance of downtown, to demonstrate its unique return on investment, to inform future decision making, and to increase support from local decision makers. The primary project goals are to:

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.

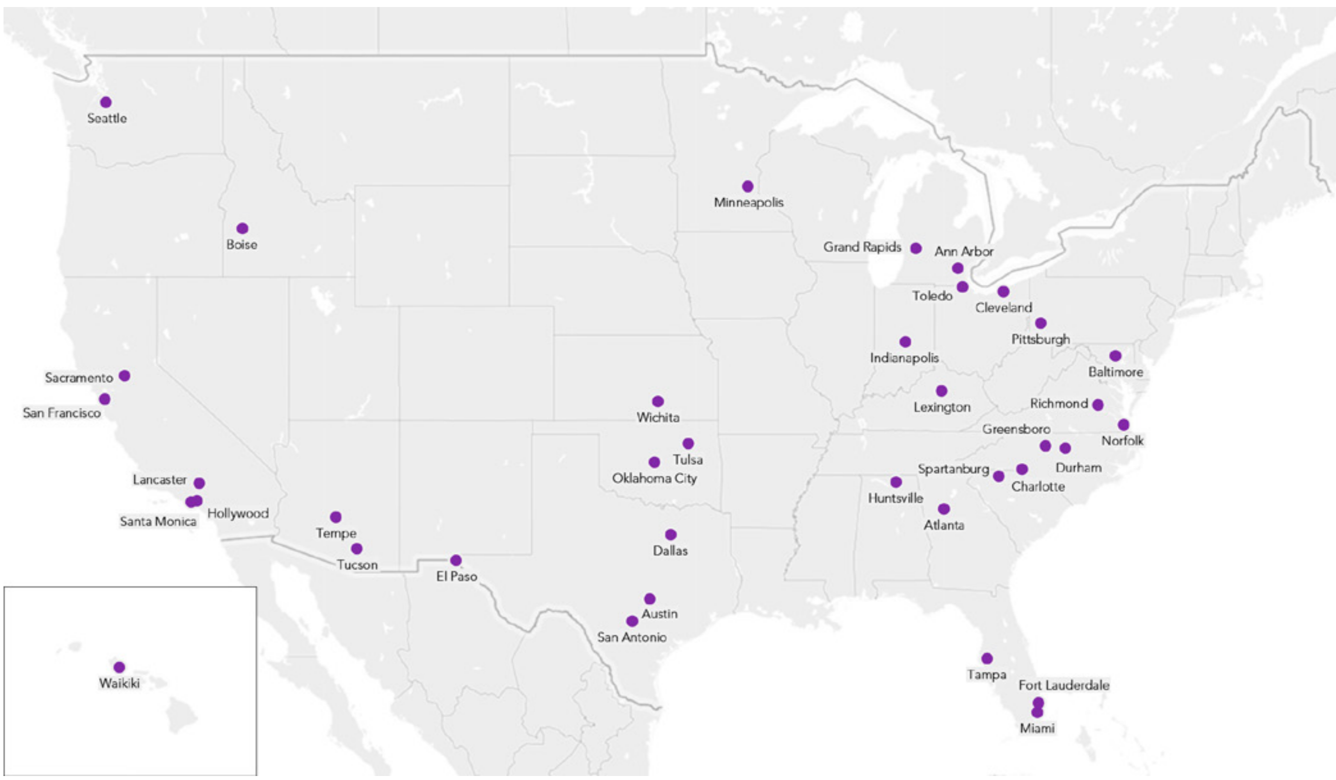
IDA began this research in 2017, working with Stantec's Urban Places group and the first cohort of 13 UPMOs to develop a methodology for compiling and evaluating data from those 13 downtowns. In 2020, our analysis has expanded to include 37 downtowns and center cities across the U.S.

The analysis focuses on how downtown provides value in the five organizing principles of economy, inclusion, vibrancy, identity, and resilience. IDA and our UPMO partners work together to collect more than 250 individual data points across four benchmark years (most current year available, 2015, 2010, and 2000) and three geographic levels (study area, city, and MSA/county). In addition, for employment data we collect three different jobs totals (primary, all jobs, and all private jobs) for all years between 2002 and 2017 to show more nuanced employment trends over time. In total, we utilize more than 8,400 individual pieces of data for each participating downtown, and our downtown database now contains around 310,000 pieces of data. All data included in the study predates the COVID-19 pandemic.

# Urban Place Management Organizations

IDA's members are urban place management organizations that manage growing districts to help create vital, healthy, thriving cities for everyone—from residents to visitors to business owners. These UPMOs are downtown champions that bring urban centers to life.

Since 1970, property and business owners in cities throughout North America have realized that revitalizing and sustaining vibrant downtowns, city centers and neighborhood districts requires focused attention beyond the services municipal governments alone can provide. These private-sector stakeholders come together to form and fund nonprofit management associations that deliver key services and activities within the boundaries of their districts. UPMOs typically operate as business improvement districts (BIDs), business improvement areas (BIAs), partnerships or alliances.



## ECONOMY


**Downtowns and center cities are valuable due to their roles as economic anchors for their regions.** As traditional centers of commerce, transportation, education, and government, downtowns and center cities frequently serve as hubs of industry and as revenue generators, despite their only making up a small fraction of the city's or region's land area. Downtowns support high percentages of jobs across many different industries and skill levels. Because of a relatively high density of economic activity, investment in the center city provides a greater return per dollar for both public and private sectors than investments elsewhere.

## INCLUSION

**As the literal and figurative heart of their cities, downtowns represent and welcome residents, employees, and visitors from all walks of life.** Residents of strong downtowns often come from a wide range of racial, socioeconomic, cultural, and educational backgrounds, and from across all ages. This diversity ensures that as an inclusive place, downtown has a broad appeal to all users and a strong social fabric. Downtowns provide access for all to opportunity, essential services, culture, recreation, entertainment and civic activities.

## VIBRANCY


**The ability of vibrant places to attract visitors and new residents, as well as a regionwide consumer base, creates value.** Vibrancy means the buzz of activity and excitement that comes with high-quality experiential offerings like breweries, restaurants, theatres, or outdoor events. Many unique regional cultural institutions, businesses, centers of innovation, public spaces and activities are located downtown. As the cultural center of their cities, downtowns typically attract a large share of citywide visitors and account for a large share of citywide hotels and hotel rooms.

## IDENTITY

**Downtowns and center cities often serve as iconic symbols of their cities, creating a strong sense of place that enhances local pride.** The authentic cultural offerings in downtown enhance its character, heritage, and beauty, and create an environment that other parts of the city can't easily replicate. Combining community history and personal memory, a downtown's cultural value plays a central role in preserving and promoting regional identity. Downtowns and center cities serve as places for regional residents to come together, participate in civic life, and celebrate their region, which in turn promotes tourism and civic society.

## RESILIENCE

**Downtowns and center cities play a crucial role in building stability, sustainability, and prosperity for the city and region.** Their diversity, concentration of economic activity, and density of services better equip them to adapt to economic and social shocks than more homogenous communities. They can play a key role in advancing regional resilience, particularly in the wake of economic and environmental shocks, which often disproportionately affect less economically and socially dynamic areas.

# Methodology Overview[i]

The first step to this study is to identify the right boundaries that capture a downtown district. Geographic parameters often vary across data sources and may not align with a UPMO's jurisdiction. This study has adopted a definition of the commercial downtown that moves beyond the boundaries of a development authority or a business improvement district. IDA's Value of Investing in Canadian Downtowns report expresses the challenge well: *"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."*[2] IDA worked with each UPMO to identify the boundaries of their downtown for this project, giving priority to alignment with census tracts for ease of incorporating data from the U.S. Census.

To measure the value of downtowns relative to their cities, the analysis relies on data that could be collected efficiently and uniformly for a downtown, its city, and its region. IDA collects data from multiple national databases, such as the U.S. Census, LEHD, and ESRI. In addition, IDA gives each participating UPMO a list of metrics to collect from local sources like county assessors or commercial real estate brokers. IDA then analyzes the data to identify study area trends and benchmark the area against the city, the region, and other downtowns in the study.

The analysis includes meaningful qualitative observations to acknowledge unique features or add nuance and context to trends revealed in the data. As an example, universities often sit on the edge of a downtown study area. Even if not technically inside downtown, the university's students typically represent a large user and consumer base for downtown, and the analysis describes how the student presence influences the downtown environment.

The analytical focus of the report is to make and support value statements about downtown by comparing it to the city, identifying its growth trends over time, and illustrating its density. For instance, data patterns revealed this for 2017 employment totals in downtown Seattle:

> "Downtown is a strong employment and industry hub for the city, with a concentration of high-paying and high-growth employment sectors. 43% of all citywide jobs are located downtown, as are 58% of citywide knowledge jobs. Overall, employment has increased 14% since 2010, outpacing both the city and region. In addition, the number of knowledge jobs grew 28% during that period. Each square mile supports 85,924 workers on average, more than ten times the average job density citywide."

i Refer to the appendix for the full methodology and list of metrics used in the study.

# Known Limits to This Project

While this study aims to provide a comprehensive quantification of the value of downtowns, we know of several limitations to our approach. Not all local sources consistently collect the same data. Some supplemental data we ask our local partners to collect is not always available, making comparisons based on these metrics impossible. In some cases, the data we ask for simply does not exist or has not been collected on the relatively small scale of census tracts or downtown neighborhoods. This makes it challenging to rely on local data for analysis and often results in some missing pieces in our narrative.

The sample size of 37 does gain representational power by its inclusion of downtowns that operate across a range of geographies and within widely varying contexts. Nevertheless, we recognize that its extrapolations may not apply to every U.S. downtown. Our most recent data also comes predominantly from the 2018 American Community Surveys (ACS), and the 2017 Longitudinal Employer-Household Dynamics (LEHD) On the Map tool, and ESRI Business Analyst. Due to the lag in data availability, some metrics may not align with more recent data from local downtown, municipal, or proprietary sources. This will be especially true in coming years as the employment loss during COVID-19 will not be observed in our data sources for several years.

Citywide context plays a large role in the analysis. Significant variance in overall city size (from Spartanburg's 20 square miles to Oklahoma City's 606) can skew comparisons of the proportion of citywide jobs or population in different districts. However, since downtowns operate within the context of their city, understanding the proportion of jobs, residents, and other metrics as a percentage of their cities still provides an important perspective on a downtown's contribution to its city and region.

# Improvements Over Previous Years and Areas for Future Research

IDA has implemented a new data-collection system that allows us not only to expand the database for new study participants but also to update the publicly available data used for participants in previous years of this study. This means that we used updated data from previous years to benchmark this year's cohort of downtowns. We have begun to develop a plan for updating local data from earlier cohorts (e.g., tax information, visitor counts, etc.) to coincide with the next update of the decennial census.

In addition to all the data collected in previous years, we have continued to add new metrics from untapped data sources. In social resilience, these include the percentages of residents without health insurance and of households without access to computers or internet access. We have also gone deeper into the analysis of select metrics, such as using income by age and school-enrollment data to tell a more complete story about residents downtown.

Analysis this year also included maps of population change and job concentration in the downtown as compared to the larger city. Future analysis will develop more spatial analysis and include more visual representations of data and trends, created with Tableau.


THE OFFICES AT
CITY CENTER
STARBUCKS

SECTION TWO

# DOWNTOWN PROFILE

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# Downtown Profile | Overview

A city's strength and prosperity depend on a strong downtown and center city, which serve as centers of culture, knowledge, and innovation. The performance of districts and center cities strengthens an entire region's economic productivity, inclusion, vibrancy, identity, and resilience. While the long-term impact of the COVID-19 pandemic remains impossible to predict, the 2020 pandemic has shown one thing clearly: the significance of downtown and its role as engine of and symbol for the rest of the city and region. Many of the sectors hit hardest by coronavirus shutdowns in 2020—retail, food, entertainment, tourism, arts and culture, and nonprofit organizations—both anchor downtown and make it so compelling. The revival of these very sectors will mark the start of the recovery, and accelerate the return of a strong citywide economy.

The data used in this report predates the COVID-19 pandemic.

A thriving city center, downtown Lexington's strong economic activity and growing residential population anchor the city economy. Because downtown can accommodate denser development than many other parts of the city, it adds further value by delivering outsized benefits from a small footprint—4.4 square miles, or 1.6% of citywide land area. Downtown's 40,000 jobs account for 20% of citywide jobs, and its residential population has grown by 14% since 2010, reaching nearly 33,000 in 2018.

