Appendices

# A1 a Market Analysis: **Housing**

**Project Downtown:**
The Master Plan for Wichita

# RESIDENTIAL MARKET POTENTIAL

## Downtown Wichita

in

The City of Wichita, Sedgwick County, Kansas

January, 2010

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Research & Strategic Analysis

# RESIDENTIAL MARKET POTENTIAL

## Downtown Wichita

*City of Wichita, Sedgwick County, Kansas*

January, 2010

## INTRODUCTION

This study identifies the depth and breadth of the market for new market-rate dwelling units, both new construction as well as adaptive re-use of existing buildings, that could be developed over the next several years within Downtown Wichita, Kansas. For purposes of this study, the Downtown Wichita Study Area covers the general area bounded by Murdock Street in the north, Washington Street in the east, Interstate 54 in the south, and Sycamore Street in the west. The Study Area encompasses several districts—Government Center, Renaissance Square, Old Town, the Arena Neighborhood, WaterWalk, Century II, and the West Bank—and includes portions of several others—Historic Midtown, McAdams, Central Northeast, the Douglas Design District, South Central, and Delano.

The extent and characteristics of the potential market have been determined using Zimmerman/Volk Associates' proprietary target market methodology. In contrast to conventional supply/demand analysis—which is based on supply-side dynamics and baseline demographic projections—target market analysis establishes the optimum market position for new housing derived from the housing preferences and socio-economic characteristics of households in the draw areas within the framework of the local housing market context.

The target market methodology is particularly effective in defining housing potential because it encompasses not only basic demographic characteristics, such as income qualification and age, but also less-frequently analyzed attributes such as mobility rates, lifestyle patterns and household compatibility issues.

In brief, using the target market methodology, Zimmerman/Volk Associates determined:

- Where the potential renters and buyers for new market-rate housing units in the Downtown Wichita Study Area are likely to move from (the draw areas);
- How many have the potential to move to the Downtown if appropriate housing units were to be made available (depth and breadth of the market);
- What their housing preferences are in aggregate (rental or ownership, multi-family or single-family);
- Who currently lives in the draw areas and what they are like (the target markets);
- What their alternatives are (other relevant housing in Downtown Wichita);
- What they will pay to live in the Downtown Wichita Study Area (market-rate rents and prices); and
- How quickly they will rent or purchase the new units (absorption forecasts).

The current constrained market—characterized throughout most of the United States by significantly reduced housing values; high levels of unsold units, both builder inventory units as well as foreclosed and/or abandoned houses; and high levels of mortgage delinquencies by speculators and investors as well as homeowners—has resulted in very restrictive development financing and mortgage underwriting, taking a significant percentage of potential homebuyers out of the market and preventing numerous for-sale developments from going forward. Nationally, financing has also been challenging for rental developers, with the result that only a few new residential projects, regardless of tenure, are moving forward.

These market constraints do not reduce the size of the potential market; however, depending on the timing of market entry, they could reduce the initial percentage of the potential market able to overcome those constraints.

NOTE: Tables 1 through 5 outline the depth and breadth, and composition of the potential market for new rental and for-sale housing units located within the Downtown Wichita Study Area. Tables 6 and 7 summarize selected benchmark supply-side data. Table 8 describes the optimum market position, at market-entry, for new rental and for-sale housing units that could be constructed within the Study Area. The Appendix Tables contain migration and target market data covering the appropriate draw areas for the City of Wichita and for the Downtown Study Area.

## MARKET POTENTIAL

The depth and breadth of the potential market for new market-rate dwelling units that could be constructed within the Downtown Wichita Study Area have been derived from the housing preferences and financial capacities of the draw area target households, identified through Zimmerman/Volk Associates' proprietary target market methodology and extensive experience with urban development and redevelopment.

### *Where will the potential market for housing in the Downtown Wichita Study Area move from?*

As derived from migration analysis—based on the most recent taxpayer records from the Internal Revenue Service—the principal draw areas for new housing units within the Downtown Study Area include the City of Wichita, the balance of Sedgwick County, and the adjacent counties of Butler, Sumner, Reno, and Harvey. The Cities of Oklahoma City and Tulsa, Oklahoma, Kansas City, Missouri, and Los Angeles, California are relevant secondary draw areas. This analysis also factors in the market potential due to long- and short-term employment created by aircraft companies located in the city, as well as from households currently living in all other counties represented in Sedgwick County migration.

***How many households are likely to move within or to Downtown Wichita each year, and what are their housing preferences?***

As determined by the target market methodology, which accounts for household mobility within Wichita and Sedgwick County, as well as migration and mobility patterns of households currently living in all other cities and counties, just over 2,500 younger singles and couples, empty nesters and retirees, and traditional and non-traditional families currently living in the draw areas comprise the annual potential market for new housing units located within the Downtown Study Area. Based on the tenure (renter/buyer) and lifestyle preferences of the draw area households that represent the potential market for the Study Area, and excluding those households with preferences for single-family detached units, the annual potential market for new dwelling units within the Study Area would be as follows (*see also* Table 1):

**Annual Potential Market for New Housing Units**
**DOWNTOWN WICHITA**
***City of Wichita, Sedgwick County, Kansas***

| HOUSING TYPE | NUMBER OF HOUSEHOLDS | PERCENT OF TOTAL |
|---|---|---|
| Multi-family for-rent | 1,270 | 50.6% |
| Multi-family for-sale | 870 | 34.7% |
| Single-family attached for-sale | 370 | 14.7% |
| Total | 2,510 | 100.0% |

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

## —TARGET RESIDENTIAL MIX—

For purposes of this analysis, the target residential mix and optimum market position for the Downtown Study Area have been established for a total of 1,000 units, the number of units that could potentially be absorbed within the Study Area over a five- to seven-year time frame (*see* **Absorption Forecasts** pp. 23-4). Although 1,000 units should be the objective, it is likely that the actual unit yield will be a different number, due to the availability of land and/or buildings suitable for conversion to residential, the feasibility of both residential and non-residential uses, and the master planning process.

As derived from market preferences, the target residential mix of 1,000 units would be as follows:

**Target Residential Mix—1,000 Units**
DOWNTOWN WICHITA
*City of Wichita, Sedgwick County, Kansas*

| HOUSING TYPE | PERCENT OF TOTAL | NUMBER OF UNITS |
|---|---|---|
| Multi-family for-rent | 50.6% | 506 |
| Multi-family for-sale | 34.7% | 347 |
| Single-family attached for-sale | 14.7% | 147 |
| Total | 100.0% | 1,000 |

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

As the Study Area is planned and actual unit yield determined, the appropriate proportions of housing types should be maintained as closely as possible.

Table 1

## Potential Housing Market

Derived From The New Unit Rental And Purchase Propensities Of Draw Area Households
With The Potential To Move To The Study Area In 2010

## *Downtown Wichita*

*City of Wichita, Sedgwick County, Kansas*

*City of Wichita; Balance of Sedgwick County;*
*Butler, Sumner, Reno and Harvey Counties, Kansas;*
*Oklahoma City and Tulsa, Oklahoma; Los Angeles, California; Jackson, Missouri*
*Draw Areas*

| | |
|---|---|
| Total Target Market Households With Potential To Rent/Purchase In City of Wichita, Sedgwick County, Kansas | 17,120 |
| Total Target Market Households With Potential To Rent/Purchase In Downtown Wichita | 2,510 |

### Potential Housing Market

| | *Multi-Family* | | *Single-Family* | | | | |
|---|---|---|---|---|---|---|---|
| | | | *Attached* | *Detached* | | | |
| | *For-Rent* | *For-Sale* | *All Ranges* | *Low-Range* | *Mid-Range* | *High-Range* | Total |
| Total Households: | 1,270 | 870 | 370 | 420 | 430 | 330 | 3,690 |
| *{Mix Distribution}:* | 34.4% | 23.6% | 10.0% | 11.4% | 11.7% | 8.9% | 100.0% |

### Target Residential Mix
**(Excluding Single-Family Detached)**

| | *Multi-Family* | | *Single-Family* | |
|---|---|---|---|---|
| | | | *Attached* | |
| | *For-Rent* | *For-Sale* | *All Ranges* | Total |
| Total Households: | 1,270 | 870 | 370 | 2,510 |
| *{Mix Distribution}:* | 50.6% | 34.7% | 14.7% | 100.0% |

NOTE: Reference Appendix One, Tables 1 Through 12.

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

## TARGET MARKETS

The re-urbanization of America is the result of significant changes in American households, the increasing cost of commuting by car, and the profound impact of the Great Recession—which began in 2007—on both households and home-builders, particularly in the exurbs. The transformation of American households (particularly shrinking household size and the predominance of one- and two-person households) over the past decade is the consequence of the convergence of the two largest generations in the history of America: the 82 million Baby Boomers born between 1946 and 1964, and the 78 million Millennials, who were born from 1977 to 1996. Combined with steadily increasing traffic congestion and fluctuating gasoline prices, this convergence has resulted in important changes in neighborhood and housing preferences, with major shifts from predominantly single-family detached houses in lower-density suburbs to higher-density apartments, townhouses, and detached houses in urban and mixed-use neighborhoods.

In addition to their shared preference for urban living, the Boomers and Millennials are changing housing markets in multiple ways. In contrast to the traditional family (married couples with children) that comprised the typical post-war American household, Boomers and Millennials are predominantly singles and couples. As a result, the 21st Century home-buying market now contains more than 63 percent one- and two-person households, and the 37 percent of the homebuyers that could be categorized as family households are equally likely to be non-traditional families (single parents or unrelated couples of the same sex with one or more children, adults caring for younger siblings, to grandparents with custody of grandchildren).

### *Who currently lives in the draw areas and what are they like?*

Mirroring national trends, the potential market for new market-rate housing units located within the Downtown Study Area is predominantly younger singles and couples, followed by empty nesters and retirees, and only a few families (primarily townhouse buyers). The target groups for the Downtown Study Area can be characterized by housing preference as follows (*see also* Tables 2 *through* 5):

**Target Residential Mix**
**By Household and Unit Types**
**DOWNTOWN WICHITA**
***City of Wichita, Sedgwick County, Kansas***

| HOUSEHOLD TYPE | PERCENT OF TOTAL | RENTAL MULTI-FAM. | FOR-SALE MULTI-FAM. | FOR-SALE SF ATT. |
|---|---|---|---|---|
| Empty-Nesters & Retirees | 20% | 13% | 29% | 22% |
| Traditional & Non-Traditional Families | 9% | 7% | 3% | 30% |
| Younger Singles & Couples | 71% | 80% | 68% | 48% |
| Total | 100% | 100% | 100% | 100% |

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

Younger singles and couples comprise 71 percent of the market for new dwelling units within the Downtown Study Area. This generation—the Millennials—is the first to have been largely raised in the post-'70s world of the cul-de-sac as neighborhood, the mall as village center, and the driver's license as a necessity of life. In far greater numbers than predecessor generations, Millennials are moving to downtown and urban neighborhoods. The target groups in this segment typically choose to live in neighborhoods that contain a diverse mix of people, housing types, and uses. For the most part, younger households tend to be "risk-tolerant," and will move into areas or neighborhoods that would not be considered acceptable for most families or older couples.

This younger market includes a variety of young professionals—*Fast-Track Professionals*, the *VIPs* and *Upscale Suburban Couples*; young entrepreneurs, artists, and "knowledge workers"—the *Entrepreneurs*, *e-Types*, *New Bohemians*, *Twentysomethings*; as well as office workers, undergraduates and graduate students, and other higher-education affiliates—*No-Nest Suburbanites*, *Small-City Singles*, and *Suburban Achievers*.

