



The Value of U.S. Downtowns and Center Cities

CALCULATING THE VALUE OF DOWNTOWN RICHMOND, VIRGINIA
A 2020 IDA STUDY

A 2020 PUBLICATION CREATED BY
THE INTERNATIONAL DOWNTOWN ASSOCIATION



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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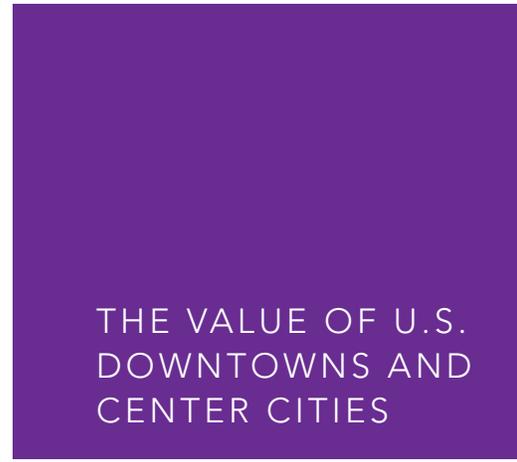
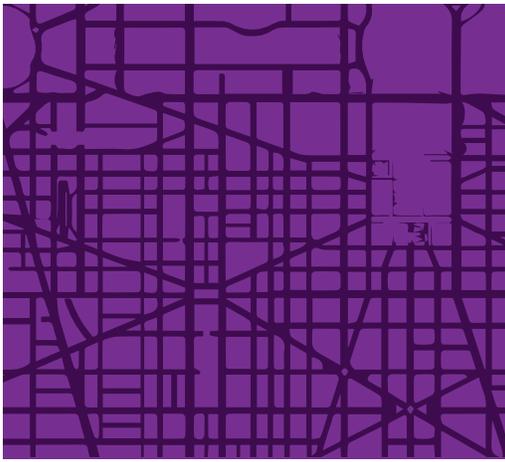
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THE VALUE OF U.S. DOWNTOWNS AND CENTER CITIES



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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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Alex Saiz
Elizabeth Van Zandt
Matthew Schnur

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SECTION ONE
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.

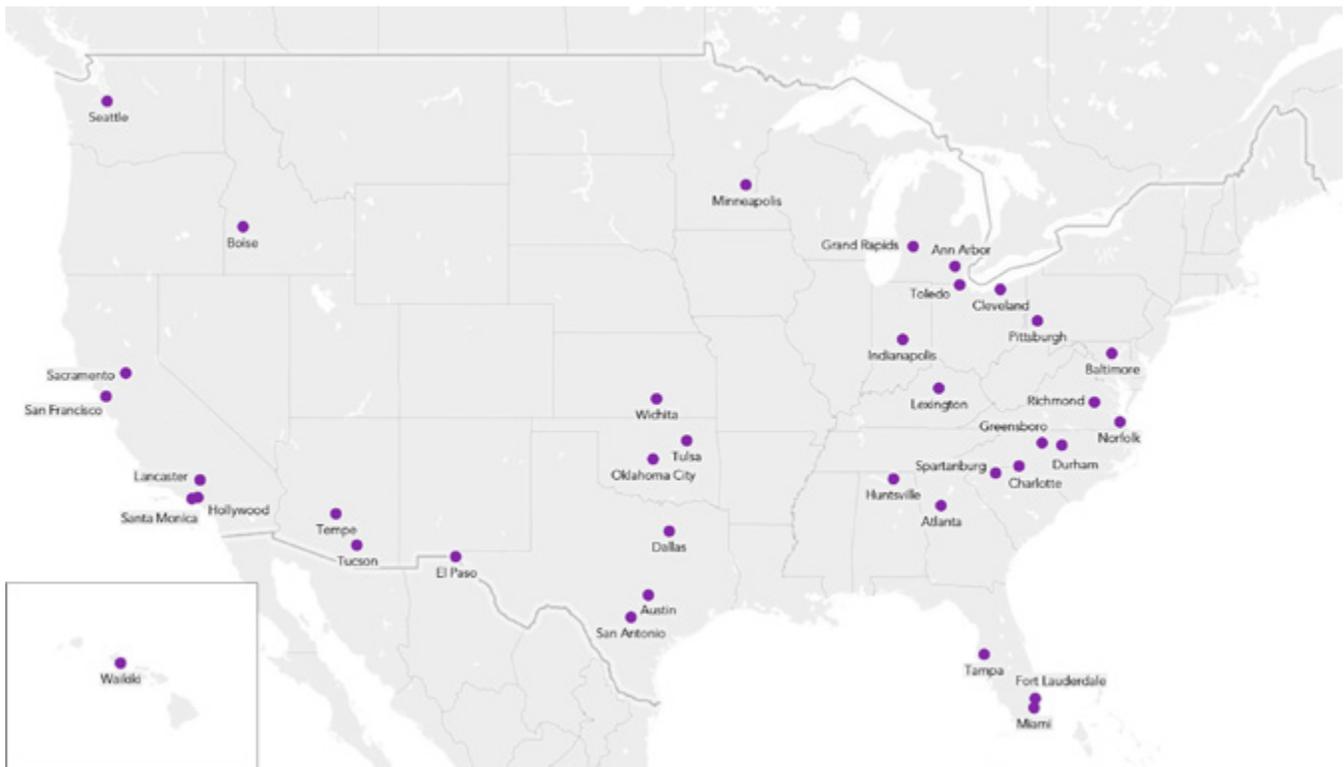
Urban Place Management Organizations

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 Overviewⁱ

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 JOURNEYMAN'S ADV



RIDE EVERYWHERE



SECTION TWO
DOWNTOWN
PROFILE



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 downtowns 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.

The city's traditional central business district and governmental center, downtown Richmond has emerged as a fast-growing and vibrant cultural center for the region. With only 5.3% of citywide land area, downtown has 9.2% of Richmond's population and almost 2% of the region's population—a fairly large share compared to other downtowns.

Study Area

DOWNTOWN PARTNER

Venture Richmond

CITY

Richmond, VA



Downtown has seen outstanding residential growth since 2000. Population more than doubled, rising from 9,800 in 2000 to 20,600 in 2018, for a 110% increase during a period when the city grew by only 13% and the region by 24%. Put another way, downtown absorbed 42% of the city's growth between 2000 and 2018. In the past decade, this growth has slowed somewhat, but the 18% growth between 2010 and 2018 still represents almost double the increase for the city and the region. Much of the credit for downtown's success belongs to the Virginia Rehabilitation Tax Credit program and the City's tax-abatement program that made it possible to convert historic building stock into attractive and unique residential units. Despite downtown's strong growth, its population density falls in the middle of our study's downtowns, fairly dense but not at the scale of larger downtowns.



Employment Population

	Downtown	City	Region
All Jobs	77,465	147,251	540,534
Downtown Share	n/a	53%	14%
Employees per square mile	24,208	2,458	255
Total Jobs Growth 2010-2017	23.0%	8.1%	14.8%
Private Growth 2010-2017	27.1%	8.7%	17.8%

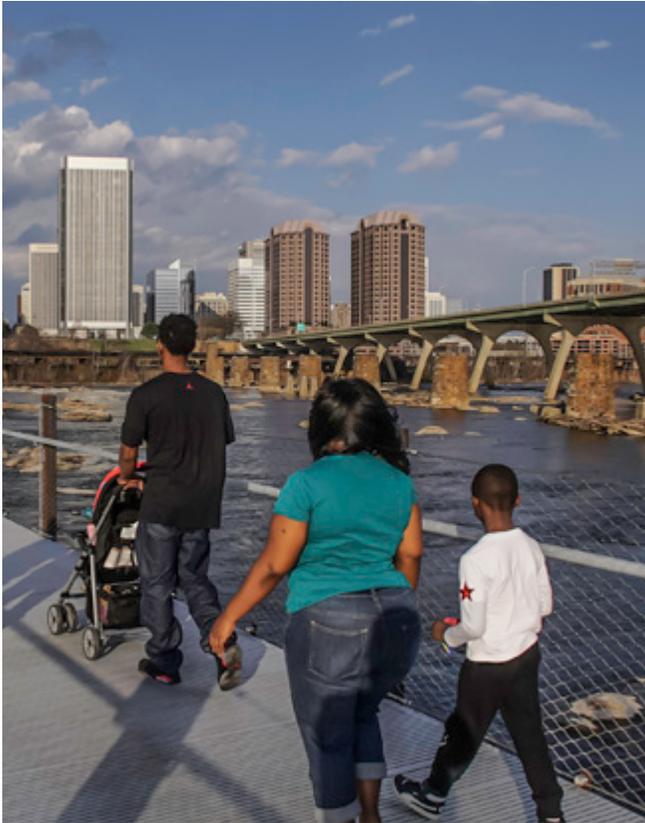
Source: LEHD On the Map – Primary Jobs and All Private Jobs (2017).