## Study Area

DOWNTOWN PARTNER

Downtown Lexington Partnership

CITY

Lexington, KY

Downtown's population growth has accelerated in the past decade. Since 2000, citywide population has grown steadily, outpacing growth in the county, which is limited by the urban growth boundary. Since 2010, population downtown has increased by 14%, faster than either the city or region. New growth has made downtown Lexington's densest neighborhood—almost seven times denser than the city at large—intensifying its vibrancy and attraction. Density plays a crucial role in growth for the city that established the country's first urban service boundary. To preserve green space and farmland, development must take place within the boundary and targeted areas. Consequently, increasing

## Employment Population

| | Downtown | City | Region |
|---|---|---|---|
| All Jobs | 40,180 | 199,853 | 277K |
| Downtown Share | n/a | 20% | 15% |
| Employees per square mile | 8,622 | 661 | 177 |
| Primary Growth 2010-2017 | 1% | 14% | 15% |
| Private Growth 2010-2017 | 13% | 15% | 16% |

Source: LEHD On the Map (2017)

## Residential Population

| | Downtown | City | Region |
|---|---|---|---|
| Population | 32,613 | 318,734 | 507K |
| DT Share | n/a | 10% | 6% |
| Residents per square mile | 7,395 | 1,124 | 345 |
| Growth 2010-2018 | 14% | 8% | 7% |

Source: U.S. Decennial Census (2000, 2010); American Community Survey 5-Year Estimates (2014–2018) density downtown will play a critical role in accommodating future growth. Relative to other downtowns participating in IDA's Value of Downtowns study, Lexington boasts above-average population density and ranks between Norfolk, VA (7,391 per square mile), and Atlanta, GA (8,028).

With more than 40,000 jobs—20% of citywide jobs and 15% of regional jobs—downtown functions as an economic center for the city. Census boundary limits used to define the study area in this analysis exclude the bulk of jobs connected to the University of Kentucky (UK), despite those employees' location in an area locally considered part of downtown. Including the 13,400 educational services jobs from UK would boost downtown's share of citywide jobs to 30%. The number of jobs downtown has remained stable since 2010, even as totals for the city and region grew by about 15%. Across all geographies the private sector has served as the primary driver of jobs growth; in downtown, private jobs have increased by 13%, a significant rise compared to a 1% growth rate for jobs overall.

Since 2015 downtown has seen more than $3 billion in real estate development completed, under way, and announced. The $220 million City Center complex completed at the end of 2019 brought the first new office tower to downtown since 1987, contributing to a 14% increase in office space since 2010. Renovation and expansion of the convention center, and development of a new entertainment venue next to it will create new destinations downtown. The planned Town Branch trail, a greenway linking downtown, Masterson Station Park, and the Distillery District along a 22-mile trail network, will bring a new recreational amenity to downtown, and improve connection to edge neighborhoods. Additional plans already announced include a new bourbon distillery, multiple expansion projects on the UK campus, and residential projects that will add nearly 450 units of housing when completed.

## Inventory

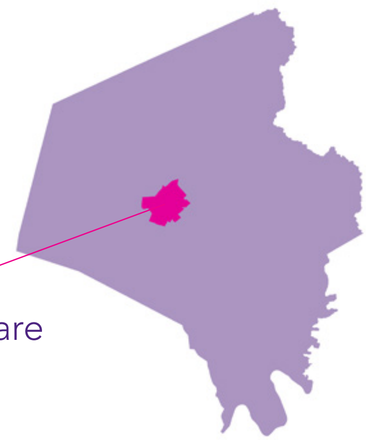
| | Downtown | Share of City | Per Square Mile | Growth 2010-2020 |
|---|---|---|---|---|
| OFFICE (SF) | 2.5M | 46% | 568K | 14% |
| RETAIL (SF) | 404K | n/a | 92K | n/a |
| RESIDENTIAL UNITS | 13,231 | 9% | 3K | 2% |
| HOTEL (ROOMS) | 1,199 | 14% | 272 | n/a |

Source: Costar, (2020); American Community Survey 5-Year Estimates (2014–2018)

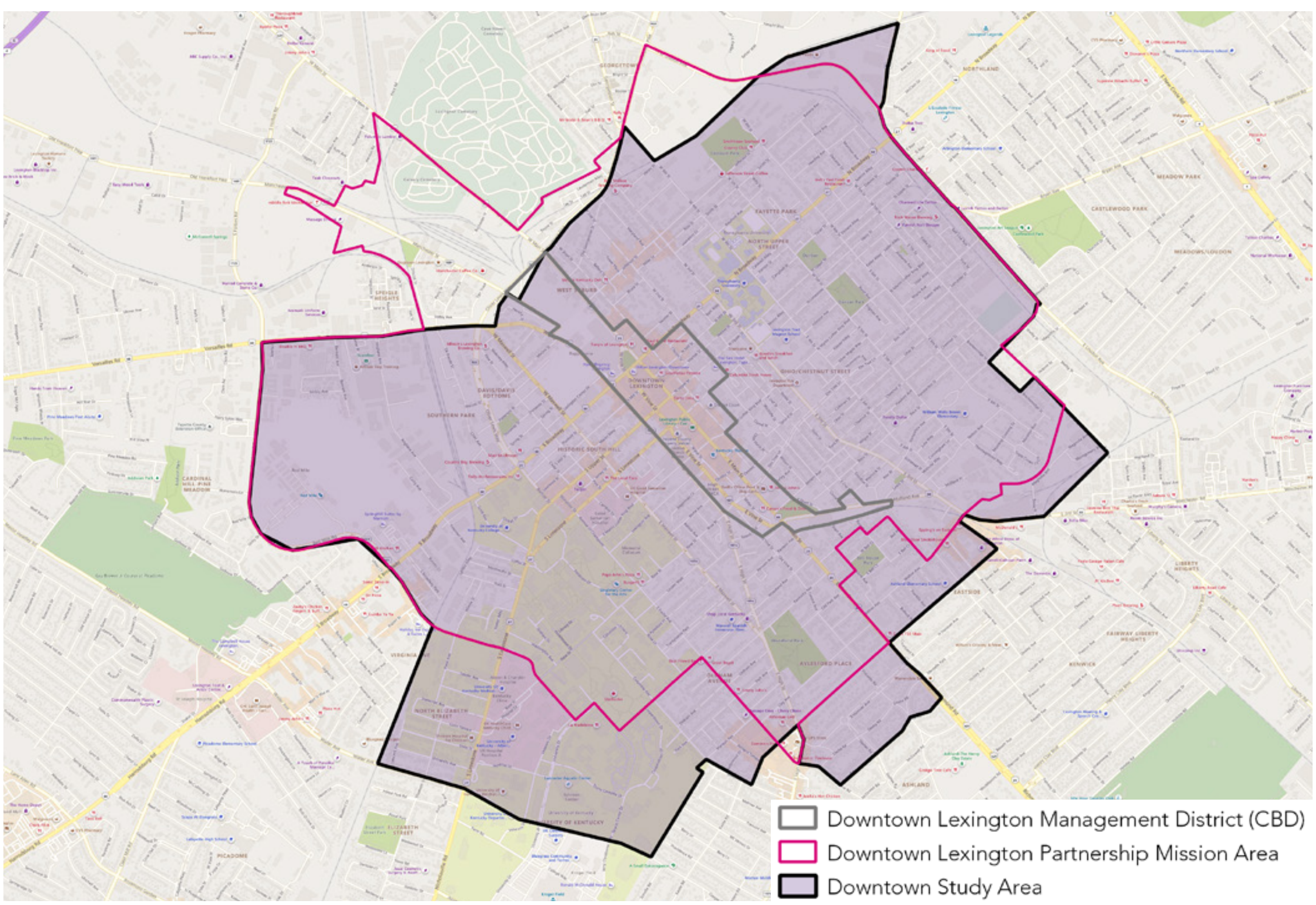
### Defining Boundaries

The study area encompasses the Downtown Lexington Management District in the core, the University of Kentucky campus, and edge districts that are closely aligned with the DLP traditional mission area. Discrepancies between the DLP mission area and the study area reflect the limitations of the data sources used for this report. IDA recommended that the urban place management organizations participating in IDA's *Value of Downtowns* study use the commonly understood definition of downtown and match boundaries to hard edges, roads, water, natural features or highways. IDA worked with each group to align its downtown study area with census tract boundaries for ease of incorporating publicly available data from the U.S. Census.

The accompanying map shows the study area shaded in purple and the DLP mission area outlined in pink. The study area omits the Distillery District, due to limitations in census tract boundaries. The area outlined in dark gray represents the Central Business District, often referred to as the downtown core or the Downtown Lexington Management District boundary; the report notes where data shown represent only this reduced area.



Downtown Share of City Land Area **1.6%**



# Economy | Impact, Innovation

Downtowns make up a small share of their city's land area but have substantial economic importance.

While downtowns and center cities constitute a small share of citywide land area, there's no understating their regional economic importance. As traditional centers of commerce, transportation, education, and government, downtowns serve as economic anchors for their cities and regions. Thanks to highly concentrated economic activity, investment in the center city yields a high level of return per dollar. Urban centers across the U.S. were the first areas to recover from the Great Recession, and although the impact of the COVID-19 pandemic is still being felt, prior analysis of the role of downtowns and center cities highlights their unique ability to absorb and recover from economic shocks and stresses - as well as lead regional recovery.

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

## Downtown Employment

20%
CITY'S JOBS

31%
CITY'S KNOWLEDGE INDUSTRY JOBS

15%
CITY'S CREATIVE JOBS

34%
CITY'S HEALTHCARE AND SOCIAL ASSISTANCE JOBS

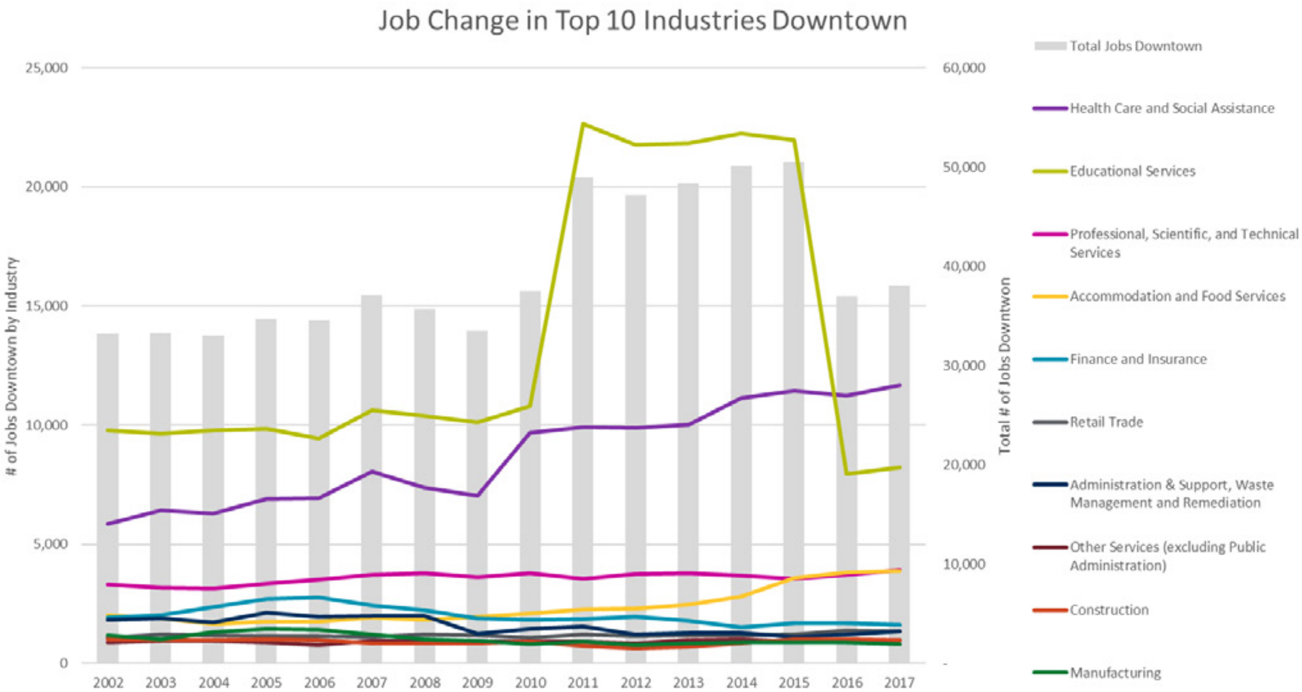
Source: LEHD On the Map (2017)

