Downtown Opportunities and Challenges

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Presented to

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Presentation Overview

Downtowns are changing quickly......

• IML/CGS survey of downtown conditions
• Issues currently being discussed
• Strategies and financing approaches
• Needs for technical assistance
• Growing Communities Initiative
• Participants’ share ideas
Projected Population Changes by Age Group
Non-Metropolitan Counties, Midwestern States*, 2015-2025

Average Consumer Spending By Age And Purpose
Midwest 2013-2014

Ages 25-34
- Entertainment: $2,701
- Healthcare: $2,655
- Apparel & Services: $1,809
- Shelter: $9,262
- Restaurants: $2,469

Ages 65+
- Entertainment: $1,929
- Healthcare: $5,966
- Apparel & Services: $887
- Shelter: $7,314
- Restaurants: $1,864

Changing Conditions of Downtowns
(136 Responses)

- Housing prices have not regained pre-recession but active: 55.9%
- City economy has largely recovered: 48.5
- Significant retail growth on outskirts: 18.9
- Major increases in housing construction: 16.9
- Service jobs have increased in relative importance: 21.3
- Significant loss (10% or >) in manufacturing jobs: 14.7
- Fewer local jobs or pay less: 21.3
How Important is Downtown in?

Weighted Ave of 135 Mayors’ Responses: 1=not; 5=very important

<table>
<thead>
<tr>
<th>Objective</th>
<th>Weighted</th>
<th>Very Imp</th>
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</thead>
<tbody>
<tr>
<td>Creating sense of community/positive image</td>
<td>3.84</td>
<td>91.8</td>
</tr>
<tr>
<td>Attracting new businesses</td>
<td>3.56</td>
<td>78.2</td>
</tr>
<tr>
<td>Retaining current businesses</td>
<td>3.49</td>
<td>75.2</td>
</tr>
<tr>
<td>Attracting/retaining existing employers</td>
<td>3.42</td>
<td>72.5</td>
</tr>
<tr>
<td>Attracting visitors</td>
<td>3.40</td>
<td>71.9</td>
</tr>
<tr>
<td>Attracting &amp; retaining residents</td>
<td>3.34</td>
<td>69.2</td>
</tr>
<tr>
<td>Attracting &amp; retaining employees</td>
<td>3.06</td>
<td>55.7</td>
</tr>
</tbody>
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Current Conditions in Downtown
(135 Responses)

• Traditional downtown as center of activity  64.4%
• Streetscape/public spaces improved significantly  43.0
• Stable CBD & < 10% vacancies in commercial buildings  40.0
• One or > significant white elephants & no interest  39.3
• More than 10% commercial vacancies  34.0
• New space available or developed for commercial  29.6
• Many retail buildings converted to other uses  24.4
• Retail functions in downtown largely gone  23.7
Issues in Downtown Discussions
(100 responses)

- Impact of noncommercial uses on main commercial street: 62.0%
- Tattoo parlors, gun shops, disc tobacco, churches/non trad.: 51.0
- Issues of increasing density vs maintaining DT character: 29.0
- Relaxing downtown parking restrictions to encourage development: 22.0
- Encourage/discourage franchise businesses in downtown: 14.0
Actions Taken to Stabilize or Revitalize Downtown (126 Responses)

• Following an action plan for DT improvements 81.7%
• Offer financial incentives to attract businesses 78.0
• Hold regular schedule of events for DT activities 67.8
• Has facade improvement program 66.1
• Includes budget for DT in corporate fund 36.3
• Has a separate budget set aside for DT enhancement 34.2
• Buy businesses to resell or lease to businesses 33.3
• Has downtown business incubator program 9.7
• Local development strategy does not include downtown 9.7
## Future Issues Facing Downtown Growth
(116 responses)

<table>
<thead>
<tr>
<th>Issue</th>
<th>Very Imp.</th>
<th>Weighted Ave.</th>
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</thead>
<tbody>
<tr>
<td>Residents shopping on Internet</td>
<td>40.7%</td>
<td>2.29</td>
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<tr>
<td>Slow population growth-city or region</td>
<td>35.7</td>
<td>2.12</td>
</tr>
<tr>
<td>Major store closing</td>
<td>34.2</td>
<td>2.09</td>
</tr>
<tr>
<td>Loss of major employer(s)</td>
<td>29.3</td>
<td>2.07</td>
</tr>
<tr>
<td>Expansion of retail/discount stores in other cities</td>
<td>22.9</td>
<td>1.94</td>
</tr>
<tr>
<td>Residents commuting to other cities to work</td>
<td>23.2</td>
<td>1.93</td>
</tr>
<tr>
<td>Retiring business owners</td>
<td>25.0</td>
<td>1.92</td>
</tr>
<tr>
<td>Inadequate transportation/parking</td>
<td>17.8</td>
<td>1.79</td>
</tr>
<tr>
<td>Retail-Service businesses moved to other areas</td>
<td>18.4</td>
<td>1.77</td>
</tr>
<tr>
<td>More retired residents with less incomes</td>
<td>12.0</td>
<td>1.76</td>
</tr>
<tr>
<td>People uncomfortable living or spending time downtown</td>
<td>14.8</td>
<td>1.57</td>
</tr>
<tr>
<td>Concerns about crime in downtown</td>
<td>12.7</td>
<td>1.52</td>
</tr>
</tbody>
</table>
Financing Sources for Downtown Activities*
(121 responses)

- Tax Increment Finance Funds: 69.4%
- Municipal general property taxes: 57.9
- Sales taxes: 47.9
- Hotel/Motel taxes: 33.1
- State grants: 31.4
- Funds raised by local organizations: 29.8
- Federal grants: 28.1
- Special Service Area Tax: 13.2
- Special assessments: 5.0
- Dedicated user fees: 2.5