Residential Population

	Downtown	City	Region
Population	20,605	223,787	1.07M
Downtown Share	n/a	9.2%	1.9%
Residents per square mile	6,439	3,735	506
Growth 2010-2018	17.9%	9.6%	7.0%
Growth 2000-2018	110%	13%	24%

Source: U.S. Decennial Census (2000, 2010); American Community Survey 5-Year Estimates (2014–2018)



With more than 50% of citywide jobs—more than 77,000—downtown reigns as the city’s uncontested economic center. No other area counts more than 6% of citywide jobs. Downtown holds 14% of jobs across the eight-county region. Job growth has outpaced both the city and region. In fact, without downtown job growth, total jobs citywide would have fallen by around 3,500, or 24%, between 2010 and 2017. Downtown has many public jobs (including those connected to city and state government, the city school district, and universities), but private jobs also grew strongly between 2010 and 2017, increasing at a faster pace than across the city or region. Private jobs have increased by 28%, or 11,105 positions, since 2010.

Downtown’s real estate inventory also highlights its position as an economic center. It has more than 19 million square feet of office space, or 76% of citywide office inventory. Growth in real estate inventory reveals a downtown in transition. While office space has remained relatively stable, retail space shrank by 30% between 2010 and 2018. Residential numbers have jumped significantly, mirroring the population growth. Finally, hotel room growth of 20% has solidified Richmond’s position as a tourism and convention destination. Downtown’s hotel rooms make up about 70% of the city’s inventory.

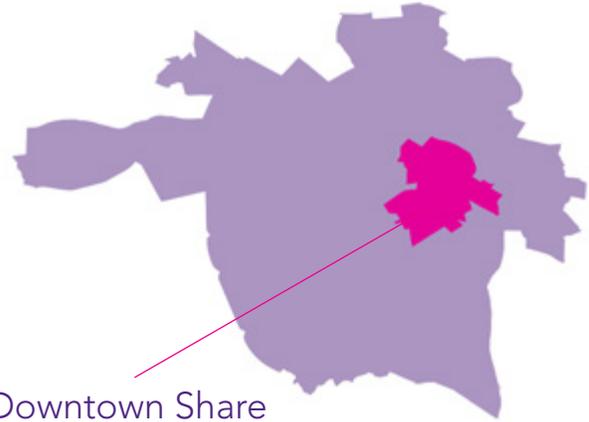
Inventory	Downtown	Share of City	Per Square Mile	Growth 2010-2018	City	Region
 OFFICE (SF)	19.6M	76%	6.1M	-4%	26M	62.6M
 RETAIL (SF)	4.3M	27%	1.3M	-5%	15.9M	70.5M
 RESIDENTIAL UNITS	11,726	25%	3.6K	71%	46.6K	104K
 HOTEL (ROOMS)	2,581	70%	807	20%	3,671	17.6K

Source: CoStar (2019); Richmond Region Tourism (2019)

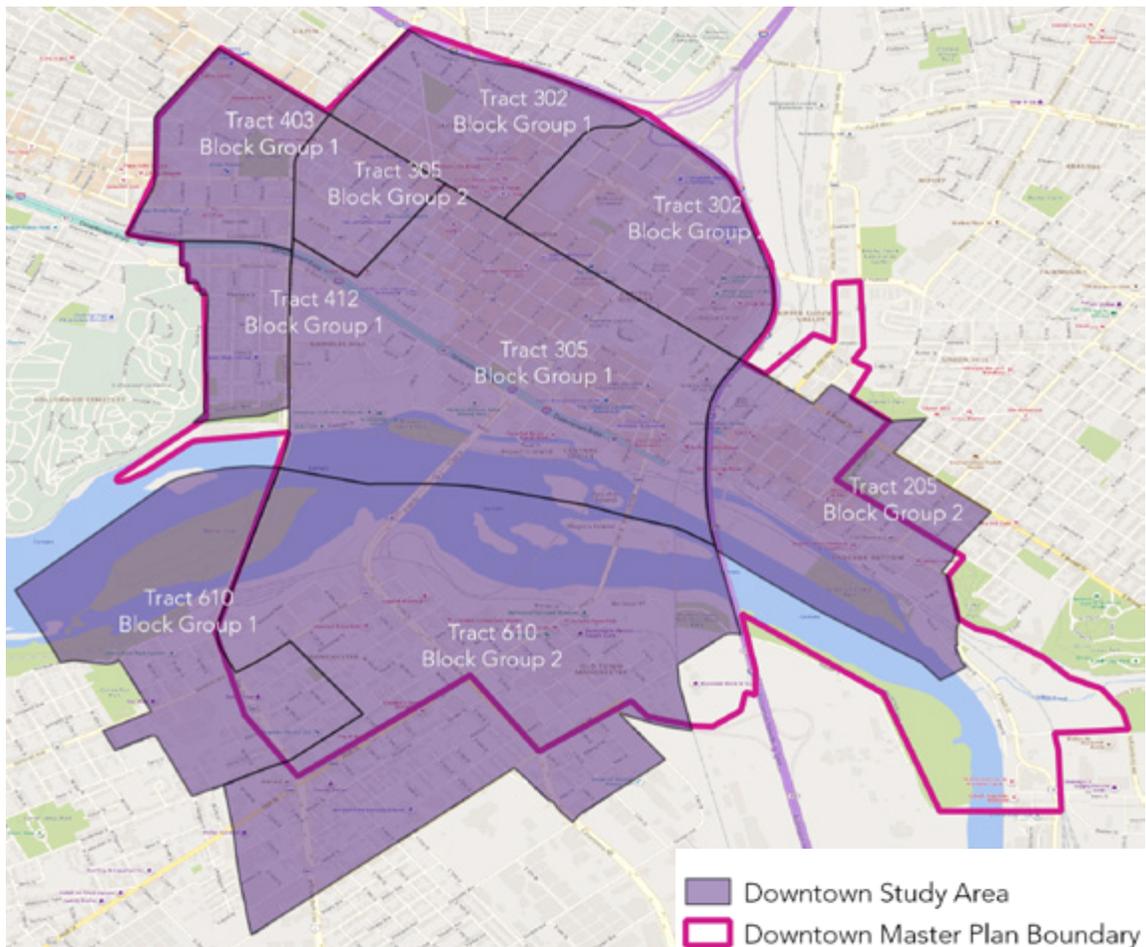
Defining Boundaries

The study area extends beyond the boundaries of Richmond's Downtown Master Plan area, as geographic parameters vary across data sources and don't typically align with boundaries designated by the jurisdiction. IDA recommended that the urban place management organizations participating in this 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 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 boundaries of the 2008 Downtown Master Plan outlined in pink. It also labels the specific block groups examined in the study.



Downtown Share
of City Land
Area **5%**



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

Jobs and Industries

Downtown stands as the unmatched job center of Richmond. It not only accounts for 53% of all citywide jobs, but it also holds 43% of the city's private jobs and 63% of its knowledge industry jobs. As the accompanying map shows, downtown is the clear focal point for employment throughout the city.

Like many cities, Richmond saw a significant drop in jobs in 2008 due to the Great Recession. Downtown lost 9,900 jobs (15%), and the city lost 10,700 (7%). Downtown, however, recovered faster, returning to its pre-recession count by 2011, then adding even more jobs afterward. By contrast, it took the city another year to reach pre-recession levels, and citywide jobs have not increased significantly since 2012.

Downtown Employment



53%

CITY'S JOBS



63%

CITY'S KNOWLEDGE
INDUSTRY JOBS



43%

CITY'S CREATIVE
JOBS

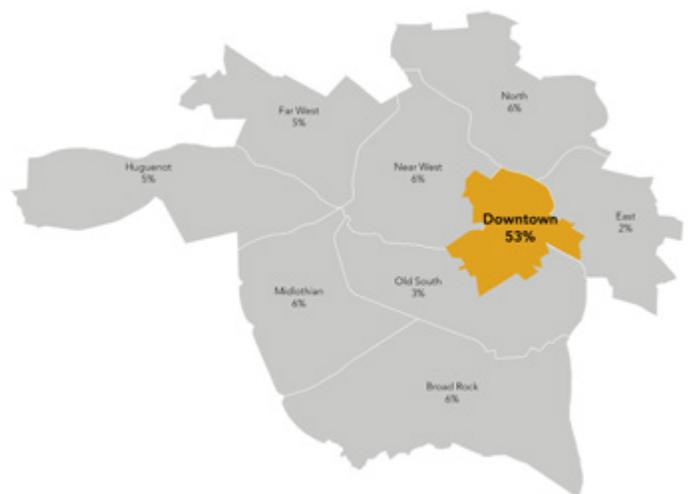


65%

CITY'S PUBLIC
ADMINISTRATION JOBS

Source: LEHD On the Map (2017) Creative jobs are defined as those in the Arts, Entertainment and Recreation sector (NAICS Code 71).