### Jobs and Industries

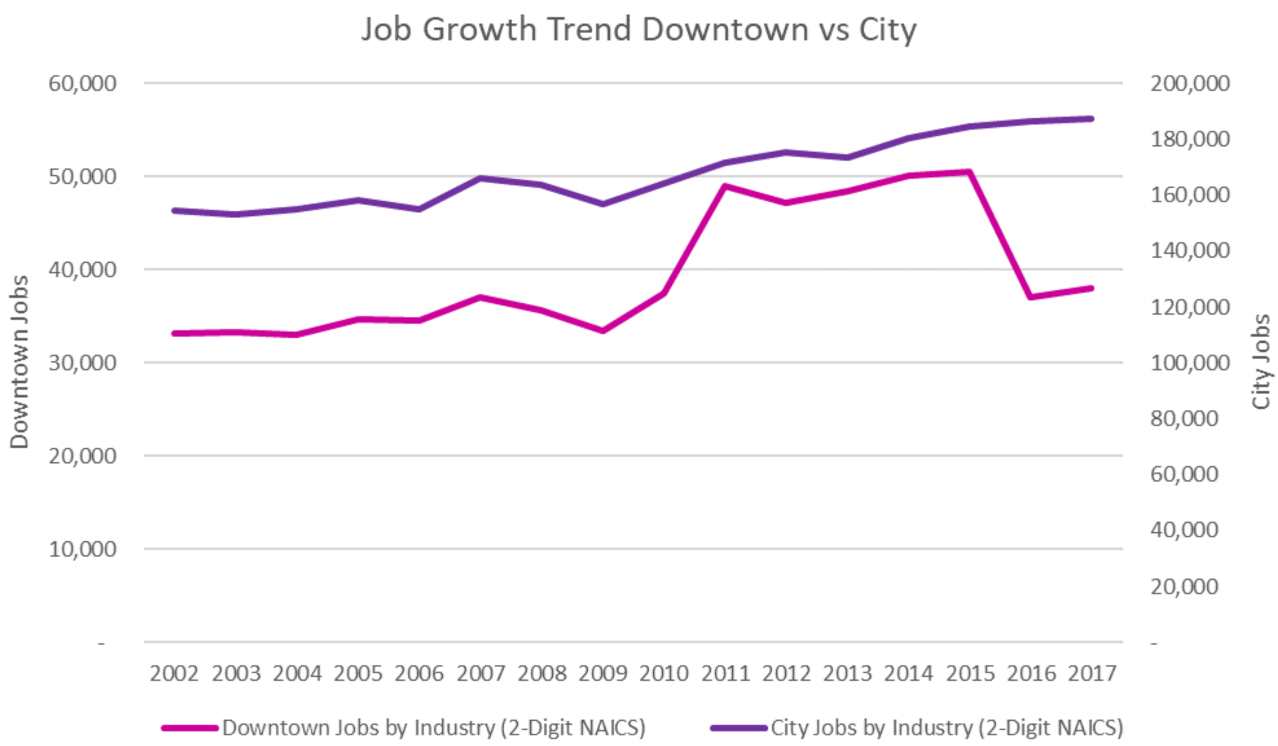
Downtown has emerged as a clear jobs center for Lexington. In 2017, its 40,000 jobs accounted for 20% of all jobs in the city and, as the accompanying map shows, no other council district comes close to matching its concentration of jobs. In fact, limitations on data likely led this analysis to undercount downtown jobs for two reasons. First, the 2017 LEHD data did not provide counts of jobs at federal agencies downtown or at the courthouse. Second, the LEHD data did not count partnerships or sole proprietorships, missing self-employed individuals and many small startups.


Source: LEHD On the Map – Primary Jobs (2017)

*Because downtown includes parts of Council Districts 1,3, and 11, the study added the numbers of jobs within the area of overlap to downtown's total and reduced the totals for the districts accordingly before calculating district percentages.




Source: LEHD On the Map All Jobs
NOTE: The extreme change in educational services jobs reflects a change in the way data was collected for large institutions like the University of Kentucky and the Fayette County School District. More specifically, between 2011 and 2015 the University of Kentucky's jobs were counted as being within the study area.




Source: LEHD On the Map All Jobs

"A strong small business presence–especially one that thrives in the context of a busy, livable, walkable downtown–is what gives a community its character."

– Quint Studer, Strong Towns[2]

Total downtown primary jobs grew by only 1% between 2010 and 2017, and a 21% increase in health care positions, primarily at the UK Hospital, accounted for much of that growth. Without this sector, downtown jobs would have declined slightly during this period. In addition, of industries with more than 100 jobs, accommodation and food services represented the fastest-growing employment sector downtown, with an 86% increase in jobs since 2010. Professional, scientific and technical services jobs had ranked as downtown's third-largest sector since 2002, but in the past few years, it has tied for the spot with accommodation and food services.

Downtown's largest industries are health care and social assistance (11,700 jobs), educational services (8,200 jobs), and professional/scientific/technical services (3,900 jobs). Together, these three sectors account for more than half of downtown's primary jobs. The dominance of these sectors comes as no surprise, considering the presence of UK Hospital, the university itself, Belcan Design Center, and financial institutions such as Central Bank and JP Morgan Chase. These major employers, among others, help define a strong knowledge economy downtown that accounts for more than 31% of citywide knowledge jobs.

An anomalous spike stands out on the accompanying chart of job trends in downtown. The chart shows positions in education services jobs doubling, from 11,000 to over 23,000, between 2010 and 2011, then dropping precipitously from 2015 to 2016. This is caused by a known weakness of the LEHD data source used for employment data throughout this study. Due to an effect called "headquartering" all jobs

## Jobs by Firm Age
(2014-2017)

| | Downtown | City | Region |
|---|---|---|---|
| < 3 YEARS | 11% | 7% | 7% |
| 4-10 YEARS | 13% | 10% | 10% |
| 11+ YEARS | 76% | 82% | 83% |

Source: LEHD On the Map (2017)

## Jobs by Firm Size

| | Downtown | City | Region |
|---|---|---|---|
| < 20 PEOPLE | 22% | 15% | 16% |
| 20-49 PEOPLE | 14% | 10% | 10% |
| 50-249 PEOPLE | 16% | 16% | 14% |
| 250+ PEOPLE | 48% | 59% | 60% |

Source: LEHD On the Map (2017)

## Jobs by Earnings
Per Month

| | Downtown | City | Region |
|---|---|---|---|
| $1,250 OR LESS | 17% | 19% | 19% |
| $1,251-$3,333 | 28% | 34% | 35% |
| MORE THAN $3,333 | 55% | 46% | 46% |

Source: LEHD On the Map (2017)

associated with a large organization will be attached to a singular administrative address regardless of the actual physical location of its employees. In summary, this large fluctuation in employment is due to the address associated with all University of Kentucky jobs moving in - then back out - of the study area and is not due to any substantive change in the number of these jobs downtown.

Thanks to a high proportion of knowledge-industry jobs, on average, downtown workers earn more than workers citywide or regionwide. The number of downtown workers earning at least $3,333 per month, 55%, runs ahead of the comparable figure of 46% for both the city and region. In 2000 all three geographies had similar proportions, but in the years since then, downtown jobs have become higher paying at a faster rate. Nevertheless, downtown still has jobs across all income ranges. Since 2010, the number of jobs for those earning $1,250 per month or less has increased modestly, from 6,071 to 6,381, likely due to the increase in accommodation and food services jobs.

### Entrepreneurial Environment

A strong entrepreneurial environment that supports both small businesses and startups in all industries is critical to a thriving downtown. Small businesses generate new jobs, promote innovation and competition, and account for almost half of U.S. economic activity.[1]

Downtown Lexington has a sizable small-business presence. 36% of jobs are at firms with fewer than 50 people, a share 10% higher than in the city and region. Of those jobs, most are concentrated in firms with fewer than 20 employees. Looking at startups, downtown also has a higher concentration of new firms (those less than three years old) than the city or region. Again, this data doesn't include self-employed workers, which means it likely undercounts jobs in smaller and younger firms.

Downtown has a total of eight incubator and co-working spaces, 60% of the city's total incubator spaces. In downtown, UK doesn't just function as a major employer—it also serves as a key driver of new firms. UK hosts the Advanced Science & Technology Commercialization Center and is developing an innovation center at its Cornerstone project, which will connect to the new School of Design building along an innovation corridor. In addition, UK promotes emerging markets like the multibillion-dollar

## Tax Impact

| | Downtown | Share of City |
|---|---|---|
| PROPERTY TAX | $32.3M | 9% |
| SALES TAX | $29.9M | 8% |
| LOCAL OCCUPATIONAL TAX | $44.1M | 20% |
| TOTAL TAX | $106M | 11% |
| TAX PER SQUARE MILE | $24.1M | $3.4M |

Source: IDA estimates based on data from Fayette County Property Valuation, ESRI retail sales estimate, and LEHD workers

Property tax estimates for downtown and the city reflect taxable property value. About 74% of downtown is taxed at 1.277% (the District 1 rate), and the remainder at 1.044%.

Sales tax estimates apply a 6% state sales tax rate to the $500 million retail sales estimate generated by ESRI Business Analyst.

To estimate local income taxes, the study assumed that downtown workers earn the county average salary of $48,800. It then applied a 2.25% rate to that income for each worker to yield figures for downtown and the city.

## Land Value and Assessment

| | Downtown | City |
|---|---|---|
| ASSESSED VALUE | $4.5B | $36.3B |
| LAND AREA IN SQUARE MILES | 4.4 | 284 |
| VALUE PER SQUARE MILE | $1.03B | $0.128B |

Source: Fayette County Property Valuation Administrator esports industry through the development of an esports program in the innovation center. The integration of esports facilities into new development projects, such as the Lexlive entertainment complex, will expand the number of esports events downtown and build up esports as an attraction and industry within downtown.

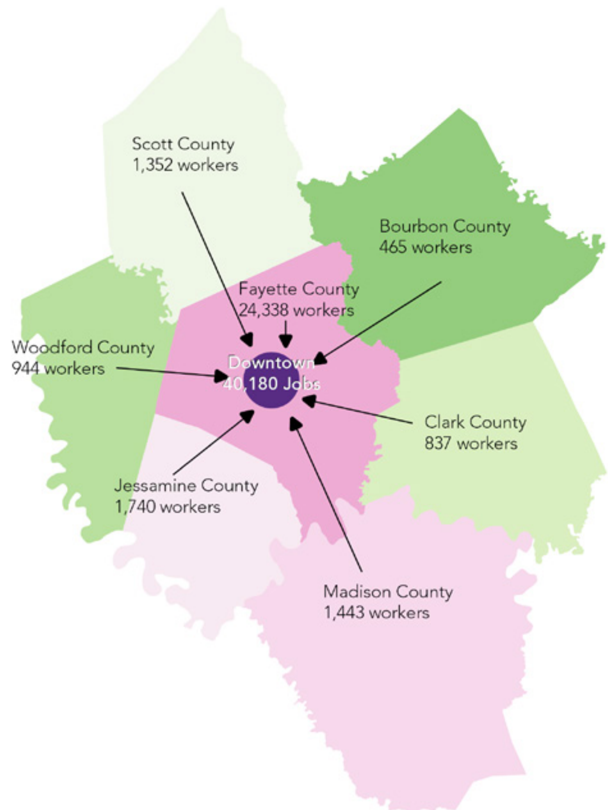
### Fiscal Impact

Downtown draws workers from across the region. Nearly 5% of downtown workers also live downtown; another 55% live within Fayette County. The remaining 40%, about 6,500 workers, commute daily from nearby counties. Downtown's ability to attract workers from outside the county plays a particularly important role. The county derives revenues from the local occupational tax, so downtown workers who live outside of Fayette County pay this tax but use fewer county resources. In other words, downtown produces fiscal gain for the county by being a regional employment hub. While on average downtown workers make more than workers in the rest of the county, assuming they earn the county median income in local income taxes each year; about 40% of that amount, or $17.6 million, comes from people who work downtown but live outside the county. Downtown is a significant importer of revenue and jobs to Lexington.

Thanks to density of jobs and property, downtown produces a major fiscal benefit for the county. The percentage of citywide assessed value in downtown, 13%, comes in slightly higher than the 11% average across all downtowns in this study. On average, land downtown is worth $1.03 billion per square mile, eight times the assessed value per square mile citywide.

From property, sales, and the local income tax, downtown generates about 11% of the city's tax revenue, or about $106 million each year. On average, each square mile of downtown land produces $24 million in taxes, compared to only $3.4 million per square mile citywide. Given the urgency of maximizing revenue—in light of the limits the urban service boundary places on new development—maintaining downtown's strong economy, protecting recent public and private investments, and attracting new ones will yield even stronger fiscal returns.

### Where Downtown Workers Live




Source: LEHD On the Map All Jobs (2017)

By extension, the value of downtown and the importance of its success highlights the necessity of organizations like Downtown Lexington Partnership and Downtown Lexington Management District (DLMD). These organizations provide the essential services of maintaining a clean and safe environment and strengthening the downtown economy through events, programming, marketing and business-support above the service provided by the city. For example, DLMD ambassadors have provided over 20,000 hours of patrolling to clean the downtown and DLP hosts 50+ events attracting 200,000+ people generating an annual economic impact $4.7 million.

# Inclusion | Diversity, Affordability

Downtowns and center cities invite and welcome all residents, employees and visitors by providing access to jobs, housing, essential services, culture, recreation, entertainment, and participation in civic activities. A strong sense of inclusion and social cohesion keeps communities strong in times of crisis.