Depending on housing type, younger singles and couples represent between 48 percent (single-family attached units) and 80 percent (rental units) of the market for new housing located within the Downtown Study Area. Approximately three-quarters of the younger households would be moving to Downtown from elsewhere in Wichita, five percent would be moving to the Study

Area from elsewhere in Sedgwick County, another three percent would be moving from the regional and secondary draw areas, and the remaining 18 percent would be moving to Downtown from elsewhere in the U.S.

Empty nesters and retirees (older singles and couples) represent another 20 percent of the potential market for new dwelling units within the Downtown Study Area. These households—for the most part, the Baby Boom generation— have been moving from the full-nest to the empty-nest life stage at an accelerating pace that will peak sometime in the next decade and continue beyond 2020. Since the first Boomer turned 50 in 1996, empty-nesters have had a substantial impact on urban housing. After fueling the diffusion of the population into ever-lower-density exurbs for nearly three decades, Boomers, particularly affluent Boomers, are rediscovering the merits and pleasures of urban living.

A significant number of households in this market segment no longer have children living at home; another large percentage are retirees, with incomes from pensions, savings and investments, and social security. These households—*Old Money*, *Urban Establishment*, *Small-Town Establishment, Cosmopolitan Elite, New Empty Nesters, Affluent Empty Nesters, Suburban Establishment,* and *Cosmopolitan Couples*—would be attracted to appropriately-designed "move-down" housing within walking distance of restaurants and shops. Just over a third of these households are currently living in Wichita, 30 percent would be moving from elsewhere in Sedgwick County, 10 percent from the regional and secondary draw areas, and the remaining 26 percent from elsewhere in the U.S.

Family-oriented households (traditional and non-traditional families) make up the smallest market (just nine percent) for new units within the Downtown Study Area. In the 1980s, when the majority of the Baby Boomers were in the full-nest lifestage, the "traditional family household" (married couple with one or more children) comprised more than 45 percent of all American households. That market segment has now fallen to less than 22 percent of all American households (approximately 25 percent in Wichita), and the subset of the one wage-earner traditional family has fallen to less than 10 percent of all American households. In addition to

reflecting the aging of the Baby Boomers into the empty-nest lifestage, this significant transformation also demonstrates the increasing diversity of households with children.

The non-traditional families in this segment, notably single or divorced parents with one or two children, are found in *Full-Nest Urbanites* and *Multi-Cultural Families*. Non-traditional families, which during the 1990s became an increasingly larger proportion of all U.S. households, encompass a wide range of family households, from a single parent with one or more children, an adult with younger siblings, a grandparent with children and grandchildren, to an unrelated, same-sex couple with children. The traditional family market—married couples with children—are found in *Unibox Transferees*.

Depending on housing type, the family market segment represents between three (multi-family for-sale units) and 30 percent (single-family attached units) of the market for new units located within the Study Area. Approximately a quarter would be moving from one unit to another within the city, less than five percent would be moving from elsewhere in Sedgwick County, and the remaining 68 percent would be moving from the secondary draw area and from elsewhere in the U.S.

Table 2

## Target Residential Mix By Household Type

Derived From The New Unit Rental And Purchase Propensities Of Draw Area Households
With The Potential To Move To The Study Area In 2010

## *Downtown Wichita*

*City of Wichita, Sedgwick County, Kansas*

| | | *Multi-* ..... *Family* ..... | | *Single-* .. *Family* .. .. *Attached* .. |
|---|---|---|---|---|
| | Total | *For-Rent* | *For-Sale* | *All Ranges* |
| Number of Households: | 2,510 | 1,270 | 870 | 370 |
| **Empty Nesters & Retirees** | 20% | 13% | 29% | 22% |
| **Traditional & Non-Traditional Families** | 9% | 7% | 3% | 30% |
| **Younger Singles & Couples** | 71% | 80% | 68% | 48% |
| | 100% | 100% | 100% | 100% |

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Table 3

## Target Groups For New Multi-Family For-Rent
## *Downtown Wichita*
*City of Wichita, Sedgwick County, Kansas*

| **Empty Nesters & Retirees** | *Number of Households* | *Share of Households* |
|---|---|---|
| Urban Establishment | 20 | 1.6% |
| Small-Town Establishment | 20 | 1.6% |
| Cosmopolitan Elite | 40 | 3.1% |
| New Empty Nesters | 70 | 5.5% |
| Affluent Empty Nesters | 10 | 0.8% |
| Suburban Establishment | 10 | 0.8% |
| Subtotal: | 170 | 13.4% |
| **Traditional & Non-Traditional Families** | | |
| Unibox Transferees | 40 | 3.1% |
| Full-Nest Urbanites | 20 | 1.6% |
| Multi-Cultural Families | 20 | 1.6% |
| Subtotal: | 80 | 6.3% |
| **Younger Singles & Couples** | | |
| The Entrepreneurs | 10 | 0.8% |
| e-Types | 20 | 1.6% |
| The VIPs | 90 | 7.1% |
| Fast-Track Professionals | 30 | 2.4% |
| Upscale Suburban Couples | 30 | 2.4% |
| New Bohemians | 40 | 3.1% |
| No-Nest Suburbanites | 60 | 4.7% |
| Twentysomethings | 240 | 18.9% |
| Suburban Achievers | 120 | 9.4% |
| Small-City Singles | 380 | 29.9% |
| Subtotal: | 1,020 | 80.3% |
| **Total Households:** | **1,270** | **100.0%** |

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Table 4

## Target Groups For New Multi-Family For-Sale
## *Downtown Wichita*
*City of Wichita, Sedgwick County, Kansas*

| **Empty Nesters & Retirees** | *Number of Households* | *Share of Households* |
|---|---|---|
| Old Money | 30 | 3.4% |
| Urban Establishment | 30 | 3.4% |
| Small-Town Establishment | 20 | 2.3% |
| Cosmopolitan Elite | 70 | 8.0% |
| New Empty Nesters | 60 | 6.9% |
| Affluent Empty Nesters | 20 | 2.3% |
| Suburban Establishment | 10 | 1.1% |
| Cosmopolitan Couples | 10 | 1.1% |
| Subtotal: | 250 | 28.7% |
| **Traditional & Non-Traditional Families** | | |
| Unibox Transferees | 10 | 1.1% |
| Full-Nest Urbanites | 10 | 1.1% |
| Multi-Cultural Families | 10 | 1.1% |
| Subtotal: | 30 | 3.4% |
| **Younger Singles & Couples** | | |
| The Entrepreneurs | 30 | 3.4% |
| e-Types | 10 | 1.1% |
| The VIPs | 90 | 10.3% |
| Fast-Track Professionals | 20 | 2.3% |
| Upscale Suburban Couples | 30 | 3.4% |
| New Bohemians | 20 | 2.3% |
| Twentysomethings | 90 | 10.3% |
| No-Nest Suburbanites | 20 | 2.3% |
| Suburban Achievers | 170 | 19.5% |
| Small-City Singles | 110 | 12.6% |
| Subtotal: | 590 | 67.8% |
| **Total Households:** | **870** | **100.0%** |

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

Table 5

## Target Groups For New Single-Family Attached For-Sale
## *Downtown Wichita*
*City of Wichita, Sedgwick County, Kansas*

| **Empty Nesters & Retirees** | *Number of Households* | *Share of Households* |
|---|---|---|
| Urban Establishment | 10 | 2.7% |
| Small-Town Establishment | 10 | 2.7% |
| Cosmpolitan Elite | 30 | 8.1% |
| New Empty Nesters | 10 | 2.7% |
| Affluent Empty Nesters | 10 | 2.7% |
| Suburban Establishmen t | 10 | 2.7% |
| Subtotal: | 80 | 21.6% |
| **Traditional & Non-Traditional Families** | | |
| Unibox Transferees | 80 | 21.6% |
| Full-Nest Urbanites | 20 | 5.4% |
| Multi-Cultural Families | 10 | 2.7% |
| Subtotal: | 110 | 29.7% |
| **Younger Singles & Couples** | | |
| The Entrepreneurs | 10 | 2.7% |
| The VIPs | 40 | 10.8% |
| Fast-Track Professionals | 20 | 5.4% |
| Upscale Suburban Couples | 10 | 2.7% |
| Twentysomethings | 30 | 8.1% |
| Suburban Achievers | 30 | 8.1% |
| Small-City Singles | 40 | 10.8% |
| Subtotal: | 180 | 48.6% |
| **Total Households:** | **370** | **100.0%** |

SOURCE: Claritas, Inc.;
Zimmerman/Volk Associates, Inc.

## SUPPLY-SIDE DATA

***What residential properties are currently located in the Downtown?***

Information on relevant rental and for-sale, multi-family and attached properties located in the Wichita market area is provided as follows: for rental properties, see Table 6; for new for-sale condominium and townhouse properties, see Table 7.

## Summary Of Selected Rental Properties

*Downtown Wichita, Sedgwick County, Kansas*

**November, 2009**

| *Property (Date Opened)*<br>*Address* | *Number of Units* | *Unit Type* | *Reported Base Rent* | *Reported Unit Size* | *Rent per Sq. Ft.* | *Additional Information* |
|---|---|---|---|---|---|---|
| **Village Park -** | | | | | | |
| **Barclay Square (1974)** | **240** | | | | | **95% occupancy** |
| *550 West Central Avenue* | | 1br/1ba | $480 to $500 | 635 | $0.76 to $0.79 | *Swimming pool, private marina, clubhouse.* |
| | | 2br/1ba | $650 to $670 | 868 | $0.75 to $0.77 | |
| | | 2br/2ba | $600 to $630 | 915 | $0.66 to $0.69 | |
| **Mosely Street Place (1996)** | **24** | | | | | **100% occupancy** |
| *230 North Mosley Street* | | 1br/1ba | $625 to $650 | 750 | $0.83 to $0.87 | *10 percent are income restricted.* |
| | | 2br/2ba | $795 to $825 | 960 | $0.83 to $0.86 | |
| **Harvestor Lofts (2004)** | **48** | | | | | **100% occupancy** |
| *355 North Rock Island* | | 1br/1ba | $625 | 720 to 800 | $0.78 to $0.87 | *Historic building. Fitness center.* |
| mixed-use | | 2br/1.5ba | $925 to $975 | 1,000 | $0.93 to $0.98 | *30 (62.5%) are income restricted.* |
| **250 Douglas Place** | **61** | | | | | **100% occupancy** |
| *250 West Douglas Avenue* | | 1br/1ba | $650 to $725 | 600 to | $1.08 to $1.21 | *Former Holiday Inn. Pool, club roon, fitness center, business center, recreation deck.* |
| | | Penthouse | $990 | 900 | $1.10 | |
| **Innes Station (1998)** | **80** | | | | | **100% occupancy** |
| *701 East First* | | 1br/1ba | $695 to $875 | 720 to 1,300 | $0.67 to $0.97 | *Underground parking.* |
| | | 2br/1ba | $875 | 1,100 | $0.80 | *10 percent are income restricted.* |
| | | 2br/2ba | $1,100 to $1,400 | 1,000 to 1,600 | $0.88 to $1.10 | |

SOURCE: Zimmerman/Volk Associates, Inc.