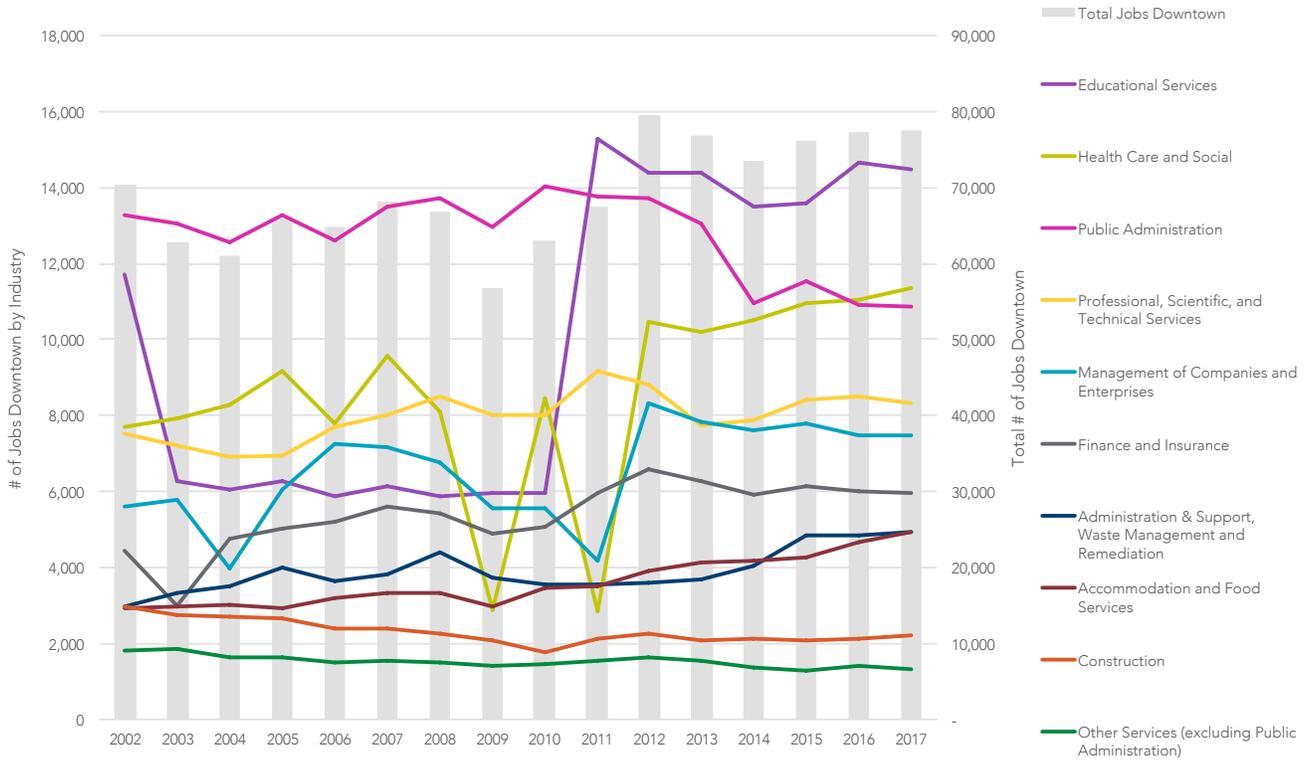
Jobs in Richmond by Planning Area



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

Because the study area overlaps parts of the Near West, East, and Old South, the study included jobs located within the areas of overlap in downtown's total and reduced the district totals accordingly before calculating percentages.

Job Change in Top 10 Industries Downtown



Source: IDA Analysis of LEHD On the Map data (2017)

Knowledge Industry Employment Growth 2010-2017

Finance, Insurance, Real Estate and Rental and Leasing



Management of Companies and Enterprises



Professional, Scientific, and Technical Services



Information



Health Care and Social Assistance



Total Knowledge Job Change

	Finance, Insurance, Real Estate and Rental and Leasing	Management of Companies and Enterprises	Professional, Scientific, and Technical Services	Information	Health Care and Social Assistance	Total Knowledge Job Change
Downtown	16%	34%	4%	-5%	35%	21%
City	7%	7%	6%	-25%	-1%	2%
Region	31%	-3%	15%	-18%	10%	12%

Source: LEHD On the Map (2010 and 2017)

Information jobs (NAICS 51) include all jobs relating to publishing information, such as traditional media, motion picture and broadcasting, telecommunications, web search companies, data processing, and internet media.

Job Totals

	Downtown	City	Region
NUMBER OF JOBS	77,465	147,251	540,534
PRIVATE JOBS	50,910	119,258	502,249
KNOWLEDGE INDUSTRY JOBS	35,100	55,915	192,297
CREATIVE JOBS	1,246	2,914	9,895
PUBLIC ADMINISTRATION JOBS	10,865	16,813	29,509

Source: LEHD On the Map (2017)

Knowledge Jobs Top Downtowns' Citywide Share*

RICHMOND, VA	63%
SEATTLE, WA	58%
MINNEAPOLIS, MN	58%
GRAND RAPIDS, MI	56%
MIAMI, FL	52%

Source: IDA Analysis of LEHD On the Map data (2017)

*Downtowns compared include only the participants in IDA's Value of Downtowns study.



Jobs by Earnings Per Month

	Downtown	City	Region
\$1,250 OR LESS	13%	16%	18%
\$1,251-\$3,333	25%	30%	33%
MORE THAN \$3,333	61%	54%	49%

Source: LEHD On the Map (2010 and 2017)

The largest employment sectors are educational services (14,500 jobs), health care and social assistance (11,400 jobs), and public administration (10,900 jobs). Since 2010, educational services jobs have increased by almost 150%. Health care jobs have also seen steady growth. Despite some dips around the Great Recession, this sector overtook public administration as downtown's second-largest industry in 2016. Increases of 40% each in accommodation and food and in administration and support sectors also helped propel growth. The next five sectors all fall under the knowledge industry umbrella; their relative growth and strength reflect a downtown job market well-positioned for future growth. With 63% of all city knowledge jobs, Richmond has the highest concentration of such jobs of any downtown in our study.

Downtown continues to serve as home to large companies, including two from the Fortune 1000, Dominion Energy and New Market Corporation. Other Fortune 1000 companies are headquartered in the region, such as Altria, CarMax, and Owens & Minor. Downtown has also attracted new companies like the headquarters of CoStar Research, which added 950 well-paid jobs.

Knowledge jobs have risen significantly in downtown, growing 21%, compared to a citywide rate of 2%. Downtown benefitted from a nearly 3,000-job increase in health care and social assistance and from 2,000 new management jobs. Information jobs fell minimally, dropping by 61 positions between 2010 and 2017. Across the city in that same period the sector shrank by 25%. The kind of space available has imposed a notable constraint on additional office growth. Although downtown has about 1 million square feet of vacant class A office space, it's not contiguous, which makes it less attractive to new and relocating companies.

On average, downtown workers earn more than workers citywide or regionwide, largely due to the concentration of knowledge jobs. 60% of downtown workers earn at least \$3,333 per month, compared to 54% in the city and 49% in the region. In 2000 the proportions across all three geographies aligned more closely, but jobs downtown have become higher-paying at a faster rate than across the city or region.

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

Large firms—those with more than 250 employees—and enterprises in business more than 11 years account for the bulk of jobs in downtown. Compared to the city and region, downtown has a lower concentration of jobs at small businesses. The LEHD On the Map dataset does not include sole proprietorships, which means it likely undercounts jobs in smaller and younger firms.

To foster an entrepreneurial environment and capitalize on university resources, downtown has 10 incubator or co-working spaces, about half of the citywide total. The VA Bio+Tech Park, a large life-sciences cluster, builds on the strengths of Virginia Commonwealth University (VCU) and its medical center to support life sciences research across established and startup companies. Another well-respected nonprofit incubator, Startup VA in Shockoe Bottom, serves more than 80 startups. Downtown also has nearly 2,800 locally owned businesses, which account for 34% of local businesses citywide. Much of this entrepreneurial strength has been fostered by organizations like Activation Capital, which began tracking the Richmond region's innovation and entrepreneurial space in 2015. Since that time, local organizations have supported the growth of 504 companies, and Richmond startups have raised nearly \$1.2 billion.²



Jobs by Firm Age (2014-2017)

	Downtown	City	Region
< 3 YEARS	6%	7%	7%
4-10 YEARS	7%	9%	10%
11+ YEARS	87%	83%	83%

Source: LEHD On the Map (2017)

“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 Towns³



Jobs by Firm Size

	Downtown	City	Region
< 20 PEOPLE	10%	16%	16%
20-249 PEOPLE	17%	24%	22%
250+ PEOPLE	72%	60%	61%

Source: LEHD On the Map (2017)

Fiscal Impact

As a regional jobs center, downtown brings more than 40,000 workers from surrounding counties into Richmond. About a quarter of downtown workers (18,835 employees) live in the city, but the remainder come from across the region. Henrico ranks as the second most important home county, with 23% of downtown workers, followed closely by Chesterfield, with 20%.