> "Inclusive spaces in the public realm, particularly in our cities' downtowns, can help break down the social barriers that often divide us. Thriving downtown districts and public spaces promote not only economic prosperity, but also social cohesion."[3]

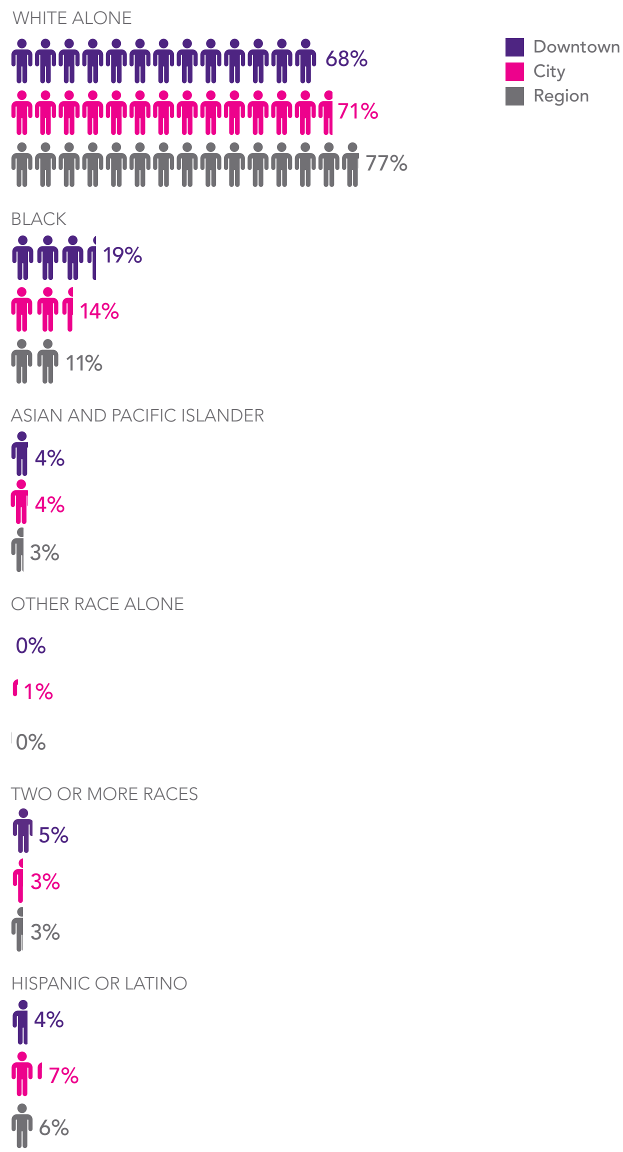
**Benefits of Inclusion:** Equity, Affordability, Civic Participation, Civic Purpose, Culture, Mobility, Accessibility, Tradition, Heritage, Services, Opportunity, Workforce Diversity

### Racial Diversity

Despite its majority-white profile, downtown maintains slightly more diversity than the city or region as a whole. It scores 52 on the Diversity Index, which indicates a 52% chance that any two random people within a given area identify as different races or ethnicities. In addition, since 2010 downtown's Diversity Index score has risen from 49, suggesting that it continues to become more diverse.

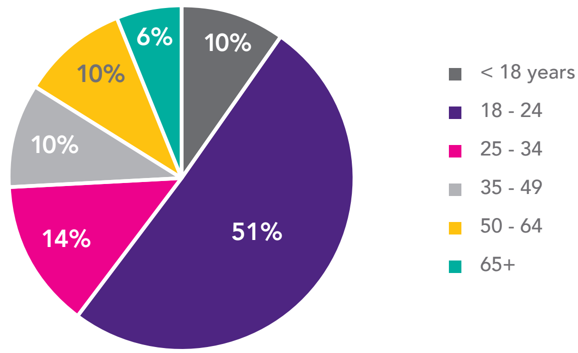
Since 2010, as population downtown has increased, slightly more than half of growth has come from white residents and the other half from non-white residents, with the largest change in those identifying as two or more races.

## Residents By Race



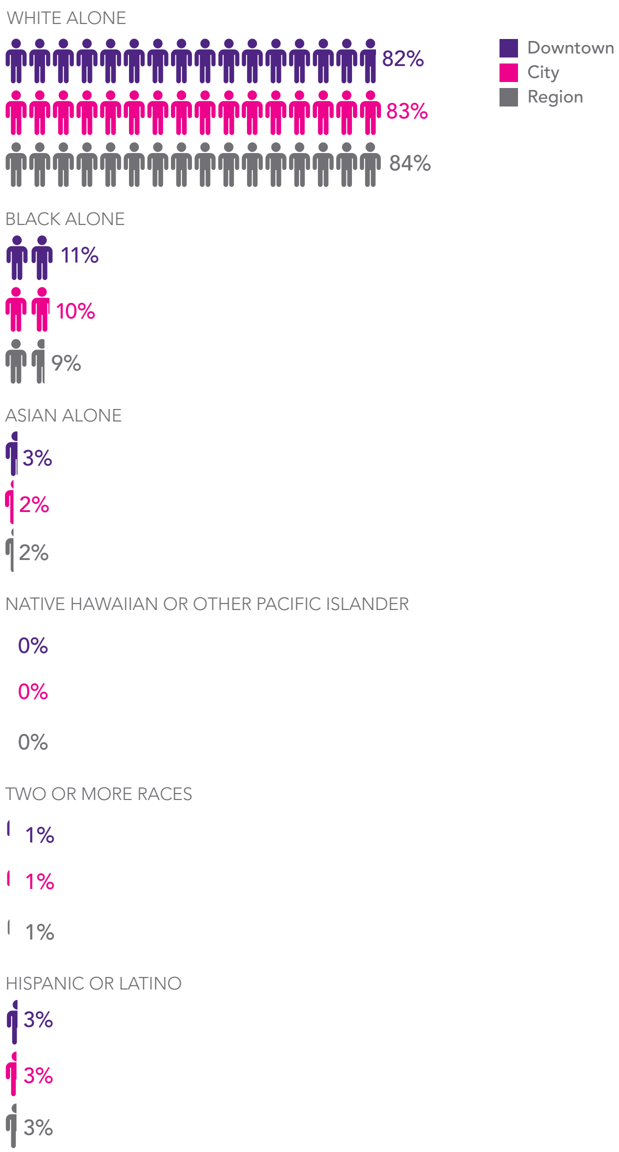

Source: American Community Survey 5-Year Estimates (2014–2018)

## Downtown Age Diversity




Source: American Community Survey 5-Year Estimates (2014–2018)

## Employment By Race




Source: LEHD On the Map (2017)

Compared to downtown residents, downtown workers are notably less diverse. More than 80% identify as white, compared to 68% of residents. Downtown's large student population, which tends to be more diverse, may explain a large part of this difference. In addition, as the Economy section points out, the majority of workers downtown come from the city and surrounding counties, which are less diverse than downtown. Since 2010, although the share of workers by race has remained stable, the numbers of workers who identify as Asian or of two or more races has grown significantly, showing some movement in worker diversity that reflects the increases in these two groups in the residential population.

### Age Diversity

Students between the ages of 18 and 24 stand out as downtown's largest residential group. Residential figures include students who live off-campus, and 46% of residents are enrolled in college (compared to 10% in the county and 8% in the MSA). That corresponds closely with the 48% of downtown residents who fall into the 18-24 range—although some 18- to 24-year-olds who live downtown don't attend college, and some residents older than 24 do, particularly at the graduate level.

The remaining age groups split fairly evenly. The number of 18- to 24-year-olds has increased slightly since 2010, with a corresponding drop in residents aged 35-54.

### Socioeconomic Diversity

The high proportion of students and early-career workers who live downtown keeps household income relatively low in downtown, at only about half the citywide median. About one-third of residents earn less than $15,000 annually, and another third earns between $15,000 and $40,000.

While more than half of downtown households with a householder under 25 earn less than $15,000, relatively high numbers of older households also fall into this group: 22% between 25 and 44, 28% between 45 and 64, and 30% of people 65 and older. Across all downtown age groups, about 60% of households earn less than $40,000.

Downtown median household income has risen over has risen over the past decade from $21,000 in 2010 to $27,000 in 2018, and the proportion of residents making more than $100,000 has grown as more affluent households have moved into the district.

### Economic Inclusion

Downtowns become economic powerhouses when they support jobs for all education and experience levels and are homes to a mix of people. In Lexington, 42% of downtown residents above age 25 hold a college degree, a rate on par with the city's and slightly lower than the region's. Significantly more downtown residents hold college or advanced degrees today than in 2010. At the same time, significantly fewer hold only a high school diploma or less. This shift toward postsecondary education means downtown residents stand better prepared to adapt to future changes or disruptions in the economy.

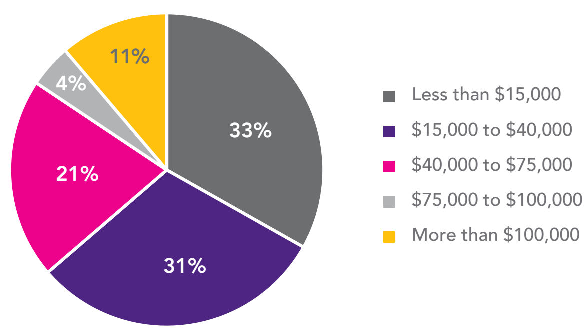
Mirroring the numbers for residents and reflecting the concentration of knowledge jobs, about 40% of downtown workers hold a college degree. Of the roughly 60% who don't, about half have a high school diploma or less, and the others have some college or an associate's degree. These figures suggest that downtown thrives on a mix of employment opportunities.

## Household Income

| | DOWNTOWN | CITY | COUNTY |
|---|---|---|---|
| MEDIAN INCOME | $27K | $55K | $56K |
| MIDDLE INCOME HOUSEHOLDS | 33% | 50% | 52% |

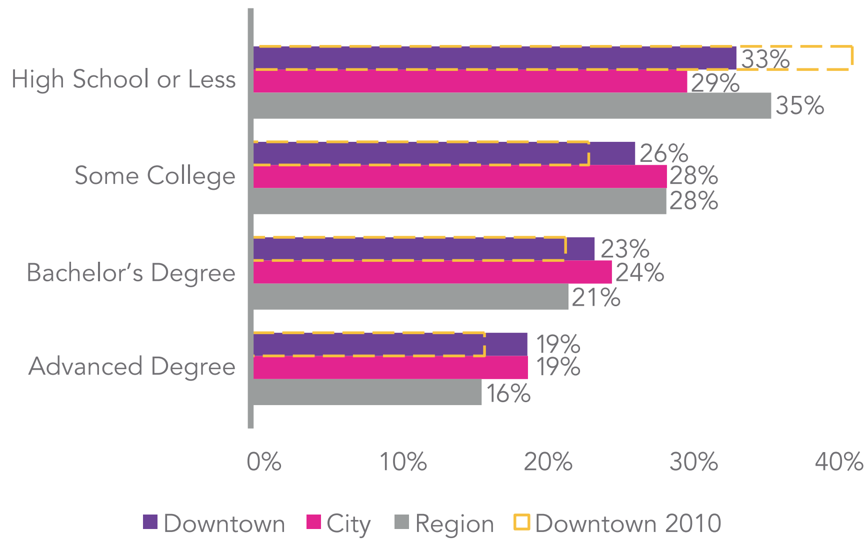
Source: American Community Survey 5-Year Estimates (2014–2018)
Note: Middle-class is defined as 67% to 200% of the area median income; for the Lexington-Fayette MSA that means between $37,000 to $112,000.

Household Income Downtown




Source: American Community Survey 5-Year Estimates (2014–2018)

## Educational Attainment for Residents 25+ (2018)




Source: American Community Survey 5-Year Estimates (2014–2018)

## Jobs by Educational Attainment (Workers 29+)

HIGH SCHOOL OR LESS

31% 38% 39%

SOME COLLEGE OR ASSOCIATE'S DEGREE

30% 32% 32%

BACHELOR'S OR ADVANCED DEGREES

38% 30% 28%

Downtown City Region

Source: LEHD On the Map (2017)

### Housing and Affordability

Despite the fact that downtowns generally have higher housing prices, the density of housing, concentration of jobs, and access to public transportation can make living downtown less expensive than living in other neighborhoods. That holds true in Lexington, where downtown boasts a lower score on the Housing and Transportation Index. This means that the average household downtown spends only 41% of its income on the combined costs of housing and transportation; households elsewhere in the city and region, by contrast, devote 50% of income to these needs.

As in most downtowns, the majority of residents are living in rental units. The median gross rent of $732, lower than the $864 median citywide, indicates that downtown offers housing affordability that serves both students and the larger workforce. Despite lower rents, however, 59% of renter households qualify as rent-burdened because they devote more than 30% of income to rent alone. As most households have lower incomes, even modest rents may represent a challenge for downtown residents. The rate of rent increases, at least, offers one positive aspect: while downtown rents have risen by about 30% since 2010, the cost of rent has not exceeded that of the city or region, meaning that rents are still affordable relative to elsewhere in the city.

Homeowners benefit when a downtown has a higher median home price than the city or region. In downtown Lexington, the median home price has increased faster than in the city or region, and a bit faster than the median rent increase. The racial profile of homeowners reflects the downtown population's overall racial profile; more homeowners are white than non-white, although, compared to the city and region, downtown has a higher share of non-white homeowners, which suggests that it's more inclusive for home ownership than the rest of the city.