## Summary Of Selected Rental Properties

*Downtown Wichita, Sedgwick County, Kansas*

**November, 2009**

| *Property (Date Opened)* *Address* | *Number of Units* | *Unit Type* | *Reported Base Rent* | | *Reported Unit Size* | | *Rent per Sq. Ft.* | | *Additional Information* |
|---|---|---|---|---|---|---|---|---|---|
| **The Flats 324 (12/09)** | **68** | | | | | | | | **Pre-leasing** |
| *324 North Emporia* | | 1br/1ba | $700 | to | 530 | to | $0.93 | to | *Adaptive reuse.* |
| | | | $1,100 | | 1,180 | | $1.32 | | *former High School.* |
| | | 2br/2ba | $1,150 | to | 1,177 | to | $0.98 | to | |
| | | | $2,100 | | 1,890 | | $1.11 | | |
| **Finn Lofts (04/10)** | **25** | | | | | | | | **Pre-leasing** |
| *430 South Commerce* | | Studios | $750 | to | 560 | to | $1.31 | to | |
| | | | $800 | | 610 | | $1.34 | | |
| | | 1br/1ba | $900 | to | 710 | to | $1.10 | to | |
| | | | $1,100 | | 1,000 | | $1.27 | | |
| | | 2br/1.5ba | $1,350 | to | 1,000 | to | $1.26 | to | |
| | | | $1,500 | | 1,188 | | $1.35 | | |
| **Eaton Place (2001)** | **115** | | | | | | | | **97% occupancy** |
| *517 East Douglas Avenue* | | Lofts | $865 | to | 764 | to | $0.88 | to | *Historic building.* |
| | | | $1,100 | | 1,254 | | $1.13 | | *Fitness center,* |
| | | 1br/1ba | $750 | to | 537 | to | $1.04 | to | *clubroom.* |
| | | | $980 | | 942 | | $1.40 | | |
| | | 2br/1ba | $850 | to | 888 | to | $0.96 | to | |
| | | | $1,195 | | 1,131 | | $1.06 | | |
| | | 2br/2ba | $995 | to | 995 | to | $0.95 | to | |
| | | | $1,225 | | 1,285 | | $1.00 | | |
| **Lofts at Old Town Square (2002)** | **15** | | | | | | | | **100% occupancy** |
| *331 North Rock Island* | | 1br/1.5ba | $875 | to | 800 | to | $0.92 | to | *Underground parking.* |
| | | | $1,100 | | 1,200 | | $1.09 | | |
| | | 2br/1.5ba | $1,300 | to | 1,000 | to | $1.00 | to | |
| | | | $1,495 | | 1,500 | | $1.30 | | |

SOURCE: Zimmerman/Volk Associates, Inc.

Table 7

## Summary Of Selected For-Sale Multi-Family And Single-Family Attached Developments

*City of Wichita, Sedgwick County, Kansas*

**November, 2009**

| *Development (Date Opened)*<br>Developer/Builder<br>*Address* | *Unit Type* | *Beds/ Baths* | *Unit Price Range* | *Unit Size Range* | *Price Per Sq. Ft.* | *Total Units* | *Total Sales (Monthly Average)* |
|---|---|---|---|---|---|---|---|
| | | | *. . . . Downtown . . . .* | | | | |
| **Water Walk Place (02/08)** | CO | | | | | **46** | **15 (0.8)** |
| Water Walk LLC | | | $199,000 to | 1,108 to | $180 to | | *{plus 2* |
| *515 South Main Street* | | | $770,000 | 5,045 | $695 | | *under contract}* |
| | | 1br/2ba | $365,000 † | 2,005 | $182 | | |
| | | | *. . . . Downtown Resales . . . .* | | | | |
| **Lofts at St. Francis (2005)** | CO | | | | | **27** | **27** |
| Real Development | | 2br/2ba | $219,000 | 983 | $223 | | |
| *201 St. Francis* | | 1br/1.5ba | $269,900 | 1,370 | $197 | | |
| **Rumley Lofts (2005)** | CO | | | | | **18** | **18** |
| David Burk | | 2br/2ba | $315,000 | 2,164 | $146 | | |
| *242 North Mead* | | 1br/2ba | $329,900 | 2,200 | $150 | | |
| | | 2br/2ba | $450,000 | 2,559 | $176 | | |
| | | | *. . . . College Hill . . . .* | | | | |
| **Parkstone at College Hill (2007)** | TH | | | | | **40** | **3 (0.1)** |
| Mike Loveland | | | $399,900 to | 2,627 to | $152 to | | |
| *3241 East Victor Place* | | | $639,900 | 2,747 | $244 | | |

SOURCE: Zimmerman/Volk Associates, Inc.

## DOWNTOWN MARKET-RATE RENT AND PRICE RANGES

From a market perspective, the assets of Downtown Wichita that make it an attractive place to live include:

- Historic buildings: The number of architecturally and historically significant buildings provide a unique identity for the Downtown.

- Employment: Downtown Wichita is a regional employment center and home to a variety of businesses, as well as multiple city and county offices, although a greater concentration of employment would enhance the market potential of Downtown.

- Culture and Entertainment: The Orpheum Theatre and the Century II Performing Arts Center are now joined by the InTrust Bank Arena, providing another Downtown venue for concerts, cultural activities, and sports events. Wichita is home to the Music Theatre of Wichita, the Wichita Grand Opera, and Wichita Symphony Orchestra, as well as one of the few Downtown movie theaters, the Old Town Warren. Several museums are located in or adjacent to Downtown: the Wichita Art Museum, the Wichita Sedgwick County Historical Museum, the Museum of World Treasures, among others. The Lawrence-Dumont Stadium, just across the river from Downtown,is home to the Wingnuts, a baseball team in the the North Division of the American Association of Independent Professional Baseball.

- Shopping and Dining: A variety of restaurants and stores are located in and around Old Town and Delano, as well as scattered throughout the Downtown.

- Walkability: Downtown is compact enough to walk from one end to the other, although, due to the number of open parking lots, the quality of the pedestrian experience needs to be improved significantly.

- Location and Access: Downtown is well positioned in the citywide and regional arterial network, which makes it a convenient and highly accessible area by car.

From a market perspective, the major challenges to new residential development in Downtown Wichita include, in order of importance:

- Neglected or vacant properties: Derelict and vacant properties are a deterrent to potential Downtown residents, as they contribute to the perception that Downtown is a neglected, low-value neighborhood.

- High costs: The high costs of materials, in addition to the typically high cost of adaptive re-use, drive rents and prices beyond the reach of many potential Downtown residents.

- Parking misconceptions: Regardless of the abundance of parking garages and open parking lots, the local perception is that there are few convenient places to park Downtown.

- Non-Automobile Transportation: The dearth of transportation options other than the automobile limits the size of the potential market for new residential development.

### *What is the market currently able to pay?*

*—Rent and Price Ranges—*

Based on the tenure preferences of draw area households and their income and equity levels, the general range of rents and prices for up to 1,000 market-rate residential units that could be sustained by the market over the next five to seven years is as follows (*see also* Table 8):

**Rent, Price and Size Ranges**
**Newly-Created Housing (Adaptive Re-Use and New Construction)**
**DOWNTOWN WICHITA**
***City of Wichita, Sedgwick County, Kansas***

| HOUSING TYPE | RENT/PRICE RANGE | SIZE RANGE | RENT/PRICE PER SQ. FT. |
|---|---|---|---|
| **MULTI-FAMILY RENTAL—** | | | |
| Hard Lofts * | $550–$1,300/month | 450–1,100 sf | $1.18–$1.22 psf |
| Soft Lofts † | $750–$1,500/month | 550–1,200 sf | $1.25–$1.36 psf |
| Upscale Apartments | $1,200–$1,900/month | 800–1,400 sf | $1.36–$1.50 psf |
| **MULTI-FAMILY FOR-SALE—** | | | |
| Hard Lofts * | $150,000–$250,000 | 700–1,250 sf | $200–$214 psf |
| Soft Lofts † | $195,000–$300,000 | 800–1,400 sf | $214–$244 psf |
| Upscale Condominiums | $275,000–$400,000 | 1,000–1,650 sf | $242–$275 psf |
| **SINGLE-FAMILY ATTACHED FOR-SALE—** | | | |
| Townhouses/Rowhouses | $225,000–$350,000 | 1,100–1,800 sf | $194–$205 psf |
| Live-Work Units (500 sf work space) | $325,000–$375,000 | 1,350–1,600 sf | $234–$241 psf |

* Unit interiors of "hard lofts" typically have high ceilings and commercial windows and are either minimally finished, limited to architectural elements such as columns and fin walls, or unfinished, with no interior partitions except those for bathrooms.

† Unit interiors of "soft lofts" may or may not have high ceilings and are fully finished, with the interiors partitioned into separate rooms.

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

Table 8

## Optimum Market Position--Market-Rate Dwelling Units
## *Downtown Wichita*

*City of Wichita, Sedgwick County, Kansas*

**January, 2010**

| *Housing Type* | *Base Rent/Price Range** | | *Base Unit Size Range* | | *Base Rent/Price Per Sq. Ft.** | | *Annual Market Capture* |
|---|---|---|---|---|---|---|---|
| **Multi-Family For-Rent** | | | | | | | **134 units** |
| Hard Lofts | $550 | to | 450 | to | $1.18 | to | |
| *Open Floorplans/1ba* | $1,300 | | 1,100 | | $1.22 | | |
| Soft Lofts | $750 | to | 550 | to | $1.25 | to | |
| *Studios to Two-Bedrooms* | $1,500 | | 1,200 | | $1.36 | | |
| Upscale Apartments | $1,200 | to | 800 | to | $1.36 | to | |
| *One- to Three-Bedrooms* | $1,900 | | 1,400 | | $1.50 | | |
| **Multi-Family For-Sale** | | | | | | | **48 units** |
| Hard Lofts | $150,000 | to | 700 | to | $200 | to | |
| *Open Floorplans/1ba* | $250,000 | | 1,250 | | $214 | | |
| Soft Lofts | $195,000 | to | 800 | to | $214 | to | |
| *One- and Two-Bedrooms* | $300,000 | | 1,400 | | $244 | | |
| Upscale Condominiums | $275,000 | to | 1,000 | to | $242 | to | |
| *Two- and Three-Bedrooms* | $400,000 | | 1,650 | | $275 | | |
| **Single-Family Attached For-Sale** | | | | | | | **18 units** |
| Townhouses/Rowhouses | $225,000 | to | 1,100 | to | $194 | to | |
| *Two- and Three-Bedrooms* | $350,000 | | 1,800 | | $205 | | |
| Live-Work Units | $325,000 | to | 1,350 | to | $234 | to | |
| *One- and Two-Bedrooms* | $375,000 | | 1,600 | | $241 | | |
| *500 sf work space on ground floor* | | | | | | | |

NOTE: Base rents/prices in year 2010 dollars and exclude floor and/or view premiums, options and upgrades.

SOURCE: Zimmerman/Volk Associates, Inc.

The proposed rents and prices are in year 2010 dollars, are exclusive of consumer options and upgrades, or floor or location premiums, and cover the broad range of rents and prices for newly-developed units currently sustainable by the market in the Downtown Wichita Study Area. These rents and prices are also "market rates"—that is, within the economic capability of the target households that represent the current market for Downtown housing; however, depending on acquisition and construction costs, it is possible that many buildings or projects could require financing assistance, subsidies and/or tax incentives to provide units at these rents/prices.

This analysis has not calculated affordability based on the use of non-standard mortgage instruments, but rather typical 30-year mortgages, with at least a 10 percent down payment, at six percent interest.