At \$9.5 billion, downtown land—just 5.1% of total city land area—represents 28% of citywide land value. On average, each square mile of downtown land, worth \$3 billion per square mile, carries a value five times higher than an average square mile elsewhere in the city.

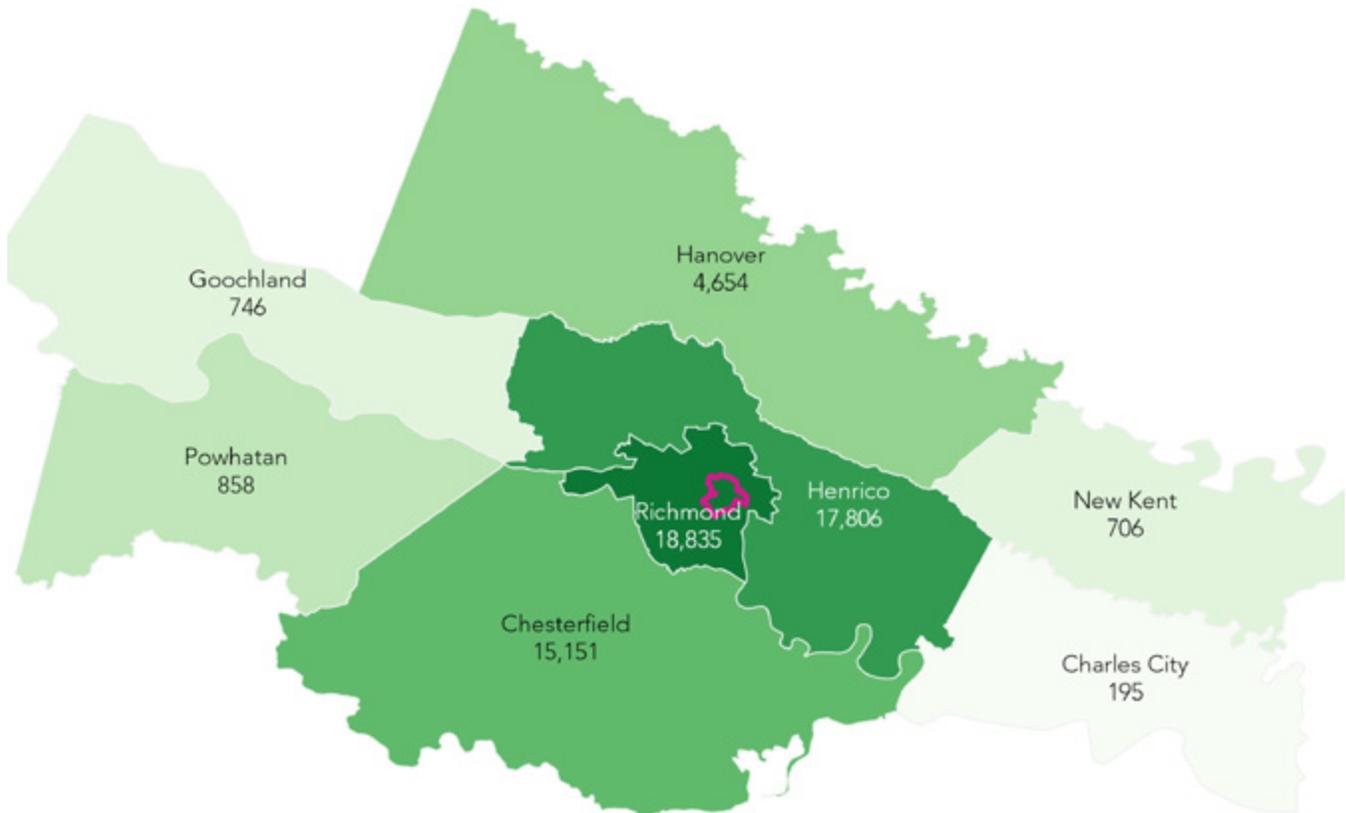


Land Value and Assessment

	Downtown	City	Region
ASSESSED VALUE	\$9.8B	\$35.2B	\$137B
LAND AREA IN SQUARE MILES	3.2	62.5	2,119
VALUE PER SQUARE MILE	\$3B	\$0.56B	\$0.065B

Source: Richmond Assessor's Office (2020)

Where Downtown Workers Reside in the Region



Source: LEHD On the Map (2017)

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.”⁴

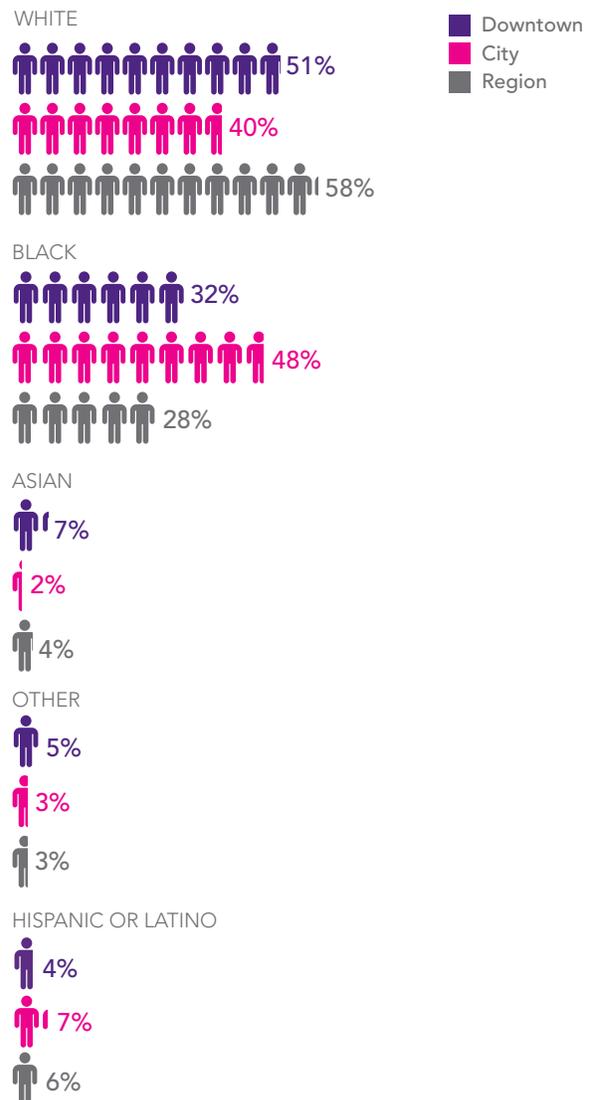
Benefits of Inclusion: Equity, Affordability, Civic Participation, Civic Purpose, Culture, Mobility, Accessibility, Tradition, Heritage, Services, Opportunity, Workforce Diversity

Racial Diversity

Richmond is a largely bicultural city. Downtown, about half of the residents identify as white and one-third as black. By contrast, about 40% of residents citywide identify as white compared to 48% who identify as black. Downtown has slightly higher proportions of Asian and other races than the city as a whole, but it has a lower percentage of Hispanic residents. Downtown’s Diversity Index, an expression of the probability that two randomly selected people would identify as the same race or ethnicity, is 64. This matches the citywide score and has remained stable since 2010. The region, only slightly less diverse, scores 61 on the index.

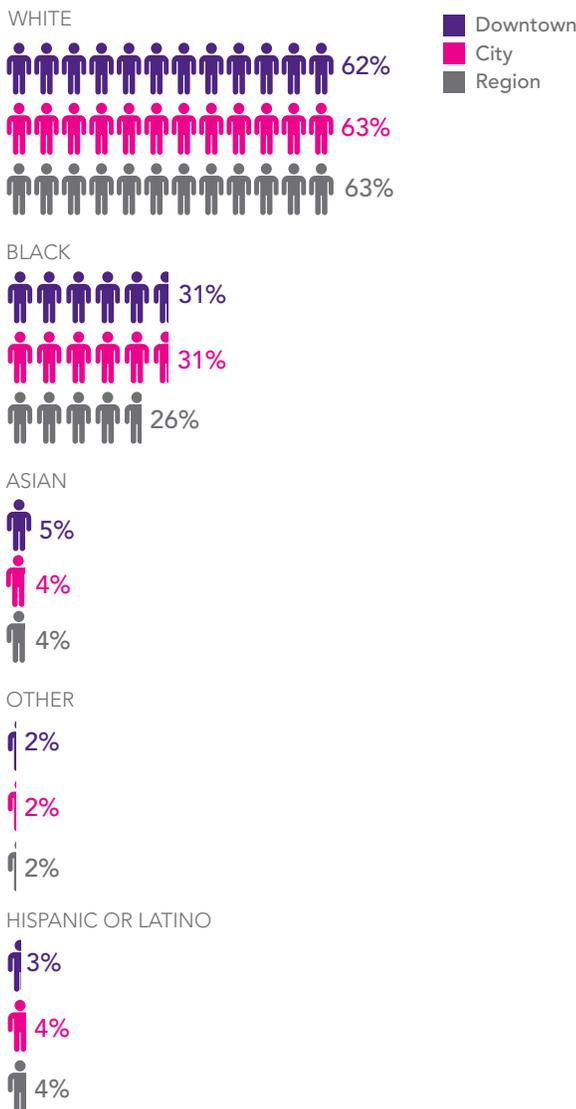
The workforce downtown shows less racial diversity than the residential population does. About 62% of workers identify as white, and 31% identify as black. Workforce diversity proves markedly consistent across downtown, city, and region.