## Renters

| | Downtown | City | Region |
|---|---|---|---|
| OCCUPIED | 77% | 45% | 40% |
| MEDIAN GROSS RENT | $742 | $864 | $840 |
| MEDIAN RENT INCREASE 2010–2018 | 31% | 25% | 23% |
| RENT BURDENED | 59% | 48% | 46% |

Source: U.S. Decennial Census (2010); American Community Survey 5-Year Estimates (2014–2018)

## Homeowners

| | Downtown | City | Region |
|---|---|---|---|
| OCCUPIED | 23% | 55% | 60% |
| MEDIAN HOME PRICE | $208K | $181K | $174K |
| MEDIAN INCREASE 2010–2018 | 29% | 14% | 11% |
| SPENDING >30% INCOME | 48% | 29% | 26% |
| WHITE HOMEOWNERS | 75% | 85% | 89% |
| NON-WHITE HOMEOWNERS | 25% | 15% | 11% |

Source: U.S. Decennial Census (2010); American Community Survey 5-Year Estimates (2014–2018)

## Housing and Transportation Index

| Downtown | City | Region |
|---|---|---|
| 41% | 50% | 51% |

Source: Center for Neighborhood Technology (2017)

# Vibrancy | Spending, Fun

Due to their expansive base of users, center cities can support a variety of unique retail, infrastructural, and institutional uses that offer cross-cutting benefits to the region.

Downtowns and center cities typically form the regional epicenter of culture, innovation, community, and commerce. Downtowns flourish due to density, diversity, identity, and use. 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."[4] Social distancing measures during the COVID-19 pandemic have only emphasized how valued a vibrant downtown with restaurants, concerts, outdoor events, and festivals is. The recovery of storefront businesses, event venues, and hotels post-pandemic will be essential for restoring a sense of vibrancy and helping the city recover as a whole.

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

## Residential Growth

| | Downtown | City | Region |
|---|---|---|---|
| RESIDENTIAL POPULATION GROWTH SINCE 2010 | 13.6% | 7.8% | 7.3% |
| RESIDENTIAL INVENTORY GROWTH SINCE 2010 | 2% | 4% | 4% |

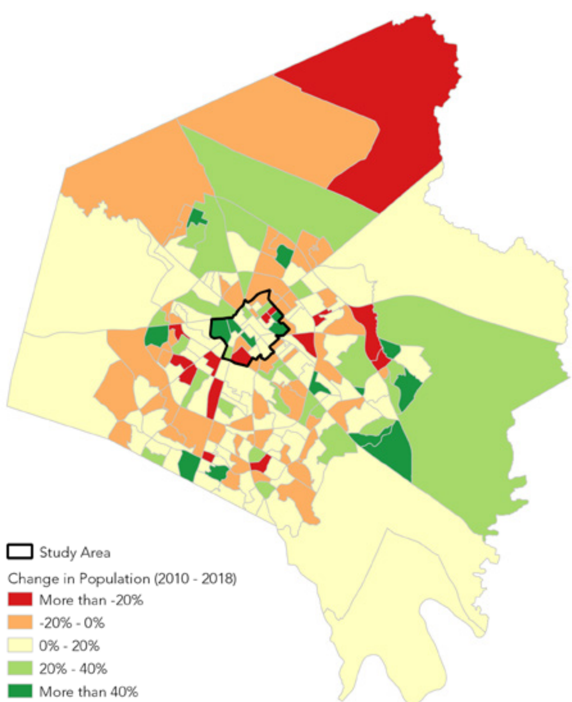
Source: U.S. Decennial Census (2000), American Community Survey 5-Year Estimates (2014–2018)

## Residential Growth

Residential growth signals a fast-changing and vibrant downtown, one that boasts workers during business hours and activities and people throughout the day. Downtown's population has grown at a faster rate than the city's or region's, increasing by 13%, or 4,000 residents, since 2010 and hitting 32,600 residents in 2018. Downtown Lexington has benefitted from widespread residential growth as all but six block groups experienced growth, and five block groups grew by more than 40%—a rate matched in only a few other areas of the city.

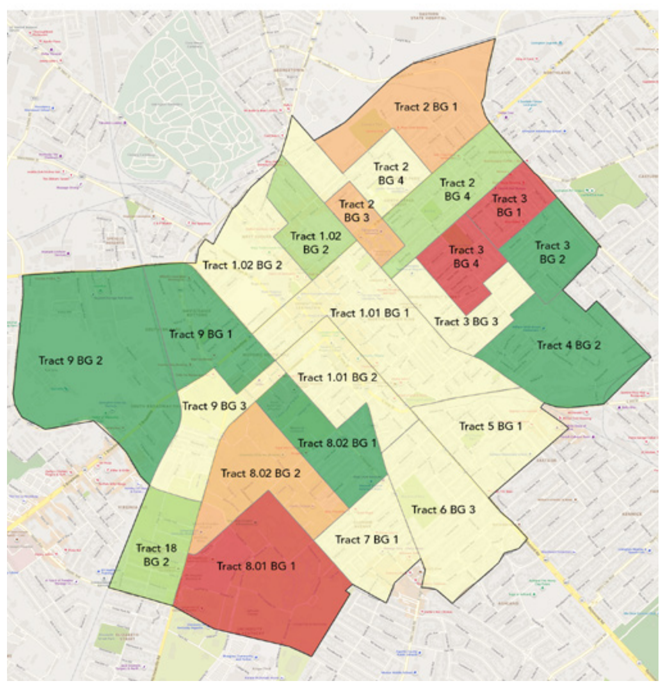
By contrast, residential inventory grew by only 2% in the same period, half the rate of inventory growth in the city and region. An increase in average household size—which rose from 1.97 to 2.2 between 2010 and 2018—helps explain some of this disparity. Across both family and non-family households, two-person households increased by 20%. In non-family households, the number of three- and four-person households increased by 30%.

### Population Growth in Lexington 2010 to 2018




Source: U.S. Decennial Census (2010), American Community Survey 5-Year Estimates (2013–2018)

### Population Growth in Downtown Lexington 2010 to 2018




Source: U.S. Decennial Census (2010), American Community Survey 5-Year Estimates (2013–2018)
NOTE: Legend same as citywide population growth map

### Retail Vitality

A downtown's retail environment is the heart of the community and acts as a key reason for residents, workers, and visitors to come downtown. Downtown Lexington's retail and dining scene accounts for more than 14% of citywide retail and restaurant businesses. One in five restaurants citywide operates out of downtown. Breaking out retail sales, however, shows that only about 8% of citywide retail sales come from downtown. This might reflect a tendency of big box, high volume retailers and businesses selling higher-value goods (e.g., car dealerships, furniture stores) to locate elsewhere in the city, but it also suggests that downtown has room to strengthen retail sales.

Non-downtown residents account for more than half of estimated sales. According to the 2020 Downtown Perception Survey, 80% of downtown users agree that the large selection of restaurants, shops, and entertainment offerings represent downtown's greatest strength. It also showed that visitors spent an average of 130 minutes downtown during a visit and spent an average of $65.[5]

Downtown has a low vacancy rate for retail space—just 3.7%, compared to the estimated 6% across the city. Limited vacancy and premium location translate to relatively high retail rents. The average rate varies from approximately $17 per square foot for second-generation space to $30 per square foot in new construction. Rents in the new City Center complex run about $32 per square foot for street retail. By comparison, retail rents in prime suburbs hover around $20 per square foot.

## All Retail

| | Downtown | City | Region |
|---|---|---|---|
| TOTAL RETAIL BUSINESSES | 367 | 2,552 | 3,662 |
| NUMBER OF RESTAURANTS AND BARS | 165 | 838 | 1,147 |

Source: ESRI Business Analyst (2017)

## Retail Sales

| DOWNTOWN RETAIL SALES | SHARE OF CITY |
|---|---|
| $500 Million | 8% |

RETAIL SALES PER SQUARE MILE

$114 Million

Source: ESRI Business Analyst (2018)

## Retail Real Estate

| | Downtown Core |
|---|---|
| SQUARE FEET OF RETAIL | 404,597 |
| AVERAGE RETAIL VACANCY RATE | 3.7% |
| RENT PER SQUARE FOOT | $17-$32 |
| INVENTORY PER SQUARE MILE | 1,500,000 |

Source: ESRI Business Analyst (2018); DLP inventory (2019)

Hotels contribute to downtown vibrancy by drawing visitors for business or pleasure. With seven hotels, downtown has nearly 1,200 rooms and accounts for 14% of the city's inventory of hotel rooms. This lower-than-average hotel room inventory suggests room for improvement in visitor numbers.

According to the 2020 Downtown Perception Survey, 88% of residents of the region's seven counties have visited downtown in the last six months, and more than half of respondents came for leisure activities. For both regional visitors and downtown residents, the high number of special events and festivals proved a key attraction. Downtown Lexington Partnership annually hosts 50-plus free events that draw a cumulative 200,000 people and generate an economic impact worth an estimated $4.7 million. The list includes Thursday Night Live, Mayfest, the Fourth of July parade, festival and fireworks, and the winter ice rink at Triangle Park. Other major events include farmer's markets, which draw approximately 117,000 visitors, and the Woodland Art Fair, which attracts 75,000.

Conventions held in Lexington all take place downtown, and most are regional attractions that draw visitors from across the city and region. Major conventions include the Lexington Comic and Toy Convention, the KHSAA Sweet Sixteen Basketball Tournament, and several horse/equestrian events.


## Hotels

| | DOWNTOWN | CITY |
|---|---|---|
| HOTELS | 7 | 77 |
| HOTEL ROOMS | 1,199 | 8,735 |
| AVG OCCUPANCY | n/a | 64% |
| VISITORS | n/a | 3M+ |

Source: VisitLEX (2018, 2019)

## Downtown Events

**12** EVENT VENUES WITH LIVE ENTERTAINMENT

**24** GYMS AND FITNESS STUDIOS

**7** THEATRES

**3** FARMER'S MARKET

**88K** CONVENTION ATTENDEES

**15** TOTAL ANNUAL FESTIVALS/PARADES 1K+ ATTENDEES

Source: Downtown Lexington Partnership (2020), City of Lexington (2019)

# Identity | Visitation, Heritage, Tradition

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 anchor.

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." The authentic cultural offerings in downtown enhance its character, heritage, and beauty, and create a unique sense of place not easily replicated in other parts of the city.

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

## Social Media

INSTAGRAM POSTS WITH HASHTAG **#DOWNTOWNLEX**

17,223

TWITTER FOLLOWERS FOR **DOWNTOWN LEXINGTON PARTNERSHIP**

9,083

FACEBOOK FOLLOWERS FOR **DOWNTOWN LEXINGTON PARTNERSHIP**

11,909

Source: Data collected on April 3, 2020

Lexington's reputation as the "horse capital of the world" finds expression throughout downtown. The urban service boundary, established more than 50 years ago to simultaneously preserve nearby farmland and direct development towards urban places has increased density within the boundary, particularly downtown.

The university also plays an outsized role downtown. Not simply one of downtown's main employers, UK considers itself a downtown campus and has adopted plans to improve connectivity to and from "downtown's core." It has invested in an emerging innovation district that will feature an esports program and new entrepreneurial space. The university's highly competitive sports teams bring visitors downtown, particularly to Rupp Arena during basketball season. In total, three educational institutions across downtown enroll more than 30,000 postsecondary students.

Since 2015, downtown has welcomed several transformative projects. The $220 million City Center, with office, hotel and retail uses, has just opened; it marks the first major development and new office space downtown since 1987. Downtown's convention center renovations and expansions also stand poised to attract new business. A $30 million entertainment venue brings a movie complex, auditoriums, bowling, and restaurants together in the heart of downtown.

Over the last ten years downtown has emerged as the center of a revived brewing, distilling, and culinary scene in Central Kentucky. It combines eight breweries, two distilleries, and a vibrant food scene—with restaurant entrepreneurs offering a wide variety of cuisines—that has attracted James Beard-nominated chefs and earned a feature on the Food Network's Top Chef. Complementing this burgeoning food, brewing, and distilling concentration, a local coffee community has grown to include multiple independent shops and roasters. They serve as community gathering places for students, downtown workers, residents


and visitors looking to connect in distinctive "third places." The COVID-19 crisis clearly demonstrated the importance of these locally-rooted establishments and the web of connections they've built across the city. These ties have helped many downtown establishments find support from the community and led to new ways to operate businesses and serve customers.

Downtown Lexington boasts 22 green spaces, open spaces, and plazas. Triangle Park, a small green space next to the convention center, hosts many community gatherings, including the Bourbon Chase, Winter Ice Rink and Village, and Christmas tree lighting. Another key space, Fifth Third Bank Pavilion and Courthouse Square, hosts community events and sits adjacent to the entertainment district. The Downtown Lexington Partnership typically draws a cumulative 70,000-plus attendees to the pavilion for the 28 Thursday Night Live concerts it hosts from April to October.

These developments and places of connection have helped make downtown a point of pride for its users. The 2020 Perception Survey found that more than 80% of respondents felt that downtown presents a positive image; saw it as a source of pride; valued its importance for talent retention and recruitment; and recognized its role as an engine of economic development.