### *How fast will the units lease or sell?*

*—Market Capture—*

After more than 20 years' experience in numerous cities across the country, and in the context of the target market methodology, Zimmerman/Volk Associates has determined that those households that can afford, and would prefer new construction, rather than previously lived-in units, represent approximately five to 10 percent of the potential market, given the production of appropriately-positioned new housing. (Until the collapse of the housing market in the fall of 2008, newly-constructed dwelling units represented 15 percent of all units sold in the nation.)

Over the near term, absorption rates are likely to be lower than the annual number of units forecast below due to the uncertain timing of a mortgage and housing market recovery. As noted in the INTRODUCTION, the current constrained market is characterized in many locations by reduced housing prices, high levels of unsold units, high levels of mortgage delinquencies and foreclosures, and restrictive mortgage underwriting and development finance. These market constraints do not reduce the size of the potential market; however, depending on the timing of market entry, they could reduce the initial percentage of the potential market able to overcome

those constraints.

Annual absorption for new properties located within the Downtown Study Area is forecast as follows:

**Annual Average Absorption**
**DOWNTOWN WICHITA**
***City of Wichita, Sedgwick County, Kansas***

| | |
|---|---|
| Multi-family for-rent<br>Lofts/apartments | 134 units net of turnover |
| Multi-family for-sale<br>Lofts/apartments | 48 units |
| Single-family attached for-sale<br>Townhouses/rowhouses/live-work | 18 units |
| Total | 200 units |

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

Annual average absorption of 200 units in Downtown Wichita corresponds to a capture rate of eight percent of the 2,510 households, identified through target market analysis, that have the potential to rent or purchase new housing units within the Study Area each year over the next five years. These absorption forecasts fall within the five to 10 percent capture of the annual potential market (equal to 125 to 250 units per year) described above, and is well within the target market methodology's parameters of feasibility.

At these forecast paces, absorption of 1,000 new dwelling units within the Downtown Study Area would likely be achieved within approximately five to seven years, depending on phasing, construction and site constraints, and predicated on no worsening of the national, regional and local economies. These forecasts also assume that there will be multiple properties marketing new units over the next several years.

NOTE: The target market capture rates of the potential purchaser pool are a unique and highly-refined measure of feasibility. Target market capture rates are not equivalent to—and should not be confused with—penetration rates or traffic conversion rates.

The **target market capture rate** is derived by dividing the annual forecast absorption by the number of households that have the potential to move to the site in a given year.

The **penetration rate** is derived by dividing the total number of dwelling units planned for a property by the total number of draw area households, sometimes qualified by income.

The **traffic conversion rate** is derived by dividing the total number of buyers or renters by the total number of prospects that have visited a site.

Because the prospective market for a property is more precisely defined using target market methodology, a substantially smaller number of households are qualified; as a result, target market capture rates are higher than the more grossly-derived penetration rates. The resulting higher capture rates remain within the range of feasibility.

### *—Multi-Family Rental Distribution—*

The market-rate rent range covers leases by households with annual incomes starting at $30,000 for single wage-earners up to $75,000 or more for households with two wage-earners. A single-income household, with an annual gross income of $30,000 per year, paying no more than 25 percent of income for rent and utilities—the national standard for affordability is 30 percent—would qualify for a rent of $550 per month. A two-income household, with an annual gross income of $75,000 per year, paying no more than 25 percent of income for rent and utilities, would qualify for a rent of $1,900 per month.

Based on the target household mix (*see again* Table 3) and the incomes of the target households, the distribution by rent range of the 134 new rental units that could be absorbed each year over the next five to seven years in the Downtown Wichita Study Area is as follows:

**Loft/Apartment Distribution by Rent Range**
DOWNTOWN WICHITA
*City of Wichita, Sedgwick County, Kansas*

| MONTHLY RENT RANGE | UNITS PER YEAR | PERCENTAGE |
|---|---|---|
| $500–$750 | 27 | 20.1% |
| $750–$1,000 | 32 | 23.9% |
| $1,000–$1,250 | 37 | 27.6% |
| $1,250–$1,500 | 18 | 13.4% |
| $1,500–$1,750 | 10 | 7.5% |
| $1,750 and up | 10 | 7.5% |
| Total: | 134 | 100.0% |

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

More than 92 percent of the lofts/apartments with monthly rents of $1,250 or less are likely to be leased by younger singles and couples. Empty nesters and retirees represent the market for six percent of these units, and the remaining two percent are non-traditional families.

Forty percent of the most expensive soft lofts and luxury apartments (with monthly rents of $1,750 or more) are likely to be leased by older couples, with another 40 percent likely to be rented by dual-income younger couples, and the remaining 20 percent by compact families.

### *—Multi-Family For-Sale Distribution—*

The market-rate price range covers purchases by households with annual incomes starting at $50,000 for single wage-earners, up to $150,000 or more for households with two wage-earners. A single- income household, with an annual gross income of $50,000 per year, paying no more than 25 percent of gross income for housing costs, including mortgage principal, interest, taxes, insurance and utilities, and with a 10 percent down payment, would qualify for a mortgage of $135,000 at current interest rates. A two-income household, with an annual gross income of $150,000 per year following the same criteria would qualify for a mortgage of $360,000 at current interest rates.

Based on the target household mix (*see again* Table 4) and incomes of the target households, the distribution by price range of the 48 market-rate for-sale apartments that could be absorbed each year over the next five to seven years in the Downtown Wichita Study Area is as follows:

**Loft/Apartment Distribution by Price Range**
**DOWNTOWN WICHITA**
***City of Wichita, Sedgwick County, Kansas***

| PRICE RANGE | UNITS PER YEAR | PERCENTAGE |
|---|---|---|
| $150,000–$200,000 | 12 | 25.0% |
| $200,000–$250,000 | 12 | 25.0% |
| $250,000–$300,000 | 10 | 20.8% |
| $300,000–$350,000 | 6 | 12.5% |
| $350,000–$400,000 | 5 | 10.4% |
| $400,000 and up | 3 | 6.3% |
| Total: | 48 | 100.0% |

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

Younger singles and couples represent three-quarters of the market for units priced below $250,000, and empty nesters and retirees almost 21percent. The most expensive units, priced at $350,000 or more, are likely to be purchased by an even mix of empty nesters and retirees and affluent younger couples.

### *—Single-Family Attached For-Sale Distribution—*

Based on the target household mix (*see again* Table 5) and incomes of the target households, the distribution by price range of the 18 market-rate for-sale townhouse/rowhouses and live-work units that could be absorbed each year over the next five to seven years in the Downtown Wichita Study Area is as follows:

**Townhouse/Rowhouse/Live-Work Distribution by Price Range**
DOWNTOWN WICHITA
*City of Wichita, Sedgwick County, Kansas*

| PRICE RANGE | UNITS PER YEAR | PERCENTAGE |
|---|---|---|
| $200,000–$250,000 | 2 | 11.1% |
| $250,000–$300,000 | 4 | 22.2% |
| $300,000–$350,000 | 5 | 27.8% |
| $350,000–$400,000 | 4 | 22.2% |
| $400,000 and up | 3 | 16.7% |
| Total: | 18 | 100.0% |

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

Younger singles and couples represent over 83 percent of the market for units priced below $300,000, and small families the remaining 17 percent. The most expensive units, priced at $350,000 or more, are likely to be purchased by an even mix of urban families and empty nesters and retirees.

## UNIT AND PROPERTY AMENITIES

### In-Unit Amenities

To meet the expectations of potential urban residents, all units should be wired for cable television and high-speed internet or, if practical, be served by a building-wide Wi-Fi system. For hard lofts or soft lofts in adaptive re-use structures, existing floors should be salvaged and refinished wherever possible. Although hard and soft lofts are typically designed without interior walls, with the exception of the bathroom, as much closet and storage space as possible should be provided. Wherever possible in both types, masonry walls should be exposed.

In the kitchens, although, until recently, granite countertops have been the norm for urban redevelopment, it is highly recommended that less-expensive, and/or more environmentally-sensitive alternatives be selected for the hard and soft lofts—such as Fireslate in the rental units, and Richlite and PaperStone, which are composed of recycled materials, in the for-sale units. For the more expensive condominiums, countertops could be CaesarStone and Silestone—quartz composite materials—or new terrazzo products such as Vetrazzo or IceStone. All kitchens should include integral or undermount sinks, and either matching backsplashes or finished in stainless steel; renters will expect contemporary, durable finishes appropriate to urban living, as opposed to the carpeted "beige" interiors of suburban multi-family housing. Cabinets in the lofts should have flush fronts with integral or contemporary pulls, offered in a variety of finishes, ranging from bamboo to frosted glass. Appliances should be mid-grade with stainless fronts.

In new construction, suburban condominium finishes should be avoided. Larger units should be configured as soft lofts, with bedrooms separated by walls or, in cases of interior rooms, partitions that run only partially to the ceiling. HVAC should be designed with exposed spiral ductwork. Lighting fixtures should have clean and minimalist designs, capable of accommodating compact fluorescent bulbs.

Floors should not be carpeted, but should, instead, be offered with scored, stained and polished concrete as standard and with bamboo as an option in the main rooms and bedrooms, and ceramic or stone as an option in the kitchens and baths.

Walls should be drywall finished with simple contemporary baseboards. Doors should be flush, matched-grain wood with stainless handles and hardware.

Bathrooms should have a standard contemporary finish package, including vessel-style sinks, and countertops of materials similar to the grade used in the kitchens. All fixtures, faucets and lighting should be clean, minimalist and contemporary. Again, lighting should accommodate compact fluorescent bulbs.

Some of the "luxury apartments" will require more conventional finishes, such as crown molding, chair rails, five-panel interior doors, carpeted bedroom floors, with carpet or hardwood in living and dining areas and tile in the kitchens and baths. Kitchen countertops should be granite, or Corian, or an equivalent solid surface, with integral or undermount ceramic sinks and stainless steel appliances, and a choice of European or traditional cabinets. Bathrooms should have ceramic tile floors and high-style, traditional fixtures.

## Property Amenities

Larger rental properties, in order to be competitive, should provide the amenities that have become the norm for investment-grade assets: business center, clubroom with catering kitchen, and some level of exercise facility.

For condominiums, if the property is large enough (at least 30 units), property amenities could include a small fitness center with state-of-the-art treadmills, bikes, Stairmasters, and free weights. Building amenities in a large condominium property could also include an owners' club with a full working bar, media area with flat-screen television, chess, backgammon and card room, library and either high-speed internet access or Wi-Fi.

Any additional property amenities would depend on the scale of the development and the proposed price points; the more expensive the units, the greater the number of amenities that the buyers will expect. For very high-end developments, concierge services, accommodating a wide range of personal services, from dry cleaning pick-up/delivery to theater reservations, would be appropriate. However, if these kinds of services generate high condominium fees, there is likely to

be buyer resistance. It is for this reason that swimming pools are not recommended; pools are expensive to build and maintain, and are typically infrequently used by residents.

Other community amenities (for both renters and owners) that are not very expensive to provide include storage units, bicycle racks, and recycling bins.

Ultimately, residential values will depend upon the establishment of urban neighborhoods in the Downtown Study Area. An urban residential neighborhood succeeds when its physical characteristics consistently emphasize urbanity and the qualities of urban life; conversely, attempts to introduce suburban scale and housing types into urban areas have invariably yielded disappointing results. Therefore, appropriate urban design—which places as much emphasis on creating quality streets and public places as on creating or developing quality buildings—will be essential to success.