*Percent reported using this revenue source
Plans for Next Five Years*
(115 responses)

- Physical improvements-functionality & attractiveness 84.3%
- Attract out of town visitors—branding, marketing 75.7%
- Explore new purposes & uses for downtown 70.4%
- Establish arts orientation—crafts, theaters, galleries 40.9%
- Refocus as residential/entertainment area 40.0%
- Encourage new trends e.g., co-working, live/work 34.8%
- Help owners find new uses—office, services, food, entertainment 33.9%
- Improve internet capacity 18.3%
- Locate public buildings etc. in downtown area 17.4%

*Percent reporting planned uses
### Technical Assistance Needed
(104 responses)

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<tbody>
<tr>
<td>Recruitment plan for new businesses</td>
<td>103</td>
<td>2.56</td>
</tr>
<tr>
<td>Market analysis for downtown</td>
<td>98</td>
<td>2.56</td>
</tr>
<tr>
<td>Training in best practices for downtowns</td>
<td>99</td>
<td>2.47</td>
</tr>
<tr>
<td>Branding and Marketing</td>
<td>102</td>
<td>2.45</td>
</tr>
<tr>
<td>Planning revitalization efforts</td>
<td>97</td>
<td>2.44</td>
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<tr>
<td>Online access to downtown development tools</td>
<td>100</td>
<td>2.43</td>
</tr>
<tr>
<td>Downtown visioning and community input</td>
<td>100</td>
<td>2.36</td>
</tr>
<tr>
<td>Training in downtown improvement techniques</td>
<td>97</td>
<td>2.33</td>
</tr>
<tr>
<td>Survey of bus. performance &amp; conditions</td>
<td>99</td>
<td>2.19</td>
</tr>
<tr>
<td>Surveys—visitors, customers, etc.</td>
<td>98</td>
<td>2.17</td>
</tr>
<tr>
<td>Website development for businesses</td>
<td>95</td>
<td>2.00</td>
</tr>
<tr>
<td>Housing Inventory and Needs</td>
<td>96</td>
<td>1.94</td>
</tr>
</tbody>
</table>
Adequacy of Zoning Code
(120 responses)

Traditional zoning works well 40.8
Traditional will be modified for flexibility & to encourage development 28.8
Zoning code will be substantially modified for development 17.5
Current code difficult to work with but no planned changes 5.8
New ways of doing business and changing lifestyle preferences have created many opportunities and challenges for Illinois communities. The Growing Communities Initiative simplifies the route to community growth by providing the tools you need—all in one place. With no annual fees to participate and select services at fixed costs or free of charge, all communities can benefit.

HOW CAN GCI HELP?

GCI offers communities access to data, innovative practices, continuing education, and expertise at an affordable cost, enabling them to evaluate and act on economic opportunities. A selection of fixed price and free services are listed below.

PROFESSIONAL DEVELOPMENT
Webinars, workshops, and presentations at events across the state.

COMMUNITY DATA PACKAGES
Data sets answer questions developed by business owners, community leaders, and government agencies often ask.

SURVEYS
Select from survey templates on various topics. GCI staff will manage the survey and tabulates results.

RESEARCH ON DEMAND
Request research by GCI staff on specific topics including literature searches, professional content, or other avenues.

GRANT-FUNDED PROJECTS
Coordinate grant applications addressing issues and potential projects of state and local communities.

NEWSLETTER
Information on innovative approaches to growing communities, funding opportunities, best practices, tools, and articles. NO COST SERVICE

ONLINE TOOLBOX
An expanded version of the current online toolbox hosted on our website. NO COST SERVICE
SPECIALIZED SERVICES

1. SITE VISITS
   On-site advisory visits to discuss current conditions, strategies for growth.

2. SPECIAL SURVEYS
   Surveys on specialized topics like local food system, housing, general strategies for growth.

3. INTERNS
   Identifying NU students interested in internships in your community.

4. ON-SITE EXPERTISE
   Attendance at business, municipal, and community meetings.

5. PLANNING & COMMUNITY INPUT
   Guidance in identifying strategic planning, presenting findings, and meeting facilitation.

6. HOUSING DATABASES & MARKET ANALYSES
   Construct a detailed local housing data set, market analysis, opportunity development.

7. RETAIL MARKET ANALYSES
   Evaluate supply, demand, and competition for specific projects, retail development, targeting demographics.

8. BUSINESS DEVELOPMENT
   Identify target businesses and prepare information, strategic relationships from potential business sources and investors.

9. BROADBAND & SMART CITIES
   Evaluate potential economic growth from outdoor recreation resources and environmental assets.

10. RECREATION, ARTS & HERITAGE PLANNING
    Evaluate potential economic growth from outdoor recreation resources and environmental assets.

LET'S DO THIS

TELL US WHAT YOU NEED
What services would you like to see for your community?
Are you working on projects and need additional support?
Let us know; we're here to help.

STAY IN THE LOOP
Would you like to keep up to date with what's coming next?
Send us an email to subscribe to our newsletter.

WHAT'S NEXT?

SPONSORED BY NIU

NIU is administered by Northern Illinois University’s Center for Governmental Studies. Visit us
online for additional information and services at www.cgs.niu.edu/Division/Development.
10 Things You Need To Know

1. Your local economic strengths and weaknesses
2. Your community’s place in the broader regional economy
3. Your community’s economic development vision and goals
4. Your community’s strategy to attain its goals
5. Connections between economic development and other city policies
6. Your regulatory environment
7. Your local economic development stakeholders and partners
8. The needs of your local business community
9. Your community’s economic development message
10. Your economic development staff

Source: National League of Cities