## Downtown Destinations

**7**
HISTORIC DISTRICTS

**5**
MUSEUMS

**86**
PUBLIC ART INSTALLATIONS

**22**
PARKS AND NATURAL AREAS

Source: Downtown Lexington Partnership (2020), VisitLEX (2018)

# Resilience | Sustainability, Diversity

At its broadest, resilience means a place's ability to withstand shocks and stresses. Thanks to their diversity and density of resources and services, center cities and their residents can better absorb economic, social, and environmental shocks and stresses than other parts of the city. The COVID-19 pandemic has brought resilience to the forefront of many people's minds. On the economic side, downtowns and their cities are able to mobilize to offer economic relief quickly. Over the longer-term, downtowns have proven to bounce back quickly from economic downturns. Social resilience means that residents have good access to necessary health services and health workers, but also that strong community ties enable both residents and businesses to turn to each other for support. The green spaces and trails that contribute to environmental resilience have seen renewed importance as safe outdoor respites. Each of these elements illustrates how downtown contributes to the holistic resilience of the community and city at-large.

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

### Economic Resilience

The Economy section describes a balanced mix of employment sectors that position downtown well to weather adverse economic events, including the COVID-19 pandemic. The health care and social assistance, educational services, and professional and technical services industries have a relatively low risk of disruption due to COVID. Both downtown and the city saw employment fall in 2009 during the Great Recession, but downtown bounced back more robustly than the city, with jobs growing by 12% between 2009 and 2010, while citywide jobs only grew by 5%. We would expect a similar response to the pandemic, led by downtown job growth. In addition, the higher educational-attainment rate of downtown residents better equips them to adapt to changing economic conditions and job-market shifts.

### Social Resilience

Downtowns act as hubs for social resilience. Their dense nature gives a diverse mix of residents and employees access to a multitude of community resources in a small area. With access to 22 parks and natural areas, two libraries, and 45 places of worship, Downtown Lexington's residents, employees and visitors can meet, learn, and participate in civic life in multiple places.

Social resilience in downtown also means having a healthy population, particularly in a public health crisis. Downtown residents, however, don't fare as well as residents citywide on key health indicators. 8% of residents have no health insurance, compared to 7% in the city and region. Average life expectancy comes in slightly lower than the citywide figure, and downtown has a higher percentage of residents who didn't engage in any type of exercise during the survey

## Downtown Community Resources

| 2 | 45 | 22 | 3 |
|---|---|---|---|
| LIBRARIES | RELIGIOUS INSTITUTIONS | PARKS AND NATURAL AREAS | POSTSECONDARY INSTITUTIONS |

Source: VisitLEX (2018), Downtown Lexington Partnership (2020) period. Given its higher concentration of local parks, trails, and fitness centers, we'd expect to find a higher percentage of active downtown residents.

As more work, schooling, entertainment, and other daily activities move online—a shift the public-health response to COVID-19 has accelerated—access to a suitable computer, phone, or tablet and reliable internet service have grown increasingly important. Compared to the city and region, fewer downtown residents have access to these essential resources: 11% lack a computer, and 13% lack internet access. Increasing access would improve residents' connections to needed resources, equipping them to participate more fully in the digital economy and community. Downtown also has a much higher percentage of residents under the poverty threshold than elsewhere. While the concentration of students in downtown helps explain this statistic, the figure exclude thousands of people living in student housing (group quarters). The percentage reflects only non-student households and students living in non-UK housing.

Finally, crime rates also measure an aspect of social resilience. Lower rates don't just mean a safer area; they also usually signal a higher level of social capital, or social trust. Downtown's overall crime rate* is lower than the county or region, and the number of incidents reported in the downtown area has declined by 10% between 2010 and 2019. Property crime is significantly lower downtown than county and region, but violent crime is slightly higher. Nevertheless, another positive benchmark provided by a 2018 consumer perception survey conducted by Gentlemen McCarty, showed that 67% of the seven-county metro area believed downtown Lexington was safe, compared to a national average of just 45% in other cities. Continuing to improve safety will make downtown more attractive to residents and visitors alike.

*This study examined data for the Lexington Police Department's Central Sector beats 1A, 1B, and 4A, which cover a similar area to the study area. Because of the large influx of downtown workers, the per capita ratio compares downtown crime incidents to the daytime population of 54,867, which is an estimate from ESRI Business Analyst that includes the total number of workers and residents downtown.

## Households without Computers or Internet

| | Downtown | City | Region |
|---|---|---|---|
| HOUSEHOLDS WITHOUT A COMPUTER | 11% | 8% | 9% |
| HOUSEHOLDS WITHOUT INTERNET | 13% | 8% | 9% |

Source: American Community Survey 5-Year Estimates (2014–2018)

## Health

| | DOWNTOWN | CITY | REGION |
|---|---|---|---|
| RESIDENTS IN POVERTY | 48% | 18% | 17% |
| AVERAGE LIFE EXPECTANCY | 76 | 78 | n/a |
| NO LEISURE-TIME PHYSICAL ACTIVITY | 35% | 29% | n/a |
| WITHOUT HEALTH COVERAGE | 8% | 7% | 7% |

Source: American Community Survey 5-Year Estimates (2014–2018); CDC (2017)

## Crime Rates

| | Downtown | County | Region |
|---|---|---|---|
| TOTAL CRIME PER 10,000 POPULATION | 244 | 347 | 314 |
| PROPERTY CRIME PER CAPITA PER 10,000 POPULATION | 199 | 317 | 290 |
| VIOLENT CRIME PER 10,000 POPULATION | 45 | 30 | 24 |

Source: Lexington Police Department (2019), FBI Uniform Crime Rates (2018)

## Environmental Resilience

| | DOWNTOWN | CITY | REGION |
|---|---|---|---|
| LEED BUILDINGS | 25 | 42 | n/a |
| ACRES OF OPEN SPACE | 71 | 4.4K | n/a |
| ANNUAL GHG EMISSIONS PER HOUSEHOLD | 6.16 | 8.32 | 8.96 |

Source: US Green Building Council (2019), CNT (2017)

### Environmental Resilience

A downtown's environmental resilience plays a major role in assuring long-term sustainability in its region. Downtown accounts for close to 60% of all the LEED-certified buildings in Lexington, and the area contains 71 acres of open space.

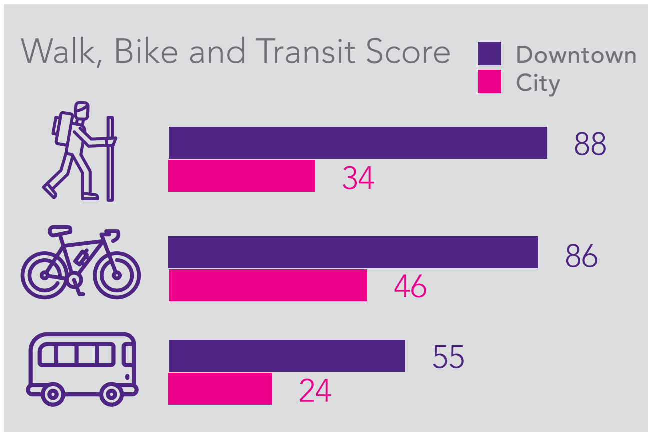
Residents of downtowns typically generate fewer greenhouse gases per household than their city and regional neighbors, and Lexington proves no exception. On average, living downtown helped residents cut their emissions by more than 25%, or 2.1 tons, per household. One key reason lies in the greater array of mobility options downtown. 40% of residents commute to work using a sustainable form of transportation, whereas only 18% of residents do citywide. Walking accounts for 24% of residents' commuting, while only 4% walk to work citywide and only 3% do in the region.

Walk, Bike, and Transit Scores for downtown all exceed citywide scores by large margins. Downtown logged a particularly strong Walk Score of 88, compared to only 34 in the city and slightly above the average of 86 across all downtowns in this study. Even as home to the Lexington Transit Center, downtown only manages a Transit Score of 55, suggesting it needs more options to improve connection to the rest of the city. The 2020 Perception Survey reinforces this idea: interest in taking public transit for downtown workers more than doubled between 2018 (33%) and 2020 (72%).

## Downtown Commuting Patterns

| | Downtown | City | Region |
|---|---|---|---|
| BIKE | 3% | 1% | 0% |
| TRANSIT | 4% | 2% | 1% |
| CARPOOL | 8% | 10% | 10% |
| WALK | 24% | 4% | 3% |
| DRIVE ALONE | 60% | 82% | 83% |

Source: American Community Survey 5 Year Estimates (2014 – 2018)




Source: Walk Score (2019)

# Downtown Profile | Summary

Downtown serves as the center of activity for the region, both as a residential hub and a jobs center. It houses more than 10% of the city's population, a large proportion compared to most downtowns in the study, and contains more than 20% of the city's jobs. Downtown vibrancy has strengthened, thanks to popular events and festivals, as well as exciting brewing, distilling, and culinary scenes. These local establishments have built strong connections between downtown and the community and will prove vital as downtown emerges from the COVID-19 crisis.

Using data collected for *The Value of U.S. Districts and Center Cities* study, we identified three tiers of districts, defined by their stage of development. We divided the study districts into *established, growing* and *emerging* tiers based on the citywide significance of downtown population and jobs, density of residents and jobs within the district, assessed value per square mile, and the rate of growth in population from 2000 to 2018, and in jobs from 2002 to 2017.

These tables show how Lexington compares to its peers in the growing tier, and to the citywide averages for tier cities. To see the full set of cities by tier, accompanying data points, and methodology, please refer to *The Value of U.S. Districts and Center Cities compendium.**

Lexington is a "growing" downtown. Typically, growing downtowns have lower citywide significance in terms of jobs and population (averaging 24% of the city's jobs and 4% of population), but have medium-high density and are growing. The smaller downtowns in this tier enjoyed the fastest growth of all downtowns in the study.

Lexington greatly exceeds the tier-average proportion of citywide residents and younger adults living downtown. Its performance on population compared to tier cities, however, requires some interpretation. Population has grown by 18% since 2000, but that still ranks behind most other cities in the tier, which grew an average of 67% over the same period. Most of the other cities, however, began with a smaller downtown population than Lexington did, and growth from a small base can look especially dramatic

*The compendium report is available at the IDA website, downtown.org.

## Growing Downtowns

| | | |
|---|---|---|
| AUSTIN | DALLAS | LEXINGTON |
| BOISE | DURHAM | NORFOLK |
| CHARLOTTE | HUNTSVILLE | SACRAMENTO |
| CLEVELAND | INDIANAPOLIS | TEMPE |

Average of 2.4% of citywide land area with an average assessed value of $7.5 billion (12% of citywide assessed value) and accounts for:

| | DOWNTOWN LEXINGTON | GROWING DOWNTOWNS |
|---|---|---|
| CITYWIDE POPULATION | 10.2% | 4% |
| 18-TO-34-YEAR-OLDS LIVING CITYWIDE | 22.1% | 6.4% |
| PROPERTY TAX REVENUE | 9% | 20% |

### RESIDENTS

| | DOWNTOWN LEXINGTON | GROWING DOWNTOWNS |
|---|---|---|
| GROWTH AVG. 2000 – 2018 | 18% | 67% |
| DENSITY RESIDENTS / ACRE | 12 | 7 |
| MEDIAN INCOME HOUSEHOLD | $27K | $55K |
| DIVERSITY INDEX | 52.4 | 58.1 |

### EMPLOYMENT

| | DOWNTOWN LEXINGTON | GROWING DOWNTOWNS |
|---|---|---|
| GROWTH IN DOWNTOWN EMPLOYMENT (2002 – 2017)* | 15% | 30% |
| CITYWIDE JOBS | 20% | 24% |
| CITYWIDE KNOWLEDGE JOBS | 31% | 28% |
| CITYWIDE CREATIVE JOBS | 15% | 34% |
| RESIDENTS HOLD A BACHELOR'S DEGREE OR HIGHER | 42% | 55% |

*Excludes Ann Arbor, a job-growth outlier

| | DOWNTOWN LEXINGTON | GROWING DOWNTOWNS |
|---|---|---|
| % CITYWIDE RETAIL SALES | 8% | 8% |
| RETAIL SALES PER SQUARE MILE | $113M | $185M |

| | DOWNTOWN LEXINGTON | GROWING DOWNTOWNS |
|---|---|---|
| HOTELS | 7 | 20 |
| HOTEL ROOMS | 1,199 | 3,254 |

SUSTAINABLE COMMUTE

| DOWNTOWN LEXINGTON | GROWING DOWNTOWNS | GROWING CITIES |
|---|---|---|
| 40% | 33% | 19% |

| | DOWNTOWN LEXINGTON | GROWING DOWNTOWNS | GROWING CITIES |
|---|---|---|---|
| WALK SCORE | 88 | 85 | 40 |
| BIKE SCORE | 86 | 78 | 50 |
| TRANSIT SCORE | 55 | 63 | 34 |

when expressed as a rate. Lexington has a medium-level density of 12 people per acre, higher than in other growing downtowns; continuing to increase this density by attracting more residents will put Lexington on track to becoming an established downtown.