Residents By Race



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

Employment By Race



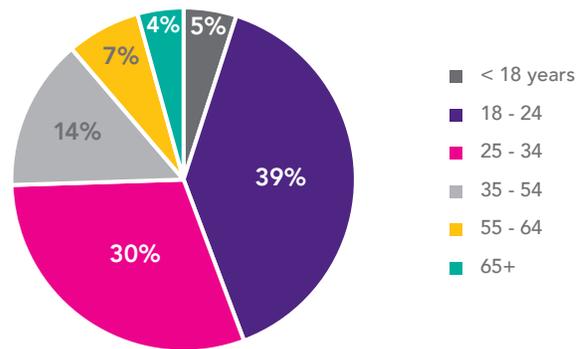
Source: LEHD On the Map (2017)

Age Diversity

Young adults between the ages of 18 and 34 make up the vast majority of downtown residents. Nearly 40% are between 18 and 24, and another 30% are 25 to 34. Since 2010, the proportion of 25- to 34-year-olds living downtown has grown, which could imply that downtown has retained more of those who come to Richmond for college. There are relatively few children and adults above age 55. Historically, these groups have tended to live outside of downtown.

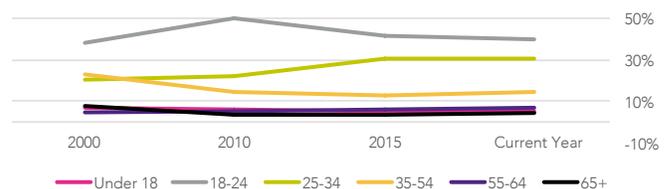
Residential figures include students who live off-campus, which accounts for a large proportion of the 18-to-24-year-old group. 40% of all downtown residents are enrolled in college (compared to 12% in the city and 7% in the eight-county region), which looks like it translates as the 40% of residents in the 18-24 age group. This may not represent a one-for-one match, however; some 18- to 24-year-olds downtown may not attend college, and some older than 24 do, particularly at the graduate level.

Downtown Age Diversity



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

Change in Age Diversity Over Time



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

Socioeconomic Diversity

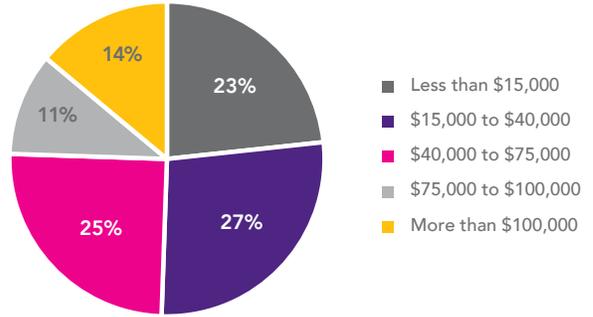
Annual household income downtown divides remarkably evenly among residents making under \$15,000, \$15,000-40,000, \$40,000-75,000, and above \$75,000. Large numbers of students and early-career workers bring downtown’s median household income slightly below the city median. Even looking only at households with residents aged 25 and older produces minimal change in income distribution. Nevertheless, median income increased from \$33,500 in 2015 to \$39,000 in 2018. About 37% of households downtown and in the city report middle-class incomes.

Economic Inclusion

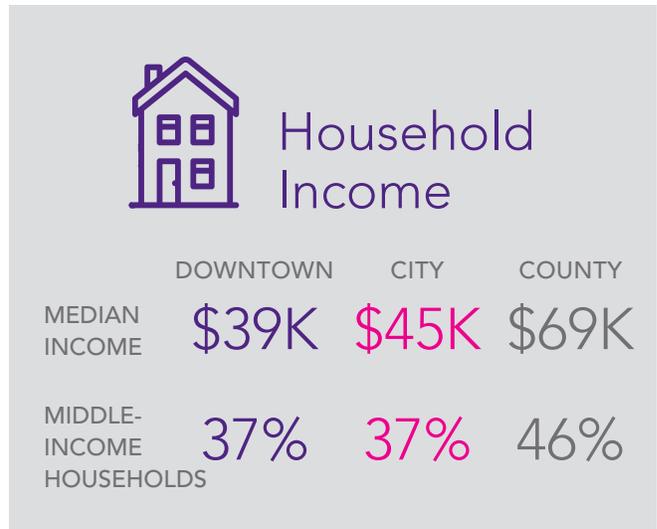
Educational attainment has grown significantly in downtown since 2010. Today, 57% of residents have a bachelor’s degree or higher, compared to 46% in 2010. College-educated residents have increased at a faster rate than they have in the city or region. In 2010, 33% of residents citywide held a bachelor’s degrees, and 38% held one in 2018. The regional rate rose similarly, from 35% to 40% over the same period.

Turning to jobs, downtown counts a slightly higher concentration of workers with a bachelor’s or advanced degree than the city or region. This figure reflects the fact that 45% of downtown jobs fall within knowledge-job sectors. Nevertheless, downtown remains a fairly inclusive job environment, with 30% of workers holding a high school diploma or less, and another 30% with some college or an associate’s degree.

Household Income Downtown



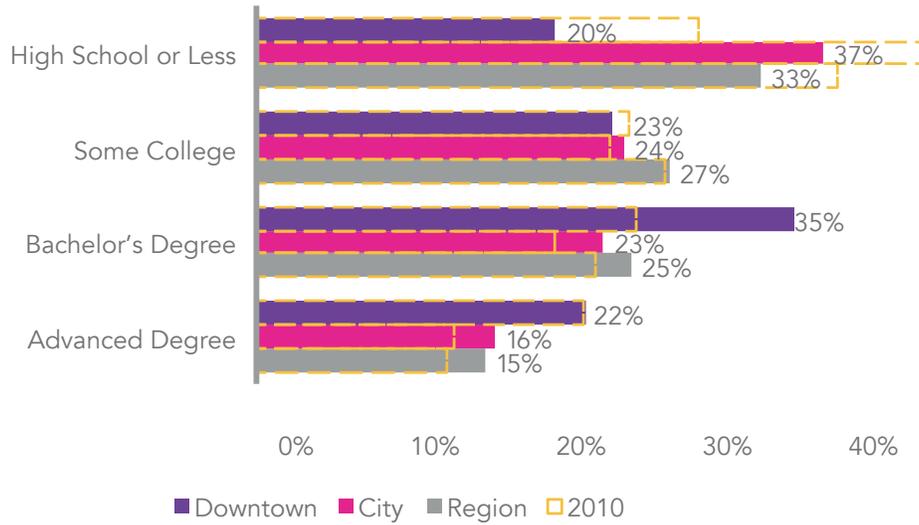
Source: American Community Survey 5-Year Estimates (2014–2018)



Source: American Community Survey 5-Year Estimates (2014–2018)
 Note: Middle-class income is defined as 67%–200% of the area median income—between \$45,000 and \$140,000 for the eight-county region.



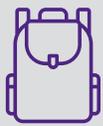
Educational Attainment for Residents 25+ (2018)



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

Jobs by Educational Attainment (Workers 29+)

HIGH SCHOOL OR LESS



30% 35% 37%

SOME COLLEGE OR ASSOCIATE'S DEGREE



31% 31% 31%

BACHELOR'S OR ADVANCED DEGREES



39% 33% 31%

■ Downtown ■ City ■ Region



Source: LEHD On the Map (2017)

Housing and Affordability

Despite the fact that downtowns generally have higher housing prices, their density of housing, concentration of jobs, and access to public transportation can make living downtown less expensive than living in other neighborhoods. This holds true in Richmond, where downtown boasts a comparatively low score on the Housing and Transportation Index. That means that downtown households spend only 30% of income on housing and transportation costs combined, a substantial savings over the 41% city residents spend and the 53% that regional residents spend.

As in most cities, renters occupy the large majority of housing units downtown. 86% of downtown households, rent their homes, accounting for about 8,000 units. At \$1,110, the average downtown rent is higher than the citywide average of \$979, but it generally aligns with regional rents. Since 2010, rents have increased by 20% across all three geographies. About half of renters downtown qualify as rent-burdened, meaning they pay more than 30% of income on rent alone. Comparatively low median income downtown and higher rents could represent a challenge for long-time downtown residents.