## DOWNTOWN HOUSING TYPES

Adaptive re-use of existing, non-residential buildings can yield either lofts or fully-finished apartments. The lofts, whether for-rent or for-sale, new construction or adaptive re-use, should include work space as a permitted use.

Building and unit types most successfully used in residential redevelopment or new residential construction in other downtowns comparable in size and scale to Downtown Wichita, include:

### –MULTI-FAMILY–

- Courtyard Apartment Building: In new construction, an urban, pedestrian-oriented equivalent to conventional garden apartments. An urban courtyard building is four or more stories, often combined with non-residential uses on the ground floor. The building should be built to the sidewalk edge and, to provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk. Parking is either below grade, at grade behind or interior to the building, or in an integral structure.

- Loft Apartment Building: Either adaptive re-use of older warehouse and manufacturing buildings or a new-construction building type inspired by those buildings. The new-construction version is usually elevator-served with double-loaded corridors.

  Hard Lofts: Unit interiors typically have high ceilings and commercial windows and are minimally finished (with minimal room delineations such as columns and fin walls), or unfinished (with no interior partitions except those for bathrooms).

  Soft Lofts: Unit interiors typically have high ceilings, are fully finished and partitioned into individual rooms. Units may also contain architectural elements reminiscent of "hard lofts," such as exposed ceiling beams and ductwork, concrete floors and industrial finishes, particularly if the building is an adaptive re-use of an existing industrial structure.

Apartment Flat: Conventionally-finished apartment unit on a single level, with completely-partitioned rooms. In this case, finishes and fixtures—trim, interior doors, kitchens and baths—should be offered in a choice of modern or traditional styles.

Duplex: A two-story unit in a multi-family building, also with partial- or completely-partitioned rooms. In general, the living spaces, including a kitchen and half bath, are located on one floor, and the sleeping quarters, including the master suite, are located on the other floor. As with the flats, finishes and fixtures are typically offered in a choice of traditional (targeted to empty-nest households) or contemporary (targeted to younger households) styles.

- Mansion Apartment Building: A two- to four-story flexible-use structure with a street façade resembling a large detached or attached house (hence, "mansion"). The attached version of the mansion, typically built to a sidewalk on the front lot line, is most appropriate for downtown locations. The building can accommodate a variety of uses—from rental or for-sale apartments, professional offices, any of these uses over ground-floor retail, a bed and breakfast inn, or a large single-family detached house—and its physical structure complements other buildings within a neighborhood.

  Parking behind the mansion buildings can be either alley-loaded, or front-loaded served by shared drives.

  Mansion buildings should be strictly regulated in form, but flexible in use. However, flexibility in use is somewhat constrained by the handicapped accessibility regulations in both the Fair Housing Act and the Americans with Disabilities Act.

  In all cases, the building's apartments can be leased, as in a conventional income property, or sold to individual buyers, under condominium or cooperative ownership, in which the owner pays a monthly maintenance fee in addition to the purchase price.

–SINGLE-FAMILY ATTACHED–

- Townhouse/Rowhouse: Similar in form to a conventional suburban townhouse except that the garage—either attached or detached—is located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban townhouses conform to the pattern of streets, typically with shallow front-yard setbacks. To provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk.

- Live-work is a unit or building type that accommodates non-residential uses in addition to, or combined with living quarters. The typical live-work unit is a building, either attached or detached, with a principal dwelling unit that includes flexible space that can be used as office, retail, or studio space, or as an accessory dwelling unit.

  Regardless of the form they take, live-work units should be flexible in order to respond to economic, social and technological changes over time and to accommodate as wide as possible a range of potential uses. The unit configuration must also be flexible in order to comply with the requirements of the Fair Housing Amendments Act and the Americans with Disabilities Act.

## METHODOLOGY

The technical analysis of market potential for the Downtown Wichita Study Area included delineation of the draw areas and physical evaluation of the Study Area and the surrounding context.

The delineation of the draw areas for housing within the City of Wichita was based on historic settlement patterns, migration trends for Sedgwick County, interviews with key stakeholders in the Study Area, and other market dynamics.

The evaluation of market potential for the Study Area was derived from the housing preferences and financial capacities of the draw area households, identified through Zimmerman/Volk Associates' proprietary target market methodology, and yielded:

- The depth and breadth of the potential housing market by tenure (rental and ownership) and by type (lofts/apartments, townhouse/rowhouse/live-work units); and

- The composition of the potential housing market (empty-nesters/retirees, younger singles/couples, traditional and non-traditional families).

NOTE: The Appendix Tables are provided in a separate document.

### Delineation of the Draw Areas (Migration Analysis)—

Based on Zimmerman/Volk Associates' field investigation, interviews with key stakeholders in the Study Area, and analysis of migration and mobility data, the draw areas for new residential development within the Downtown Study Area have been determined. Taxpayer migration data provide the framework for the delineation of the draw areas—the principal counties of origin for households that are likely to move to Sedgwick County and the City of Wichita. These data are maintained at the county and "county equivalent" level by the Internal Revenue Service and provide a clear representation of mobility patterns.

Appendix One, Table 1.
**Migration Trends**

Between 2003 through 2007—the latest data available from the Internal Revenue Service—the annual number of households moving into Sedgwick County climbed from just under 7,600 households in 2003 to nearly 9,700 households in 2007. (*Reference* Appendix One, Table 1.)

Over the same period, the number of households moving out of Sedgwick County fluctuated between the low of just under 8,300 households in 2006 to more than 8,700 households in 2003 and 2005. As a result, over five years, Sedgwick County net migration patterns have been reversed, from net household migration losses in 2003 and 2004 to net household gains from 2005 through 2007, with the county gaining over 1,000 households in 2007.

For Sedgwick County, between 18 and 20 percent of in-migration is from neighboring Butler, Sumner, Reno, and Harvey Counties; another four to five percent comes from Oklahoma City and Tulsa, Oklahoma, Los Angeles, and Kansas City; and the remaining three-quarters is from counties elsewhere in Kansas as well as the rest of the United States.

NOTE: Although net migration provides insights into an area's historic ability to attract or retain households compared to other locations, it is those households likely to move into an area (gross in-migration) that represent the area's external market potential.

Based on the migration data, then, the draw areas for Sedgwick County, the City of Wichita, and the Downtown Wichita Study Area have been delineated as follows:

- The primary (internal) draw area, covering households currently living within the City of Wichita.
- The local (external) draw area, covering households currently living within the balance of Sedgwick County.
- The regional draw area, covering households with the potential to move to Sedgwick County from Butler, Sumner, Reno, and Harvey Counties.

- The secondary draw area, covering households with the potential to move to Sedgwick County from Oklahoma City and Tulsa, Oklahoma, Los Angeles, and Kansas City.

- The national draw area, covering households with the potential to move to Sedgwick County from all other counties in Kansas and the U.S.

Anecdotal information obtained from real estate brokers, sales agents, and other knowledgeable sources corresponded to the migration data.

Migration Methodology:

County-to-county migration is based on the year-to-year changes in the addresses shown on the population of returns from the Internal Revenue Service Individual Master File system. Data on migration patterns by county, or county equivalent, for the entire United States, include inflows and outflows. The data include the number of returns (which can be used to approximate the number of households), and the median and average incomes reported on the returns.

## TARGET MARKET CLASSIFICATION OF CITY OF WICHITA AND SEDGWICK COUNTY HOUSEHOLDS—

Geo-demographic data obtained from Claritas, Inc. provide the framework for the categorization of households, not only by demographic characteristics, but also by lifestyle preferences and socio-economic factors. For purposes of this study, only those household groups with median incomes that enable most of the households within each group to qualify for market-rate housing are included in the tables. An appendix containing detailed descriptions of each of these target market groups is provided along with the study.

Appendix One, Tables 2 and 3.
**Target Market Classification**

Nearly 57 percent, or 81,7855 households, of the estimated 144,370 households that lived in the City of Wichita in 2009 had the capacity to rent or buy market-rate housing. Median income within the city was estimated at $45,100, approximately 12 percent below the national median of $51,400. Median home value within the city was estimated at $100,400, almost 42 percent lower

than the national median of $172,400. Forty-five percent of Wichita's "market-rate" households can be classified as younger singles and couples, another 33.8 percent as empty nesters and retirees, and the remaining 21.2 percent as traditional and non-traditional families. (*See* Appendix One, Table 2.)

Of the estimated 188,470 households that lived in Sedgwick County in 2009, approximately 61.3 percent, or 115,570 households, had the capacity to rent or buy market-rate housing. Median income within the county was estimated at $48,600, approximately five percent below the national median and slightly higher than that of Wichita. Median home value was estimated at $109,200, nearly 37 percent below the nation but about nine percent higher than that of Wichita. Approximately 38.5 percent of the county's "market-rate" households can be classified as younger singles and couples, with 34.8 percent empty nesters and retirees, and 26.7 percent traditional and non-traditional families. (*See* Appendix One, Table 3.)

Target Market Methodology:

The proprietary target market methodology developed by Zimmerman/Volk Associates is an analytical technique, using the PRIZM NE household clustering system, that establishes the optimum market position for residential development of any property—from a specific site to an entire political jurisdiction—through cluster analysis of households living within designated draw areas. In contrast to classical supply/demand analysis—which is based on supply-side dynamics and baseline demographic projections—target market analysis establishes the optimum market position derived from the housing and lifestyle preferences of households in the draw area and within the framework of the local housing market context, even in locations where no close comparables exist.

In the target market methodology, clusters of households (usually between 10 and 15) are grouped according to a variety of significant factors, ranging from basic demographic characteristics, such as income qualification and age, to less-frequently considered attributes such as mobility rates, lifestyle patterns and compatibility issues. Zimmerman/Volk Associates has refined the analysis of these household clusters through the correlation of more than 500 data points related to housing preferences and consumer and lifestyle characteristics.

As a result of this process, Zimmerman/Volk Associates has identified 41 target market groups with median incomes that enable most of the households within each group to qualify for market-rate housing. The most affluent of the 41 groups can afford the most expensive new ownership units; the least prosperous are candidates for the least expensive existing rental apartments.

Once the draw areas for a property have been defined, then—through field investigation, analysis of historic migration and development trends, and employment and commutation patterns—the households within those areas are quantified using the target market methodology. The potential market for new market-rate units is then determined by the correlation of a number of factors—including, but not limited to: household mobility rates; median incomes; lifestyle characteristics and housing preferences; the location of the site; and the competitive environment.

The end result of this series of filters is the optimum market position—by tenure, building configuration and household type, including specific recommendations for unit sizes, rents and/or prices—and projections of absorption within the local housing context.

## DETERMINATION OF THE POTENTIAL MARKET FOR NEW AND EXISTING HOUSING UNITS IN THE CITY OF WICHITA (MOBILITY ANALYSIS)—

The mobility tables, individually and in summaries, indicate the number and type of households that have the potential to rent or purchase new and existing dwelling units in the City of Wichita in the year 2010. The total number from each county is derived from historic migration trends; the number of households from each group is based on each group's mobility rate.

Appendix One, Table 4.
**Internal Mobility** (Households Moving Within the City of Wichita)—

Zimmerman/Volk Associates uses U.S. Bureau of the Census data, combined with Claritas data, and supplemented with American Communities Survey data, to determine the number of households in each target market group that will move from one residence to another within a specific jurisdiction in a given year (internal mobility).