Average median income stands as an area where Lexington notably underperforms other growing downtowns. A high proportion of students and early-career residents along with a relatively lower cost of living in Lexington explain some of the difference. Even so, median income, at $26,815, remains less than half of the average median for growing downtowns, $55,405. Only one other growing downtown—Boise, ID—has a lower median income, and it also has large numbers of student and young adult residents.

As mentioned, Lexington's job figures have remained relatively stable since the Great Recession. This lack of growth in the past decade holds downtown back from achieving the same levels of job growth as peer cities. Downtown does exceed the growing-tier average for knowledge jobs, although it ranks below its peers' average for share of citywide creative jobs. Surprisingly for a town with such a prominent university presence, downtown also has a below-average percentage of residents with a bachelor's degree or above—a fact that may help keep median household income down, as well.

On vibrancy measures, the percentage of citywide retail in downtown aligns with other growing downtowns, though the amount of citywide sales per square mile lags peer downtowns. The relatively small hotel sector has room to grow to create additional capacity for visitors and business events on par with other growing downtowns.

Finally, downtown Lexington performs better than its peers on sustainable commute and Walk and Bike Scores. Downtown's walkable nature contributes to its high scores, although it falls lower on the Transit Score measurement, despite residents' strong interest in seeing more transit options. Overall, downtown Lexington has a strong and stable residential and jobs base; it stands well-positioned for continued growth that will make it an even stronger hub and regional attractor.

APPENDICES

# PROJECT METHODOLOGY

# PRINCIPLES AND BENEFITS

# DATA SOURCES

# ADDITIONAL IDA SOURCES

# BIBLIOGRAPHY

# Appendix I: Project Framework and Methodology

## BACKGROUND

In 2017, IDA launched the Value of U.S. Downtowns and Center Cities study. IDA staff and the IDA Research Committee worked with an initial group of 13 downtown organizations, Stantec's Urban Places as a project advisor, and HR&A as an external consultant to develop the valuation methodology and metrics. Since 2017, IDA has added another 20 downtowns or urban districts to the study database, and worked with their respective urban place management organizations (UPMOs) to collect local data, obtain data from agencies in their cities, and combine these metrics with publicly available statistics on demographics, economy, and housing. Data collected included publicly available census figures (population, demographics, employment, transportation), downtown economic performance, municipal finances, capital projects, GIS data, and the local qualitative context. The 33 downtowns and urban districts studied to date represent diverse geographic regions and have relatively comparable levels of complexity and relationships to their respective cities and regions.

Guiding questions for this project included:

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

## PROJECT PURPOSE

The project measured the performance of U.S. downtowns using metrics developed collaboratively and organized under five principles that contribute to a valuable urban center. This study:

- Provides a framework of principles and metrics to guide data collection for evaluating the value of downtowns and center cities.
- Standardizes key metrics for evaluating the economic, social, cultural and environmental impacts of American downtowns.
- Develops an industry-wide model for calculating the economic value of downtowns, creating a replicable methodology for continued data collection.
- Provides individual analysis and performance benchmarks for participating downtowns in this standardized framework, including supplemental qualitative analysis.
- Empowers and continues to support IDA members' economic and community development efforts through comparative analysis.

## THE FIVE PRINCIPLES

ECONOMY

INCLUSION

VIBRANCY

IDENTITY

RESILIENCE

# What factors make a vibrant downtown?

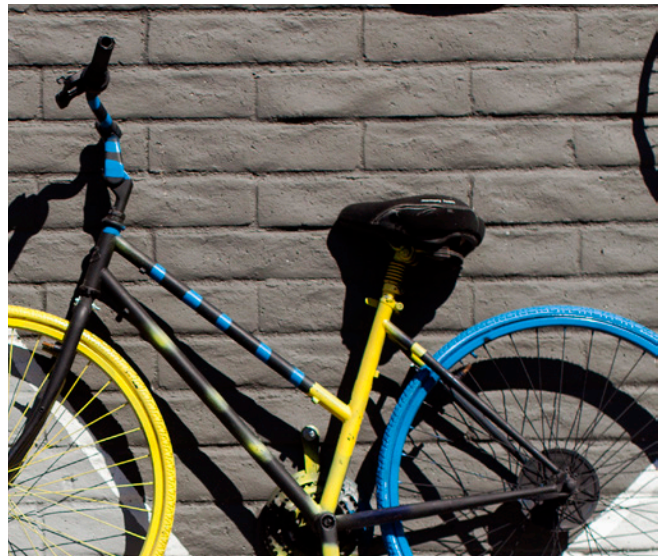
Downtowns have differing strengths: some function as employment anchors, some as tourist hubs, and some as neighborhood centers. Some are all three. We distilled the factors for measuring the value from attributes common to all downtowns regardless of their specific characteristics.

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

## DETERMINING PRINCIPLES FOR A VALUABLE DOWNTOWN

This project began with a Principles and Metrics Workshop held in 2017 with representatives of UPMOs from the 13 pilot downtowns. The workshop focused on developing value principles that collectively capture a downtown's multiple functions and qualities, and its contributions to the city and region. They identified five principles that became the organizing framework for determining benchmarking metrics.

Downtown advocates tailor their advocacy to the interests of different audiences. For instance, the figure for sales tax revenue generated downtown would have resonance for government officials but likely wouldn't hold much interest for visitors and workers. For these audiences, a UPMO might assemble data showing the types of retail available downtown, whether the offerings meet user needs, and how fully residents, workers, and visitors use these retail establishments. The study team sought arguments that would appeal to multiple audiences and worked to identify metrics that could support multiple statements about downtown value. The workshop identified these value statements:

1. Downtowns are typically the economic engines of their regions due to a density of jobs, suppliers, customers, professional clusters, goods, and services.
2. Downtowns offer convenient access to outlying markets of residents, customers, suppliers, and peers thanks to past and ongoing investment in transportation infrastructure.
3. Downtowns provide a concentration of culture, recreation, and entertainment.
4. Downtowns offer choices for people with different levels of disposable income and lifestyle preferences.
5. Because of their density and diversity, downtowns encourage agglomeration, collaboration, and innovation.
6. Downtowns are central to the brand of the cities and regions they anchor.
7. Downtowns can be more economically and socially resilient than their broader regions.
8. Downtown resources and urban form support healthy lifestyles.
9. Downtowns' density translates into relatively low per-capita rates of natural resource consumption.
10. Relatively high rates of fiscal revenue generation and efficient consumption of public resources mean that downtowns yield a high return on public investment.

## METRICS SELECTION

To identify metrics that allow comparisons across jurisdictions, we made sure necessary comparison data was available for every (or almost every) downtown, city, and region. We favored data that would be:

1. Readily available to most downtown management organizations (and ideally public).
2. Replicable (enabling year-to-year comparisons), and
3. Scalable across jurisdictions, allowing for benchmarking and regional comparisons.

Specifically, we chose metrics like population, employment, and assessed value for which we could reliably obtain data. We used more specialized data—l figures for downtown visitors or hotel tax revenue—when it helped tell a particular downtown story. Comparisons across jurisdictions, however, focus on commonly available metrics.

We expect most downtowns to rely on similar sources of proprietary data, but participating downtowns may prefer one source over another when obtaining similar data on metrics like commercial real estate (e.g., Colliers vs. CBRE). To the extent possible, instructions require that data sources remain consistent across geographic scales (downtown, city, region) and consistent over time for longitudinal analysis.

The study team analyzed metrics and comparisons to develop value statements about each downtown or district. Three types of data fully illustrate each argument:

1. **Absolute facts** provide quantitative context and a feel for the scale of the characteristic being used to make the argument.

   For example, under economy, a UPMO might want to make the argument that a thriving financial services sector plays a critical role in the city's economy. The number of financial services jobs, the share of the city's financial services jobs located downtown, and the number/list of large financial services companies headquartered downtown will help make the case that downtown has great importance to that sector and therefore the city.

2. **Indicators** measure an argument at a secondary level by focusing on inputs or outputs and may reflect the subject geography or serve as benchmarks for

comparison to peer downtowns or case studies of best practices.

At this level, a UPMO could argue that its city's financial services sector is healthy and thriving. Comparing the growth of this sector in other downtowns, or the concentration of financial services jobs relative to other downtowns would highlight the strength of the downtown's appeal to financial services businesses.

3. **Qualitative assessments** inject anecdotal context and color into an argument.

   For this level, the UPMO might include news reports of financial services companies choosing to opem offices downtown. An interview with a company executive on why a firm chose to locate downtown would also be a powerful anecdote on downtown's appeal.

Together, these different types of information allow IDA and the UPMO to communicate a downtown's unique value to its city.

## DEFINING DOWNTOWN

This study defined the commercial downtown as extending beyond the boundaries of a development authority or a business improvement district. For one thing, geographic parameters vary across data sources and frequently did not align with a UPMO's jurisdiction.

Urban place management organizations vary widely in how they define their service geography. To make boundaries replicable and comparable across data sources, the study team recommended aligning each downtown study area with commonly used census boundaries. In most cases this meant using census tracts, the smallest permanent subdivisions that receive annual data updates under the American Community Survey. They make ideal geographic identifiers, since new data is released regularly, and tract boundaries do not change.

Employing census tracts may not accurately reflect the value of every downtown. In some cases, census block groups more accurately captured the downtown boundaries. Though the Census Bureau occasionally subdivides block groups over time, block groups also receive annual data updates and are compatible with most data sources. We looked to the 2012 publication, *The Value of Canadian Downtowns*, for effective 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, we sought hard boundaries such as major streets, train tracks, or geographic features like rivers.
4. An overarching consideration was that data compiled align with selected downtown study areas.

Each downtown provided IDA with the geography selected for its downtown, which IDA then worked to refine, given local conditions and UPMO needs. Customized shapefiles or census tracts defined the downtown boundaries. For city and regional boundaries, IDA worked with the downtown management organization to confirm the accuracy of the respective census-designated place or MSA.

## PROJECT PROCESS

### DATA COLLECTION

Both IDA and the local partner spent the first phase of the project collecting data for the study. IDA collected data primarily from national databases (see Appendix 3 for data sources), and the local partner worked with its data partners to obtain other locally-specific data. In instances where local data was not available, we allowed substitution or approximation for some metrics if clearly noted and explained.

### CALCULATIONS AND ANALYSIS

After compiling the data, we plugged all the information into an IDA database for analysis. The database organizes the data by metric, year, and geography for each district. This specialized tool also tabulates numerous ratios, percentages, changes, and comparisons used in the report. As an example, after plugging in employment and land area data the tool can calculate:

- Percent of citywide and regional jobs
- Percent of citywide and regional land area
- Percent total job growth between specified years
- Percent job growth between specified years broken out by industry
- Average jobs per square mile
- Percent of employment in knowledge industries
- Percent of citywide and regional knowledge jobs located downtown
- Share of employment by race
- Share of employment by age
- Share of workers living and working within the selected area

Applying this analysis across all years collected and all applicable geographies captured trends over time and within larger contexts. The flow chart of inputs, calculations, and arguments demonstrates how we move from raw data to making arguments in the report. Research staff also use their expertise and knowledge of downtowns to highlight key trends and draw connections between local insights and trends in the data.

| Enter value for downtown, city, and region | Computed automatically | Selected and refined by downtowns |
|---|---|---|
| **INPUTS** | **CALCULATIONS** | **ARGUMENTS** |
| • Total land area<br>• Number of jobs | • Jobs per mi² downtown vs. city (dividing jobs by total land area)<br>• Growth in jobs over time (comparing past totals to the current year)<br>• 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." |

## BENCHMARKING TIERS

Based on the data collected for this study, we identified three tiers of downtowns, defined by stage of development. We divided the 33 downtowns that have participated to date into "established," "growing" and "emerging" tiers. Our analysis compared downtown figures to study-wide medians in three areas:

- Density
  - Jobs per square mile
  - Residents per square mile
  - Assessed value per square mile
- Significance to city
  - Percentage of citywide jobs
  - Percentage of citywide residents
- Long-term growth
  - Percent growth in jobs (2002–2017)
  - Percent growth in population (2000–2017)

Established – These downtowns contain high proportions of their cities' jobs and residents, are dense and highly valuable to their cities.

Growing – These downtowns have not yet hit a critical level of density and citywide significance but show steady movement toward that critical mass. This group includes both larger downtowns with lower growth rates, and smaller downtowns with exceptional growth rates.

Emerging – Varying sizes and growth rates mark these downtowns, which generally have lower density and a low proportion of citywide jobs and residents. Because the study examined growth rates since 2000, many downtowns that struggled during the recession had a harder time demonstrating significant growth over the longer term despite stronger growth in recent years.

The compendium report *The Value of U.S. Downtowns and Center Cities: Third Edition* has additional data on the performance of emerging, growing, and established tiers of downtowns.