A much smaller proportion of downtown residents—representing about 1,300 units—own their homes. The median home price runs slightly lower than the citywide median, and it has declined recently in contrast to the citywide median, which has risen. Reflecting Richmond's history as a bicultural city, however, downtown seems to offer a more inclusive environment for homeowners, since nearly equal proportions of white and non-white residents own their homes.

Housing and Transportation Index

Downtown	City	Region
30%	41%	53%

Source: Center for Neighborhood Technology H&T Index (2018)

Renters

	Downtown	City	Region
% RESIDENTS WHO RENT	86%	57%	34%
MEDIAN GROSS RENT	\$1,110	\$979	\$1,103
MEDIAN RENT INCREASE 2010–2018	20%	22%	22%
RENT-BURDENED	51%	54%	49%

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

Homeowners

	Downtown	City	Region
% RESIDENTS WHO OWN	14%	43%	66%
MEDIAN HOME PRICE	\$207K	\$221K	\$238K
MEDIAN PRICE CHANGE 2010–2018	-10%	9%	2%
HOUSING-BURDENED	48%	40%	28%
WHITE HOMEOWNERS	51%	61%	72%
NON-WHITE HOMEOWNERS	49%	39%	28%

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

Vibrancy | Spending, Fun

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

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.” Physical distancing measures during the COVID-19 pandemic have only emphasized how valued a vibrant downtown with restaurants, concerts, outdoor events, and festivals is. The eventual recovery of storefront businesses, event venues, and hotels post-pandemic will be essential for restoring a sense of vibrancy and community.

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



Residential Growth



	Downtown	City	Region
RESIDENTIAL POPULATION GROWTH SINCE 2010	18%	10%	7%
RESIDENTIAL UNIT GROWTH SINCE 2010	71%	24%	15%

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

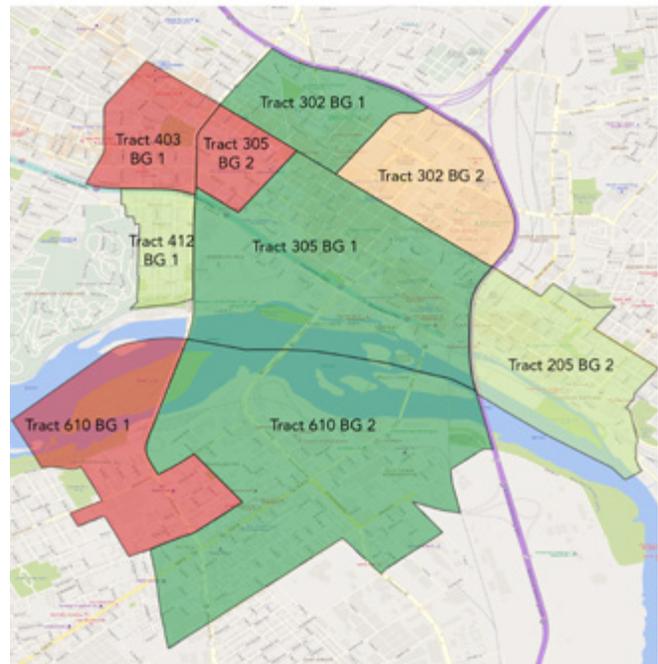
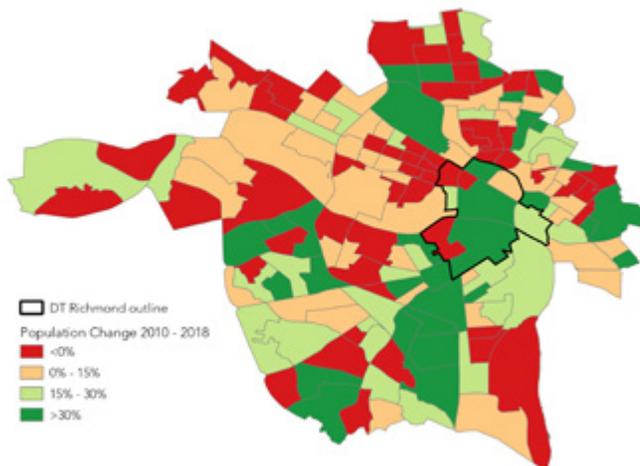
Residential Growth

Residential growth signals a fast-changing and vibrant downtown, one that not only has a working population in the daytime but also activities and people around throughout the day. Downtown has helped drive citywide population growth in Richmond, with population increasing by at least 15% in most sub-areas, a marked contrast to the decline just west of the study area. Downtown has experienced strong overall population growth of 18% since 2010, surpassing the 10% citywide rate and the 7% regional rate.

Over the same period, the number of residential units downtown has skyrocketed, increasing by 71%. City and regional inventory also increased, but downtown development largely drove those figures. Downtown currently has 1,924 units under construction, for a total of 3,079 in the pipeline. Downtown accounts for more than 60% of all the city's new residential construction, and almost half of the units in the pipeline for the city are downtown.



Population Change in Richmond, 2010 to 2018



Source: IDA Analysis of U.S. Decennial Census (2010) and American Community Survey 5-Year Estimates (2014–2018). The map to the right zooms in on the block groups within downtown Richmond. The legend applies to both maps.

Retail Vitality

Typically, a downtown’s retail environment acts as the heart of the community and a key reason for residents, workers, and visitors to come downtown. A destination for retail, restaurants and bars, downtown Richmond generates \$526 million in annual sales and accounts for 23% of total retail sales citywide. Non-downtown residents account for an estimated 55% of that economic activity.

Downtown has one fourth of the city’s retail businesses and one-third of restaurants and bars. Downtown has more than three million square feet of retail and a relatively low vacancy rate of 5.3%. Nevertheless, the vacancy rate remains slightly higher than the rate for the city and region, despite the fact that downtown’s rent is lower than the region. Although restaurants have prospered downtown, retail stores have a weaker presence. The smaller number of stores means lower retail density that would attract potential shoppers, who also have easy access more retail options elsewhere in the city and in neighboring counties.

Nevertheless, restaurants, bars, and breweries function as major attractors for downtown. This segment generates about \$221 million in sales annually. The fact that non-residents account for 89% of these sales suggests that restaurants and bars represent a key reason people visit downtown.

Hotels serve as a central component of downtown vibrancy

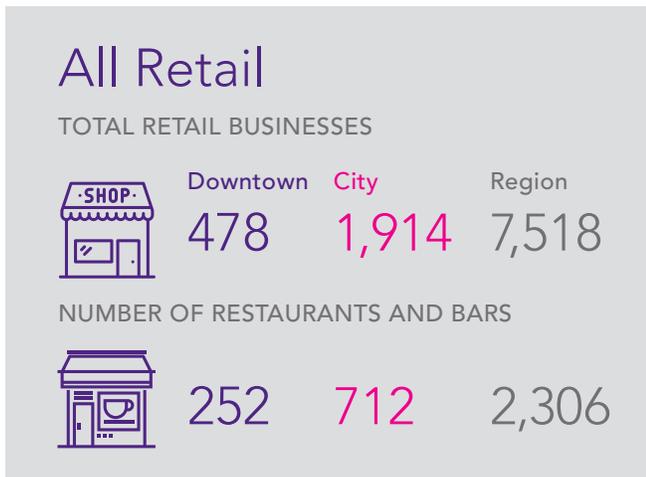


Source: ESRI Business Analyst (2018)

Retail Real Estate

	Downtown	City	Region
SQUARE FEET OF RETAIL	4.3M	16M	70.5M
AVERAGE RETAIL VACANCY RATE	5.3%	3.9%	4.1%
RENT PER SQUARE FOOT	\$17.5	\$16.3	\$18.6
INVENTORY PER SQUARE MILE	1.3M	0.3M	.03M

Source: CoStar (2019)



Source: ESRI Business Analyst (2018)

because they support people visiting Richmond for business or pleasure. Downtown has 16 hotels with nearly 2,600 rooms, making up about 70% of the city's stock of hotel rooms. With such a high proportion of citywide supply, downtown functions as the clear destination for business visitors and tourists. However, a 66% occupancy rate points to room for improvement in attracting more visitors.

Downtown and its many districts typically create a lively atmosphere, with more than 40 venues offering live entertainment, including 17 theatres. Venture Richmond hosts multiple musical events throughout the year, including the Richmond Folk Festival, Friday Cheers, and a summer concert series on the riverfront. The Dominion Energy Riverrock is the nation's largest outdoor sports and music festival, and the 2nd Street Festival, which celebrates the historic Jackson Ward neighborhood, also features music, along with food vendors, a marketplace, and family-friendly activities.

In addition, multiple other major festivals help animate downtown, many focusing on the local food scene or celebrating local cultures and an active lifestyle. The largest include Broad Appetit, Richmond Marathon, Pridefest, Que Pasa, the VA Wine Expo, Richmond Christmas Parade and the Grand Illumination. In a typical year, these events bring together residents and regional visitors alike in downtown.