Using these data, Zimmerman/Volk Associates has determined that up to 9,570 households, currently living in the City of Wichita, have the potential to rent or purchase new or existing

dwelling units in the city this year. Seventy percent of these households are likely to be younger singles and couples (as characterized within 11 Zimmerman/Volk Associates' target market groups); another 17.8 percent are likely to be traditional and non-traditional families (in 11 market groups); and the remaining 12.2 percent are likely to be empty nesters and retirees (also in 11 groups).

Appendix One, Table 5.
**External Mobility** (Households Moving To the City of Wichita from the Balance of Sedgwick County)

The same sources of data are used to determine the number of households in each target market group that will move from one area to another within the same county. Using these data, up to 2,970 households, currently living in the balance of Sedgwick County, have the potential to move from a residence in the county outside the City of Wichita to a residence in the city this year. More than 38 percent of these households are likely to be traditional and non-traditional families (in nine market groups); up to 33.7 percent are likely to be younger singles and couples (in 11 groups); and 27.9 percent are likely to be empty nesters and retirees (in seven groups).

Appendix One, Tables 6 through 8; Appendix Two and Three, Tables 1 through 4.
**External Mobility** (Households Moving To the City of Wichita)—

These tables determine the number of households in each target market group living in the regional (Butler, Sumner, Reno, and Harvey Counties), secondary (Oklahoma City and Tulsa, Oklahoma, Los Angeles, and Kansas City ), and national draw areas that are likely to move to the City of Wichita in 2010 (through a correlation of Claritas data, U.S. Bureau of the Census data, and the Internal Revenue Service migration data).

Appendix One, Table 9.
**Market Potential for New and Existing Units in the City of Wichita—**

This table summarizes Appendix One, Tables 4 through 8. The numbers in the Total column on page one of this table indicate the depth and breadth of the potential market for new and existing market-rate dwelling units in the City of Wichita in the year 2010 originating from households currently living in the draw areas. Approximately 17,120 households in the draw areas have the

potential to move within or to the City of Wichita this year. Younger singles and couples are likely to account for nearly 59 percent of these households (in 14 market groups); over 24 percent are likely to be traditional and non-traditional families (in 13 groups); and 17.2 percent are likely to be empty nesters and retirees (in 14 groups).

The distribution of the draw areas as a percentage of the potential market for new and existing housing units in the City of Wichita is as follows:

**Market Potential By Draw Area**
***City of Wichita, Sedgwick County, Kansas***

| | |
|---|---|
| City of Wichita: | 55.9 percent |
| Balance of Sedgwick County: | 17.3 percent |
| Regional Draw Area: | 4.5 percent |
| Secondary Draw Area: | 2.2 percent |
| Balance of US: | 20.1 percent |
| Total: | 100.0 percent |

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

## DETERMINATION OF THE POTENTIAL MARKET FOR NEW DWELLING UNITS IN THE DOWNTOWN WICHITA STUDY AREA—

The total potential market for new dwelling units in the Study Area also includes the local, regional, secondary, and national draw areas. Zimmerman/Volk Associates uses U.S. Bureau of the Census data, combined with Claritas data, to determine which target market groups, as well as how many households within each group, are likely to move to a given location in a given year.

Appendix One, Tables 10 through 12.
**Market Potential for New Housing Units in the Downtown Wichita Study Area—**

As derived by the target market methodology, up to 3,690 of the 17,120 households that represent the market for new and existing housing units in the City of Wichita are a market for new housing units within the Study Area. (*See* Appendix One, Table 10.) Approximately 56 percent of these households are likely to be younger singles and couples (in 10 market groups); another 31.4 percent are likely to be empty nesters and retirees (in eight groups); and the remaining 10 percent are likely to be traditional and non-traditional family households (in three groups).

The distribution of the draw areas as a percentage of the potential market for new dwelling units within the Study Area is as follows:

**Market Potential By Draw Area**
**DOWNTOWN WICHITA**
***City of Wichita, Sedgwick County, Kansas***

| | |
|---|---|
| City of Wichita: | 58.8 percent |
| Balance of Sedgwick County: | 14.4 percent |
| Regional Draw Area: | 15.6 percent |
| Secondary Draw Area: | 2.2 percent |
| Balance of US: | 20.1 percent |
| Total: | 100.0 percent |

SOURCE: Zimmerman/Volk Associates, Inc., 2010.

The 3,690 draw area households that have the potential to move to the Study Area this year have also been analyzed by tenure propensities to determine the appropriate renter/owner ratios. Approximately 34.4 percent of these households (or 1,270 households) comprise the potential market for new rental units. The remaining 65.6 percent (or 2,420 households) comprise the market for new for-sale (ownership) housing units. (*See* Appendix One, Table 11.)

Of the 2,420 households that comprise the market for new for-sale housing units, 36 percent (or 870 households) comprise the market for new multi-family for-sale units (condominium/cooperative lofts/apartments); another 15.3 percent (370 households) comprise the market for attached single-family (townhouse/rowhouse/live-work) units; and the remaining 48.8 percent (1,180 households) comprise the market for all ranges of new single-family detached houses. (*See* Appendix One, Table 12.)

## —Target Market Data—

Target market data are based on the Claritas PRIZM NE household clustering system, modified and augmented by Zimmerman/Volk Associates as the basis for its proprietary target market methodology. Target market data provides number of households by cluster aggregated into the three main demographic categories—empty nesters and retirees; traditional and non-traditional families; and younger singles and couples.

Zimmerman/Volk Associates' target market classifications are updated periodically to reflect the slow, but relentless change in the composition of American households. Because of the nature of geo-demographic segmentation, a change in household classification is directly correlated with a change in geography, *i.e.*—a move from one neighborhood condition to another. However, these changes of classification can also reflect an alteration in one of three additional basic characteristics:

- Age;
- Household composition; or
- Economic status.

Age, of course, is the most predictable, and easily-defined of these changes. Household composition has also been relatively easy to define; recently, with the growth of non-traditional households, however, definitions of a family have had to be expanded and parsed into more highly-refined segments. Economic status remains clearly defined through measures of annual income and household wealth.

A change in classification is rarely induced by a change in just one of the four basic characteristics. This is one reason that the target household categories are so highly refined: they take in multiple characteristics. Even so, there are some rough equivalents in household types as they move from one neighborhood condition to another. There is, for example, a strong correlation between the *Suburban Achievers* and the *Urban Achievers*; a move by the *Suburban Achievers* to the urban core can make them *Urban Achievers*, if the move is accompanied by an upward move in socio-economic status. In contrast, *Suburban Achievers* who move up socio-economically, but remain within the metropolitan suburbs may become *Upscale Suburban Couples* or *Fast-Track Professionals*.

Household Classification Methodology:

Household classifications were originally based on the Claritas PRIZM geo-demographic segmentation system that was established in 1974 and then replaced by PRIZM NE in 2005. The revised household classifications are based on PRIZM NE which was developed through unique classification and regression trees delineating 66 specific clusters of American households. The system is now accurate to the individual household level, adding self-reported and list-based

household data to geo-demographic information. The process applies hundreds of demographic variables to nearly 10,000 "behaviors."

Over the past 21 years, Zimmerman/Volk Associates has augmented the PRIZM cluster systems for use within the company's proprietary target market methodology specific to housing and neighborhood preferences, with additional algorithms, correlation with geo-coded consumer data, aggregation of clusters by broad household definition, and unique cluster names.

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Research & Strategic Analysis

ASSUMPTIONS AND LIMITATIONS—

Every effort has been made to insure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the methodology employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.

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Research & Strategic Analysis

RIGHTS AND STUDY OWNERSHIP—

Zimmerman/Volk Associates, Inc. retains all rights, title and interest in the methodology and target market descriptions contained within this study. The specific findings of the analysis are the property of the client and can be distributed at the client's discretion.

Appendices

# A1 b Market Analysis: **Office and Hotel**

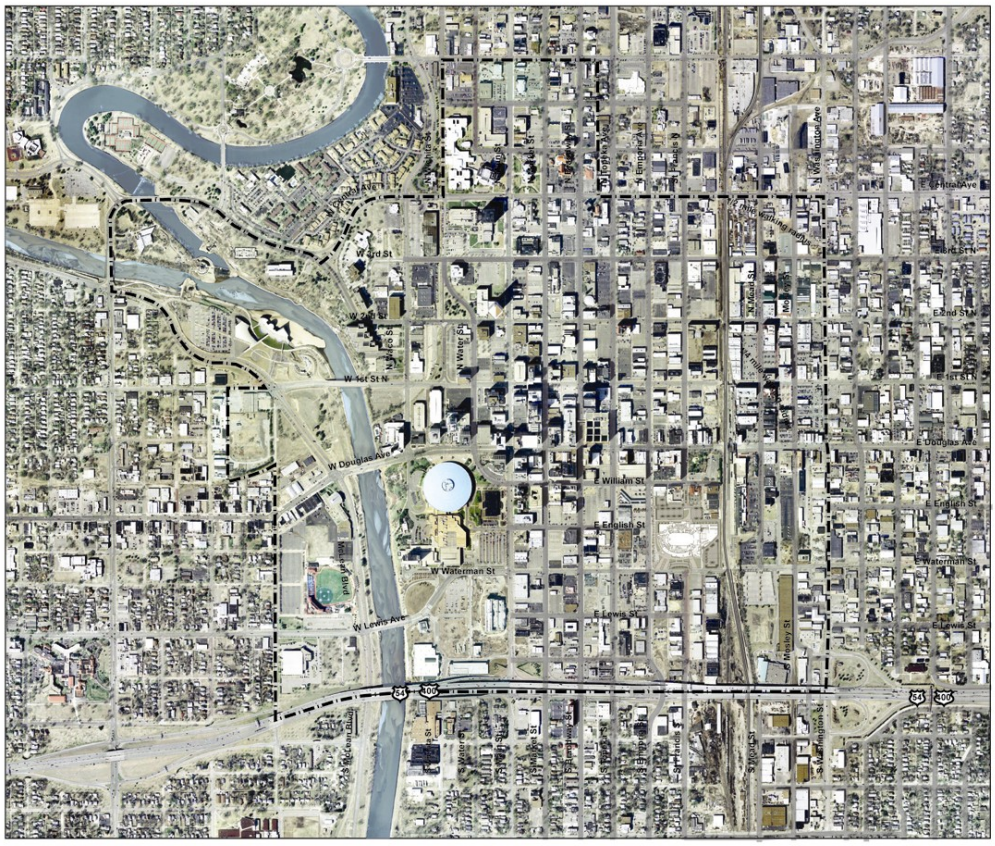
**Project Downtown:**
The Master Plan for Wichita

# INTRODUCTION

## STUDY PURPOSE

This office and hotel market analysis was conducted to inform the Downtown Wichita Master Plan process. The Downtown Master Plan Area is depicted in Figure I-1. The market analysis summarizes office and hotel development potential over the next 10 years and the conditions necessary to capture the market opportunities.