# Appendix II: Principles and Benefits

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

Downtowns and center cities are valuable due to their roles as economic anchors for their regions. As traditional centers of commerce, transportation, education, and government, downtowns and center cities frequently serve as hubs of industry and revenue generators despite only occupying a small fraction of citywide land area. Downtowns support high percentages of jobs across many different industries and skill levels. Because of their relatively high density of economic activity, investment in the center city provides a greater return per dollar for both public and private sectors.

Illustrative metrics:

- Annual private investment
- Annual public investment
- Assessed value
- Average office vacancy rate
- Average Class A office rent
- Average Class B office rent
- Average Class C office rent
- Employment (primary jobs)
    - By two-digit NAICS employment sectors
    - By earnings
    - By residence
    - By demographics
- Hotel tax
- Income tax
- Incubator and co-working spaces
- Investment in construction projects
- Number of approved building permits
- Number of Fortune 1000 headquarters
- Office inventory
- Office space under construction
- Office square footage in pipeline (to be completed in three years)
- Property tax
- Parking tax
- Sales tax

**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.**

As the literal and figurative heart of the city, downtowns welcome residents, employees, and visitors from all walks of life. Residents of strong downtowns often come from a wide range of racial, socioeconomic, cultural, and educational backgrounds, and represent all ages. This diversity ensures that as an inclusive place, a downtown has broad appeal to all users and a strong social fabric.

Illustrative metrics:

- Average residential vacancy rate
- Demographics
- Diversity Index
- Employment diversity
- Foreign-born residents
- Homeless residents
- House value for owner-occupied housing units
- Households by income
- Median gross rent
- Median home price
- Median household income
- Rent-burdened residents
- Resident population
- Resident population by age
- Resident population by highest educational attainment
- Resident population by race and ethnicity
- Residential inventory
- Residential units in pipeline (to be completed in three years)
- Residential units under construction
- Subsidized housing units
- Zillow median rental listing price by number of bedrooms
- Zillow median rental listing price per square foot by number of bedrooms

**VIBRANCY: Thanks to a wide base of users, downtowns and center cities can support a variety of retail, infrastructure, and institutional uses that offer broad benefits to the region.**

The ability of vibrant places to attract visitors and new residents, as well as a regionwide consumer base, creates value. Vibrancy is the buzz of activity and excitement that comes with high-quality experiential offerings like breweries, restaurants, theatres, or outdoor events. As the cultural center its city, downtown typically attracts a large share of citywide visitors and holds a large share of citywide hotels and hotel rooms. 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."[1]

Illustrative metrics:

- Annual festivals/parades
- Average hotel occupancy rate
- Average retail rent
- Average retail vacancy rate
- Average visitor length of stay
- Convention centers
- Gyms and fitness studios
- Hotel rooms
- Hotels
- Outdoor events permitted by city
- Population
- Retail businesses (retail trade and food & drink)
- Retail demand (retail trade and food & drink)
- Retail sales (retail trade and food & drink)
- Retail space in pipeline (to be completed in three years)
- Retail space inventory
- Retail space under construction
- Venues with live entertainment
- Visitation by origin
- Visitors

**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 are often iconic symbols of their cities, and this strong sense of place enhances local pride. The distinctive cultural offerings in downtown enhance its character, heritage, and beauty, and create an environment that other parts of the city can't easily match. Combining community history and personal memory, a downtown's cultural value plays a central role in preserving and promoting the region's identity. Downtowns and center cities serve as places for regional residents to come together, participate in civic life, and celebrate their region, which in turn promotes tourism and civic society.

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."[2]

Illustrative metrics:

- Convention attendees
- Conventions
- Farmers markets
- Libraries
- Locally designated historic districts
- Locally designated historic structures
- Media mentions
- Museums
- National Register of Historic Places districts
- National Register of Historic Places structures
- Number of followers on Facebook
- Number of followers on Twitter
- Number of posts with Instagram hashtag
- Parks and natural areas
- Playgrounds
- Plazas/squares/amphitheater or other public outdoor gathering spaces
- Postsecondary institutions
- Postsecondary students
- Primary and secondary schools (public and private)
- Public art installations
- Public pools
- Recreation and community centers, both public and private (e.g., YMCA)
- Religious institutions
- Sports stadiums
- Sports teams

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

As key centers of economy and culture, being resilient to city, regional, or even national shocks is highly important for ensuring stability, sustainability, and prosperity. Because of diversity and density of resources and services, center cities and their inhabitants can better absorb economic, social, and environmental shocks and stresses than the surrounding cities and regions. The diversity and economic strengths of strong downtowns and center cities equip them to adapt to economic and social shocks better than more homogenous communities. Consequently, they can play a key role in advancing regional resilience, particularly in the wake of economic and environmental shocks that hit less economically and socially dynamic areas particularly hard.


Illustrative metrics:

- Acreage of open space
- Annual greenhouse gas emissions per household
- Average life expectancy
- Average property crime rate
- Average violent crime rate
- Bike Score
- Bike share stations
- Community gardens
- Commute mode for workers 16 and over
- Commute time for workers 16 and over
- Docked bikes
- Dockless bikes
- Electric car charging points
- Housing and Transportation Index
- LEED-certified buildings
- Miles of bike lanes
- No leisure-time physical activity among adults aged > 18 in the last month
- Resident population in poverty
- Scooters
- Transit Score
- Transit stops (including rail and bus)
- Unemployment rate
- Walk Score

# Appendix III: Data Sources

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

| Source | Data Available | Pricing | Geographic Limitations | Most Recent Data Vintage in the Study |
|---|---|---|---|---|
| ESRI | Demographic, Housing, Detailed Establishments and Consumer Spending | Proprietary | None; allows for drawing of custom geographies; selection of sub-geographies down to census block group level | 2017 to 2019 by data set (Annual Updates) |
| Social Explorer | Demographic, Housing, Crime, Employment | Proprietary | Allows for selection of sub-geographies down to the census block group level | 2017 (Annual Updates) |
| American FactFinder | Demographic, Housing, Crime, Employment | Public | Allows for selection of sub-geographies down to the census block group level | 2017 (Annual Updates) |
| 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 | 2017 (Annual Updates) |
| Center for Neighborhood Techology | Housing affordability, Sustainability, Income | Public | Allows for selection and exporting of sub-geographies down to census block group level | 2017 (Updates Unscheduled) |
| Zillow | Housing and rental costs | Public | The smallest geographies are arbitrarily designated "neighborhoods," some of which line up with the study areas, others of which don't or don't exist. In these cases, we got as close as we could with a ZIP Code | April to June 2019 (Monthly Updates) |
| National Register of Historic Places | Historic structures and districts | Public | None | 2019 (Annual Updates) |
| Geolounge | Map of Fortune 1000 companies | Public | ZIP Code | 2018 (Annual Updates) |
| Centers for Disease Control and Prevention | Life expectancy, physical inactivity and other health data | Public | ZIP Code | 2017 (Annual Updates) |
| FBI Uniform Crime Reporting | Crime Rates | Public | City and Metro | 2017 and 2018 (Annual Updates) |

# Appendix IV: Selected Study Definitions

### Assessed value
Assessed value is the dollar value assigned to a property to measure applicable taxes. This figure is an aggregate for all property within the study area, or for the closest match to the study area for which data is available.

### Acreage of open space
This figure is the total acreage of designated public spaces like parks or plazas; it does not include vacant lots.

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

### 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.

### Creative jobs
The study uses the NAICS industry sector of Arts, Entertainment, and Recreation to count creative jobs.

### Development pipeline
Development pipelines include projects very recently completed, currently under construction, and planned for completion within the next three years.

### Diversity Index
The Diversity Index is a measurement of the likelihood that any two randomly selected individuals will be of a different race or ethnicity. The closer the number comes to 100, the more likely the two will be different, indicating diversity.

### Employment
The study uses the LEHD on the Map tool to count "primary jobs." Distinct from total jobs, primary jobs count only the highest-wage job when an individual holds multiple jobs at a time. This figure may not accurately reflect less traditional types of employment like gig work or small startups.

### Event venue
Event venues include spaces typically used for public events such as conferences, conventions, concerts. This metric is somewhat subjective in that data is collected locally, and the downtown determines what qualifies for inclusion. For example, a downtown might include a venue that is largely private but represents a part of the fabric of the event community.

### Farmers markets
The number of farmers markets is a count of both permanent and seasonal farmers markets.

### Greenhouse gas emissions
The Center for Neighborhood Technology's Housing and Transportation Index includes an estimate of CO2 emissions per household within a given area.

### Housing and Transportation Index
The Housing and Transportation Index, produced by the Center for Neighborhood Technology, measures how much an average household spends on housing and transportation relative to income. This figure demonstrates how urban places often have higher base rents, but much lower transportation costs.

### Knowledge jobs
Knowledge jobs consist of jobs in the NAICS industry sectors of Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific, and Technical Services; Management of Companies and Enterprises; and Health Care and Social Assistance.

### Media mentions
This study sometimes uses independent sources to add nuance to the data. Forbes's list of top 100 metro areas to start a new business represents this type of source. Another example might be a travel blog praising restaurants or entertainment options within the downtown. While not always quantitative sources, media mentions add color and perspective to the report.

### Middle-class

This study defines middle-class as between 67% and 200% of area median income. This range was calculated for each downtown based on the median income of the region.

### Millennial

This study defines residents between the ages of 18 and 34 as millennials.

### No leisure-time physical activity

Presented as a percentage, no leisure-time physical activity is the share of residents within the geography who have not engaged in physical activity in their spare time within the past month from the time surveyed.

### Private investment

Private investment is defined as money from private sources being invested in development. This figure is sometimes replaced by a sum of the largest development projects within the study area.

### Public art installations

This figure counts art installations that may be owned by either public or private entities and may be temporary or permanent. They must, however, be easily accessible by the general public.

### Public investment

Individual UPMOs may define public capital investment differently, but the figure generally includes municipal, state, and federal investment in capital projects downtown (such as open space or infrastructure). If only a specific bucket of public investment is available for measurement (for example, municipal public investment), this can be measured and footnoted in the profiles in lieu of capturing investments by other levels of government.

### Rent-burdened

Households paying more than 30% of their income to rent are considered rent-burdened.

### Retail demand

Retail demand measures the total spending potential of an area's population, as determined by residential population and household income characteristics.[3]

### Retail sales

Retail sales measure total sales by businesses within the observed geography. All estimates of market supply are in nominal terms and are derived from receipts (net of sales taxes, refunds, and returns) of businesses primarily engaged in the sale of merchandise. Excise taxes paid by the retailer or the remuneration of services are also included—for example, installation and delivery charges that are incidental to the transaction.[4]

### Sales to non-residents

Sales to non-residents represents an estimate calculated by using figures for retail demand and sales to determine how much of downtown retail sales are to people who don't live in downtown. Simply put, retail sales – resident retail demand = sales to non-residents.

### Sports teams

The number of professional teams within the geography. This figure excludes college teams.

# Additional IDA Sources

*IDA's Vitality Index, powered by Stantec (2019):* The IDA Vitality Index, powered by Stantec, is an interactive, online tool to benchmark the vitality of downtowns across the U.S. The Vitality Index reflects the pioneering IDA research in *The Value of U.S. Downtowns and City Centers*, and measures vitality through three principles identified in the VODT study: economy, inclusion, and vibrancy. Through these three principles, and five core indicators in each principle, the Vitality Index aims to capture the pulse of the downtown and enable urban place managers to quantify and benchmark their district's performance metrics among peer cities. The index uses a benchmarking system to understand how each of three vitality principles contributes to an overall combined score, calculated by comparing each metric to the national average. Most valuable, the index serves as a baseline and provides insights for the strategic evolution of a community.

*Quantifying the Value of Canadian Downtowns: A Research Toolkit (2016)*: This toolkit represents a groundbreaking effort to provide a common set of data and processes to help Canadian place management organizations establish and sustain evaluation and compare progress among downtowns. While geared toward Canadian downtowns, the toolkit has value for urban districts outside Canada looking to move toward data standardization and 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 the choice of data metrics, and it recommends core, trend and pulse metrics. The kit organizes the core indicators 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, and 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 made by downtown areas across Canada, highlighting innovative approaches to revitalization and efforts being applied across the nation. It builds on an initial study phase, completed in 2012, that examined ten of those downtowns, and tracks population, population density, job density and average block size of the downtown core and the municipality. The study organized data under visibility, vision, prosperity, livability and strategy.

*Downtown Rebirth: Documenting the Live-Work Dynamic in 21st Century U.S. Cities:* This policy paper represents the culmination of a year-long effort by IDA and partners to develop an effective way of quantifying how many people 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 didn't capture the idiosyncratic shapes of urban employment nodes and thus failed to capitalize fully on existing federal data. 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 changing.

*The Value of U.S. Downtowns & Center Cities* study expands on the efforts of IDA's *"Downtown Rebirth: Documenting the Live-Work Dynamic in 21st Century Cities"* study, which provided guidelines for selecting downtown boundaries. This study uses these recommendations to define downtown beyond the boundaries of a district management organization using a definition of downtown commonly understood by those in that community.

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