Hotels

	DOWNTOWN	CITY	REGION
HOTELS	16	26	157
HOTEL ROOMS	2,581	3,671	17,603
AVG OCCUPANCY	66%	64%	64%

Source: Richmond Region Tourism (2019)

Downtown Events



38

VENUES WITH LIVE ENTERTAINMENT

16

GYMS AND FITNESS STUDIOS

14

THEATRES

17

TOTAL ANNUAL FESTIVALS/PARADES
1K+ ATTENDEES

56

CONVENTIONS

165K

CONVENTION ATTENDEES

Source: Richmond Region Tourism (2019); Venture Richmond counts

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 represent one of the oldest neighborhoods citywide, they offer rare insights into their city’s past, present, and future.”⁵ 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

Downtown anchors a growing historic, cultural, and outdoors-focused city. Its eight districts reflect the changes that mark the city’s history, from historic Jackson Ward to new mixed-use areas that have developed from industrial uses, like Shockoe Bottom and Manchester. Downtown contains 661 locally-designated historic structures, 14% of all historic structures in Richmond, and 31 historic districts. Virginia Historic Tax Credits have been used for 1,635 buildings and residences in the city and 560, or 34%, of these buildings were downtown. The area retains much of its historic character thanks to these credits and others and a remarkable wave of residential conversions that have both preserved downtown’s distinctive character and propelled the significant residential growth of the past two decades. New construction has also played a critical role in the growth and creates a unique sense of place with the juxtaposition of old and new architecture.

A strong interrelationship with Virginia Commonwealth University and its health system also marks downtown. The presence of more than 30,000 postsecondary students brings a youthful energy and vibe downtown. In addition to its role as a major employer, VCU has helped develop downtown’s creative ecosystem with its strong arts program. In addition to its 15 museums, downtown has built a reputation as a center for creativity, particularly with the RVA Creates open-source branding initiative. A collaborative effort among Venture Richmond, the City, universities, businesses and more than 100 other stakeholders, RVA Creates works to create a stronger, unified identity for the city. The RVA logo appears across many local businesses and events throughout the city.

The James River represents a powerful asset. Kayakers revel in the Class 3 and 4 whitewater rapids that course through the heart of downtown. The Richmond Canal Walk follows the river along a 1.25-mile route that highlights the city’s history and street art, and Riverfront Canal Cruises offer another popular way to enjoy the river.

Social Media



INSTAGRAM POSTS WITH HASHTAG #RVA

4.5 Million

TWITTER FOLLOWERS FOR
@VENTURERICHMOND

34,300

FACEBOOK FOLLOWERS FOR
VENTURE RICHMOND

10,825

Source: Data collected on October 22, 2020



Richmond's rich food scene is a core part of its identity. A number of festivals highlight the richness of Richmond's diverse food scene, and these, along with thriving restaurants, have brought national attention to Richmond. For instance, *Bon Appétit* called Richmond "America's Next Great Restaurant-Obsessed Town" in 2019. WalletHub ranked Richmond among the Top 25 Foodie Cities in 2019. Even during the pandemic, new restaurants such as fine-dining destination Lillie Pearl have opened, and Richmond Restaurant Week has the largest number of participating restaurants ever.

All of these elements have recently raised Richmond's profile as a destination; *The New York Times* named it one of "52 Places to Go in 2020," calling the city a "dynamic cultural center on the cutting edge of the arts, food and recreation."⁶ One of the restaurants cited as an exciting food destination, Parterre, sits in the heart of downtown. The article also highlights new developments in Scott's Addition, a neighborhood northwest of downtown that has undergone revitalization in recent years and emerged as something of a competitor to downtown as a center of restaurants and other nightlife. Nevertheless, downtown remains the economic and cultural center of a creative city.

Downtown Destinations



661

HISTORIC
DISTRICTS



15

MUSEUMS



168

PUBLIC ART
INSTALLATIONS



25

PARKS AND
NATURAL
AREAS

Source: Richmond Public Arts Department, Richmond Parks and Recreation Department (2019)

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 shown their ability to bounce back quickly from economic downturns. Social resilience means that residents have good access to necessary healthcare services and 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 during the pandemic. Each of these elements illustrates how downtown contributes to the holistic resilience of the community and city at-large.

Economic Resilience

As described in the Economy section, downtown's primary sectors include educational services, health care and social assistance, public administration, and knowledge workers. This mix of industries positions downtown well to weather adverse economic events, including the COVID-19 pandemic. During the Great Recession, both downtown and the city lost employment, but downtown bounced back more quickly, growing 11% between 2009 and 2010, while city

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

jobs did not increase. We expect to see a similar recovery following the pandemic, led by downtown job growth. In addition, downtown residents have a higher educational attainment rate, which better equips them to adapt to changing economic conditions.

Social Resilience

Downtowns act as hubs for social resilience. Their dense nature means that a diverse mix of residents and employees have access to a multitude of community resources in a small area. With 25 parks and natural areas, two libraries, and two recreation and community centers, downtown Richmond equips residents, employees and visitors to meet, learn, and participate in civic life in multiple places.

A healthy population represents a central element of social resilience, especially in a public health crisis. Downtown residents on average attain better health measurements than city residents. At 78 years old, their average life expectancy comes close to the national average of 78.9 and surpasses the citywide average of 75. One explanation for this performance could lie with a higher rate of physical activity reported by downtown residents, compared to their counterparts citywide, and a higher rate of health insurance coverage.

Downtown Community Resources



2

LIBRARIES



2

RECREATION AND
COMMUNITY
CENTERS

31

RELIGIOUS
INSTITUTIONS

25

PARKS AND
NATURAL AREAS

2

POSTSECONDARY
INSTITUTIONS

4

PRIMARY AND
SECONDARY
SCHOOLS

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

About 30% of downtown residents live in poverty, more than the citywide proportion, at least partially as a result of higher unemployment downtown. However, a 2017 Census report classifies approximately 5.7% of Richmond residents as college students living off campus. These residents may report incomes below the poverty line, but they don't necessarily live in poverty, given that they likely receive financial support from family and, even with part-time employment, devote most of their time to school.

As more work, schooling, entertainment, and other daily activities move online—a shift accelerated by the public-health response to COVID-19—access to a suitable computer, phone, or tablet and to reliable internet service has grown increasingly crucial. While nearly all residents downtown report having a home computer, only 83% report access to a broadband internet subscription, a rate lower than the citywide average of 87%. This may create a barrier to economic opportunities for adults and children in these households.

Environmental Resilience

Downtown households typically emit fewer greenhouse gases than households across the city and region, and Richmond proves no exception to that pattern. On average, downtown residents emit 25% fewer emissions than city residents. One key reason lies in a greater range of mobility options downtown. 35% of downtown residents use a sustainable mode of transportation (not driving alone) to travel to and from work, compared to 26% of citywide residents and 14% of regional residents.

Since 2010, the relative proportions of residents choosing different forms of transportation for their commutes has remained stable across downtown, the city, and the region. 65% of downtown residents drove to and from work alone, and the only notable change came as a 2% shift of commuters from transit to walking. Looking at absolute numbers, as the number of downtown residents increased from 2010 to 2017, the numbers of both drivers and walkers increased. Other modes of transportation, including public transit, remained at roughly the same levels each year between 2010 and

Access to Economic Opportunity

	Downtown	City
RESIDENTS IN POVERTY	30.5%	25%
RESIDENTS UNEMPLOYED	8.3%	7.6%
HOUSEHOLDS WITH A HOME COMPUTER	95%	89%
HOUSEHOLDS WITH BROADBAND	83%	87%

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



Health

	DOWNTOWN	CITY
AVERAGE LIFE EXPECTANCY	78	75
NO LEISURE-TIME PHYSICAL ACTIVITY	22%	28%
WITHOUT HEALTH INSURANCE COVERAGE	10%	13.4%

Source: CDC (2017)

Environmental Resilience



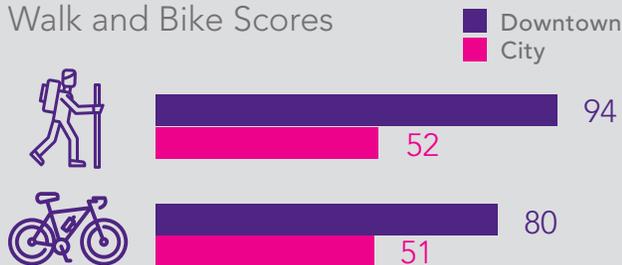
	DOWNTOWN	CITY	REGION
LEED BUILDINGS	-	9	10
ELECTRIC CAR CHARGING POINTS	6	12	73
ACRES OF OPEN SPACE	12	2.8K	-
ANNUAL GHG EMISSIONS PER HOUSEHOLD	4.72	6.37	10.0

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

2017. Downtown has an extremely high Walk Score, marking it as one of Richmond’s most walkable neighborhoods. It also ear relatively strong—and better than the city—Bike Score. Richmond has completed about 32 miles of bike lanes citywide, and recreational bikers enjoy the Virginia Capital Trail, which runs 52 miles from downtown to Jamestown, VA.