**FIGURE I-1**
DOWNTOWN MASTER PLAN AREA


W 2nd St
W 1st St N
W Douglas Ave
W William St
E English St
W Waterman St
W Lewis Ave
E Douglas Ave
E 2nd St N
E 1st St N
E Lewis St
N Mosley St
N Washington Ave
N Hillside St
N Market St
N Water St
N Seneca St
N Topeka St
N Emporia St
N Rock Island St
N Santa Fe St
N Wichita St
N Hydraulic St
N Grove St
N Ash St
N Oak St
N Maple St
N Walnut St
N Lawrence St
N Hillside St
N Harris St
N Mosley St
N Washington

### PROCESS

Three sources of information were applied in the market analyses. The first source was W-ZHA fieldwork where existing supply and competitive market area evaluations took place. Data from third party sources was used to understand existing conditions and future opportunities. The major sources of this information were as follows:

- Employment Trends and Projections by Industry: Moody's economy.com and the Bureau of Economic Analysis
- Office Supply Data: Grubb & Ellis/ Martens Commercial Group; JP Weigand & Sons, Inc.
- Hotel Performance Data: Go Wichita!; Smith Travel Research

In addition to analyzing market data, W-ZHA conducted numerous interviews with real estate brokers, property managers, land owners, and developers. These person-to-person and telephone interviews provided valuable insights into the nuances of the office and hotel markets.

## OFFICE MARKET

### MARKET CONTEXT

Notwithstanding the current national economic downturn, Sedgwick County maintains a positive economic outlook. As shown in the following table, Sedgwick County has grown at an annualized rate of 1.2 percent per year since 1990. This growth has been driven primarily by professional service sectors, which have more than offset declines in manufacturing sectors.

These trends are expected to continue. As shown, manufacturing is expected to experience continuing employment declines, while growth in service sectors such as health care, leisure and hospitality, and business services will outpace overall employment growth.

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**TABLE II-1**

**SEDGWICK COUNTY EMPLOYMENT TRENDS AND FORECASTS: 1990-2020**

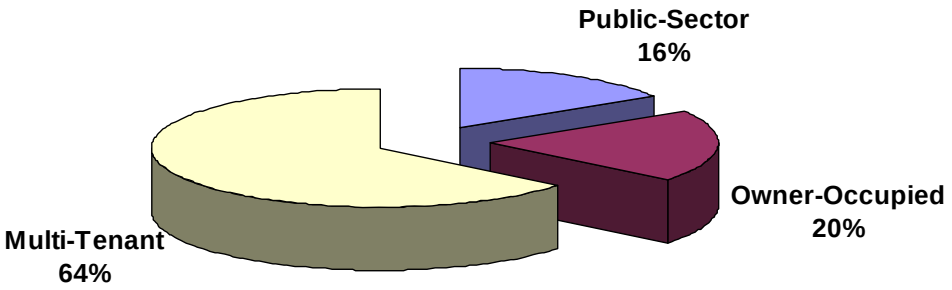
| | 1990 | 2000 | 2008 | 2010 | 2020 | Avg. Ann Growth Rates 90-'08 | 08-'20 |
|---|---|---|---|---|---|---|---|
| Total Nonfarm | 217.09 | 257.50 | 268.17 | 257.82 | 283.87 | 1.2% | 0.5% |
| Natural Resources & Mining | 1.60 | 1.11 | 1.25 | 1.08 | 0.98 | -1.3% | -2.0% |
| Construction | 8.94 | 12.59 | 13.06 | 12.69 | 13.03 | 2.1% | 0.0% |
| Manufacturing | 59.38 | 66.74 | 61.11 | 50.26 | 52.81 | 0.2% | -1.2% |
| Textile Mills | 11.55 | 13.76 | 0.05 | 0.07 | 0.06 | -25.7% | 1.3% |
| Transportation Equipment Manufacturing | 38.69 | 43.05 | 40.74 | 32.01 | 32.17 | 0.3% | -1.9% |
| Wholesale Trade | 9.24 | 11.06 | 10.45 | 10.48 | 11.84 | 0.7% | 1.0% |
| Retail Trade | 24.94 | 26.95 | 28.11 | 27.23 | 30.50 | 0.7% | 0.7% |
| Transportation, Warehousing, & Utilities | 6.31 | 6.69 | 7.67 | 7.78 | 7.38 | 1.1% | -0.3% |
| Information | 5.22 | 5.27 | 5.80 | 5.01 | 4.64 | 0.6% | -1.9% |
| Financial Activities | 10.61 | 10.97 | 10.14 | 10.21 | 10.88 | -0.3% | 0.6% |
| Finance and Insurance | 7.57 | 7.81 | 6.91 | 6.94 | 7.48 | -0.5% | 0.7% |
| Real Estate and Rental and Leasing | 3.04 | 3.17 | 3.23 | 3.27 | 3.41 | 0.3% | 0.4% |
| Professional & Business Services | 17.76 | 26.23 | 29.45 | 29.48 | 34.49 | 2.8% | 1.3% |
| Professional, Scientific, and Technical Services | 7.37 | 8.71 | 8.11 | 8.15 | 8.72 | 0.5% | 0.6% |
| Management of Companies and Enterprises | 3.93 | 2.45 | 3.30 | 3.35 | 3.24 | -1.0% | -0.2% |
| Admin/Support/Waste Mgt/Remediation | 6.47 | 15.06 | 18.04 | 17.99 | 22.54 | 5.9% | 1.9% |
| Education & Health Services | 22.67 | 30.32 | 36.34 | 38.14 | 44.52 | 2.7% | 1.7% |
| Health Care and Social Assistance | 20.66 | 26.68 | 31.08 | 32.64 | 38.54 | 2.3% | 1.8% |
| Leisure & Hospitality | 19.54 | 22.85 | 24.48 | 25.22 | 30.25 | 1.3% | 1.8% |
| Other Services (except Public Administration) | 7.36 | 9.09 | 9.74 | 9.44 | 10.31 | 1.6% | 0.5% |
| Government | 23.52 | 27.63 | 30.57 | 30.79 | 32.24 | 1.5% | 0.4% |
| Total Local Government | 14.97 | 18.37 | 20.54 | 20.43 | 21.98 | 1.8% | 0.6% |

*Source: economy.com*

## OVERVIEW OF EXISTING MARKET CONDITIONS

Downtown contains approximately 5 million square feet of public and private office space. Downtown is the office hub of the Wichita Metropolitan Area. Approximately two-thirds of the Downtown office space is for-rent office in multi-tenant buildings. Owner occupied office space represents 20 percent of the office supply with the remaining office housing public sector employees.

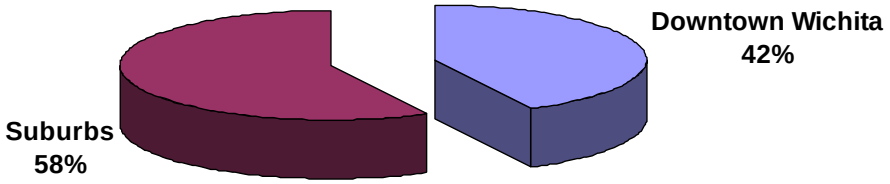
**FIGURE II-1**
DOWNTOWN OFFICE SPACE BY TYPE




Source: Wichita Downtown Development Corporation; Grubb & Ellis/Martens Commercial Group

Downtown Wichita contains approximately 3.1 million square feet of private, multi-tenant office space. This represents 42 percent of the multi-tenant office supply in the overall Wichita office market.

**FIGURE II-2**
MULTI-TENANT OFFICE SPACE BY LOCATION




Source: Wichita Downtown Development Corporation; Grubb & Ellis/Martens Commercial Group

In Downtown Wichita, the vacancy rate among multi-tenant office buildings is estimated at 21.4 percent, as compared with 10.8 percent in suburban markets and 15.3 percent in the overall Wichita market.

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**TABLE II-2**
**OFFICE MARKET SUMMARY**
**SELECTED WICHITA MARKETS, Yr-end 2008**

| | Downtown | Suburban | Total |
|---|---|---|---|
| Total | 3,133,000 | 4,251,000 | 7,384,000 |
| Available | 21.4% | 10.8% | 15.3% |
| Occupied | 2,463,000 | 3,793,000 | 6,256,000 |

*Source: Grubb & Ellis/Martens Commercial Group*

Despite the relatively high overall Downtown vacancy rate, vacancy among Class-A multi-tenant office buildings is low. Downtown's supply of Class-A office space includes 1.06 million square feet in five buildings.[1] Among these buildings, the vacancy rate currently stands at just 5.6 percent, and these buildings can accommodate only two or three tenants seeking contiguous blocks of 15,000 square feet or more.

Gross lease rates in these Class A buildings generally range from $14 to $16 per square foot. Class A buildings in the suburbs command gross rents in excess of $20 per square foot; the Downtown market has not penetrated this price tier.

[1] Various sources offer definitions of the Class-A market that vary from three to five buildings, and roughly 900,000 to 1.1 million sq. ft.

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**TABLE II-3**
**COMPARATIVE CLASS-A OFFICE INDICATORS**

| | Downtown [1/] | Suburban [2/] |
|---|---|---|
| Class-A | 1,063,000 | n/a |
| Available | 5.6% | 11-13.5% |
| Occupied | 1,003,860 | n/a |
| Avg. Class-A Lease Rate [3/] (per sq. ft. full-service) | $14-$16 | $18-$25 |

[1/] Downtown supply and availability calculated based on compilations of individual building data reported by JP Weigand & Sons, Inc. As adjusted by W-ZHA, LLC, Class-A supply includes space in the Farm Credit Building, Epic Center, Bank of American Building, Riverview, and River Place buildings.

[2/] While not officially available, Suburban Class-A space amounts to approximately 1.2 million square feet. Vacancy rate range incorporates data furnished for individual submarkets by JP Weigand & Sons, Inc.

[3/] Lease rate data provided by interviews with commercial real brokers as well as data provided by JP Weigand & Sons, Inc.

*Source: JP Weigand & Sons, Inc.; Grubb & Ellis/Martens Commercial Group; W-ZHA field survey.*

In contrast to the Class-A multi-tenant office market, vacancies in the Downtown Class B and Class-C multi-tenant office buildings approximate 20 and 50 percent, respectively (JP Weigand & Sons, Inc.). The overall vacancy rate in non-Class-A properties is estimated at 29.5 percent.

The overall Wichita market features a similar pattern; data furnished by JP Weigand & Sons, Inc. shows Class-B and Class-C vacancies in the overall market at 16 percent and 38.4 percent, respectively.

W-ZHA, LLC

## DOWNTOWN AND SUBURBAN MARKET COMPARISONS

The following describes prevailing competitive market trends and factors in Wichita's Downtown and suburban office markets.

*Declining Downtown Market Share*: As shown in Tables II-4 and II-5 below, in recent decades Downtown's share of the overall Wichita office market has declined. While Sedgwick County employment has grown (see Table II-1), since 1990 demand for new office space has been met primarily by new supply in the suburban office submarkets.

Since 1987, no Class-A office buildings have been added Downtown. Overall, the supply of office space has changed little in the Downtown market since 1990; in fact, since 2000, Downtown Wichita's total occupied office space has declined, at a compounded rate of roughly 1 percent per year.

During this same time frame, occupied suburban office space has increased from roughly 2.9 million square feet to 4.25 million square feet, at a rate of nearly 5 percent per year.