A Transit Score was unavailable for the Richmond, but the GRTC Pulse—a 7.6-mile bus rapid transit line that opened in 2018 and connects to Henrico County—posted strong ridership figures in 2019, averaging more than 37,000 riders per week. Continuing to strengthen pedestrian, bike, and bus networks from downtown to the rest of the city and beyond will help the region become less car-oriented.

Walk and Bike Scores



Source: Walk Score (2019)

Downtown Commuting Patterns

	Downtown	City	Region
BIKE			
BIKE	5%	2%	1%
TRANSIT			
TRANSIT	7%	6%	2%
CARPOOL			
CARPOOL	4%	10%	9%
WALK			
WALK	18%	5%	2%
DRIVE ALONE			
DRIVE ALONE	65%	74%	86%

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

New Mobility Options

	Downtown	City	Region
BIKE SHARE STATIONS	11	17	17
TOTAL DOCKED BIKES	139	170	170
TOTAL TRANSIT STOPS	170	1,226	1,608

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

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 53% 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. Downtowns 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 Richmond compares to its peers in the growing tier and to the citywide averages for the tier. For the full set of cities by tier, accompanying data points, and methodology, please refer to *The Value of U.S. Downtowns and Center Cities* compendium.*

Richmond ranks as an "established" downtown. These districts have high citywide significance in terms of jobs and population (they average 9% of the city's population and 40% of jobs) and have high density. Most established districts continue to grow in both population and jobs, although more slowly than districts in the growing tier. They also tend to cover a larger proportion of citywide land area.

Like its established peers, downtown Richmond hosts a large proportion of the city's population, more than 9%. It has experienced outstanding residential growth since 2000, more than doubling its population during this period.

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

Established Downtowns

ANN ARBOR
BALTIMORE
FORT LAUDERDALE
MIAMI

MINNEAPOLIS
PITTSBURGH
RICHMOND
SAN FRANCISCO

SANTA MONICA
SEATTLE
WAIKIKI

	DOWNTOWN RICHMOND	ESTABLISHED DOWNTOWNS
CITYWIDE POPULATION	9.2%	9%
18-TO-34-YEAR-OLDS LIVING CITYWIDE	18.7%	13%
CITYWIDE LAND AREA	5.3%	5.2%
AVG ASSESSED VALUE	\$9.8B	\$15.4B

RESIDENTS



GROWTH
AVG. 2000 – 2018

DENSITY
RESIDENTS / ACRE

MEDIAN INCOME
HOUSEHOLD

DIVERSITY INDEX

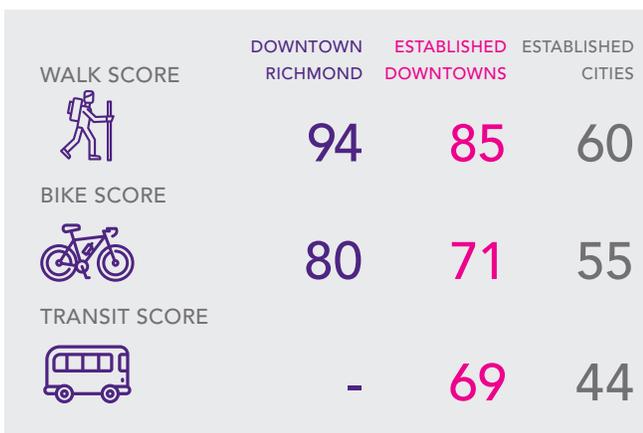
	DOWNTOWN RICHMOND	ESTABLISHED DOWNTOWNS
GROWTH	110%	35%
DENSITY	10	25
MEDIAN INCOME	\$39K	\$59K
DIVERSITY INDEX	63.9	63.1



EMPLOYMENT

	DOWNTOWN RICHMOND	ESTABLISHED DOWNTOWNS
GROWTH IN DOWNTOWN EMPLOYMENT (2002 – 2017)*	10%	17%
CITYWIDE JOBS	53%	40%
CITYWIDE KNOWLEDGE JOBS	63%	41%
CITYWIDE CREATIVE JOBS	43%	41%
RESIDENTS WITH A BACHELOR'S DEGREE OR HIGHER	57%	57%

*Excludes Ann Arbor, a job-growth outlier



Fueled by the Virginia Rehabilitation Tax Credit and the City Tax Abatement Program, this residential and commercial growth propelled Richmond into the established downtown tier. Despite this growth, however, residential density should continue to increase to match other established downtowns and bring additional vibrancy and activity. The Pulse Corridor Plan and the Richmond 300 Master Plan identified the opportunity for higher density in downtown and other areas of the city.

Downtown Richmond has a strong economy, with more than half of citywide jobs, well above the average for established downtowns. It also contains a higher-than-average percentage of citywide knowledge and creative jobs. A slower-than-average rate of jobs growth raises a note of caution, but this seems likely to reflect the fact that downtown already holds such a large proportion of jobs. The size of this base means that any growth except for the most dramatic will translate into a modest rate of increase.

In terms of retail and hotels, Richmond lags behind some of its established peers. Retail sales per square mile—\$164 million compared to the tier average of \$768 million—ranks lowest among the study’s established downtowns. As the discussion of retail vibrancy notes, a lower density of residents and workers constrains Richmond’s retail scene. The counts of hotels and hotel rooms exceeds those for some of the smaller established downtowns, such as Ann Arbor, Santa Monica, and Fort Lauderdale, but it suggests Richmond could perform better to match the offerings found in other large established downtowns.

Finally, Richmond falls short on sustainable transportation. Despite a high Walk Score and a relatively high Bike Score—both exceed the tier average—only 35% of downtown residents commute regularly using a sustainable form of transportation (that is, something other than driving alone). The lack of a Transit Score also highlights the fact that Richmond sits in a car-oriented region. Improving transportation options for residents, workers, and visitors alike will strengthen downtown’s environmental performance and further cement its position as a well-established anchor for the entire region.



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



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.



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—I 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 open 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.

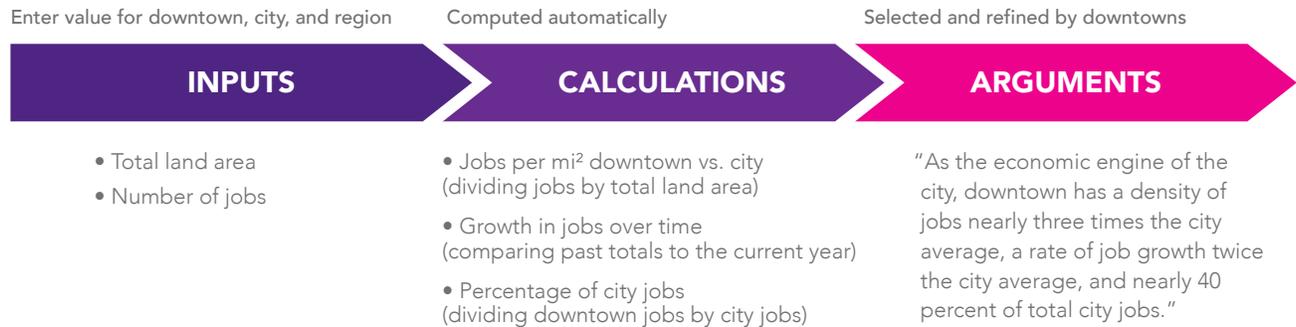
CALCULATIONS AND ANALYSIS

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.





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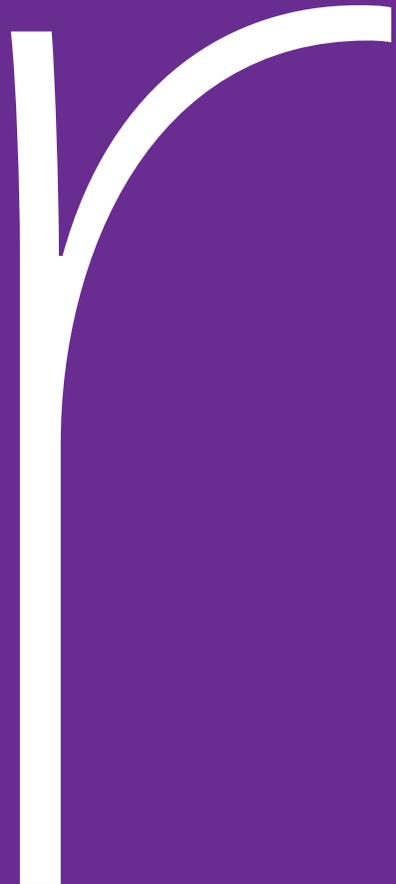
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