**TABLE II-4**
**COMPARATIVE GROWTH RATES**
**DOWNTOWN vs. SUBURBAN OFFICE MARKETS (000s of sq. ft.)**

| | CBD Office Space | | | Suburban Office Space | | |
|---|---|---|---|---|---|---|
| Year | Total | Vacant | Occupied | Total | Vacant | Occupied |
| 2000 | 3,409 | 21.2% | 2,687 | 2,892 | 13.8% | 2,494 |
| 2001 | 3,228 | 23.8% | 2,460 | 3,246 | 15.9% | 2,731 |
| 2002 | 3,576 | 26.2% | 2,638 | 3,816 | 18.9% | 3,096 |
| 2003 | 3,960 | 24.8% | 2,977 | 4,060 | 18.0% | 3,329 |
| 2004 | 3,973 | 24.3% | 3,009 | 4,036 | 14.4% | 3,454 |
| 2005 | 3,815 | 24.3% | 2,889 | 4,072 | 15.2% | 3,453 |
| 2006 | 3,486 | 22.5% | 2,701 | 3,804 | 14.0% | 3,273 |
| 2007 | 3,247 | 25.6% | 2,417 | 3,815 | 11.7% | 3,370 |
| 2008 | 3,133 | 21.4% | 2,463 | 4,251 | 10.8% | 3,793 |
| Total Increa: | (276) | | (224) | 1,359 | | 1,299 |
| CAGR* | -1.0% | | -1.1% | 4.9% | | 5.4% |

* "CAGR" = compounded annual growth rate.

*Source: Grubb & Ellis/Martens Commercial Group; W-ZHA LLC.*

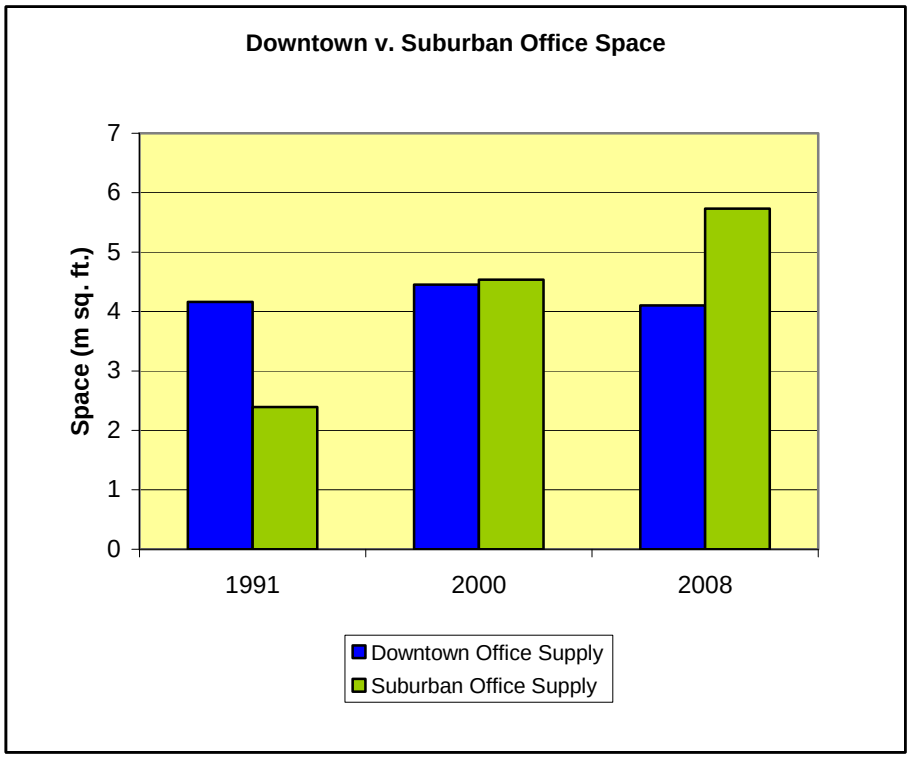
As a result of these trends, Downtown's share of the Wichita office market has fallen from 63.5 percent in 1991 to 49.5 percent in 2000, and 41.7 percent in 2008.[2]

**TABLE II-5**
**DOWNTOWN vs. SUBURBAN MARKET SHARES: 1991-2008**

| | Downtown | Suburban |
|---|---|---|
| 1991 | 63.5% | 36.5% |
| 2000 | 49.5% | 50.5% |
| 2008 | 41.7% | 58.3% |

*Source: JP Weigand & Sons, Inc.*

**FIGURE II-3**




[2] Data prior to 2000 are not available from Grubb & Ellis/Martens Commercial Group. Table II-5 and Figure II-1 are based on data provided by JP Weigand & Sons, Inc.

Among suburban locations, the Northeast district has captured the dominant share of new office development. The Southeast sector also reports relatively low vacancy rates, but outside the Northeast submarket, since 2000 only two suburban office buildings (excluding owner occupied and medical buildings) with more than 25,000 square feet have been built.

Gross lease rates for Class-A space in the Northeast submarket range from roughly $20 to $26 per square foot. In comparison, as noted earlier, lease rates for most Downtown Class-A space ranges from roughly $14 to $16 per square foot.

*Competitive Market Factors*: In seeking to increase Downtown office tenancies, the following factors play key roles:

*Parking*: Downtown's five Class-A buildings maintain high occupancies. Of these five buildings, four are located outside the core of Downtown. Most of the Downtown Class-A multi-tenant office buildings offer suburban-style arrangements featuring dedicated, ample and free parking in both surface lots and attached parking structures. The remaining Class-A building is the Bank of America building at Broadway and Douglas Avenue, which also offers parking. Where access to parking is constrained, in most cases Downtown buildings have sustained high vacancy rates.

*Space Availability*: The unavailability of high-quality office space has contributed to several recent corporate relocations from Downtown to suburban Wichita. As noted earlier, at this time the existing Downtown office market would be able to accommodate no more than two to three tenants seeking relatively large amount (e.g. 15,000 square feet) of contiguous space. Thus, as existing Downtown tenants grow and require more space, the Downtown may not be able to accommodate their demand; suburban locations may provide the only option.

*Quality of Supply:* The Epic Center, Farm Credit Building, Riverview Plaza and River Park Place were all constructed in the 1980s; the Bank of America Center opened in 1974 but has undergone substantial renovations. While the newest among the supply of office buildings in the Downtown, these buildings are twenty years old. Newly constructed office buildings are better tailored for today's business operations. The lack of new, quality office space has made it difficult to discern whether the Downtown's rental rate of $14 to $16 per square foot is a function of lack of demand or a function of relatively weak supply.

*Price*: At this time, Downtown Class-A space is highly competitive on price; its $14 to $16 lease rates are considerably lower than suburban Class-A rates, which frequently exceed $20. For many Class-A tenants, however, the

Downtown's price advantage is offset by the lack of quality space Downtown and, in turn, the sense that Downtown is not the premiere office location in the metro area. New construction requires rents in excess of $20 per square foot.

*Urban Environment*: While Downtown Wichita has sustained a long-term decline, recent successes such as the revitalization of Old Town, the expansion of Airbus in the Downtown, the 50,000 square foot High Touch lease, new residential developments, and the opening of the INTRUST Bank Arena have restored a sense of vitality. The Downtown has the potential to bolster its competitive position as the region's urban center to the extent that it can offer an attractive, mixed-use walkable environment. Downtown must enhance its retail, restaurant, cultural, entertainment and other leisure-oriented amenities to become a more competitive office location. Forging attractive, walkable, mixed-use environments will differentiate the Downtown in the marketplace.

*Labor Proximity*: Wichita's upscale suburban neighborhoods are located primarily in its eastern and (increasingly) western suburban areas. Office development has followed the labor market to the suburbs. However, as the labor market has spread across the metro market to both the east and the west, Downtown's central location is a major market advantage.

## DOWNTOWN OFFICE MARKET OUTLOOK AND PROJECTION

In projecting a likely range of new office development,[3] this analysis generates two "market-based" forecasts, including (1) a conservative scenario, based primarily on prevailing trends, (2) a slightly more aggressive scenario, which envisions the potential that can be reasonably anticipated if conditions evolve as prescribed in this Downtown Master Plan. Market-based forecasts apply the following methodology:

*Employment growth*: Office tenancies are driven by employment. In many markets, the appropriate employment indicator focuses on the region's "office-inclined" industrial sectors, which include categories such as financial activities, professional services, management and a few others.

In this analysis, however, overall non-farm employment provides the appropriate indicator. There are two reasons for this. First, Wichita's tenants include a relatively high representation of corporate businesses that do not fall within "office-inclined" categories. For instance, in recent years, major leasing transactions have

[3] Projections are for *net new* multi-tenant office space. Thus, where existing buildings are demolished or converted to other uses, new development activity will exceed the projections for net new space.

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involved companies such as Cessna Finance, Airbus, Cargill, Westar Energy and High Touch.

The second reason for focusing on overall non-farm employment is simply that in Wichita this has historically been a more accurate indicator. As shown in Table II-6 and Figure II-2 below, from 1990 to 2008, office-inclined employment grew very slowly, at a compounded rate of 0.1 percent per year. In comparison, overall employment increased at a compounded rate of 1.2 percent per year. During this same time span, office supply increased at the considerably higher rate of 2.3 percent per year. This office growth rate considerably exceeded even the overall employment as well as office-inclined employment growth, but between the two indicators, overall employment has historically served as the more accurate tracker of office development activity.

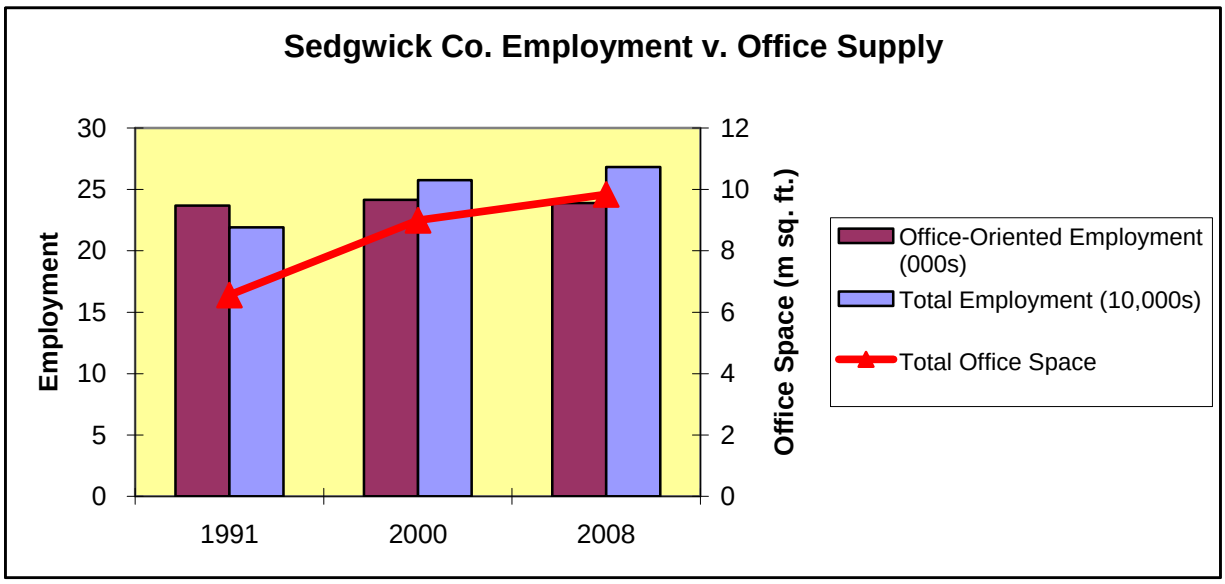
**TABLE II-6**

**SEDGWICK COUNTY EMPLOYMENT BY SELECTED INDUSTRY SECTORS TRENDS AND PROJECTIONS: 1990-2020**

| | | | | | | | CAGR | |
|---|---|---|---|---|---|---|---|---|
| | 1990 | 2000 | 2008 | 2009 | 2010 | 2020 | 90-'08 | 09-'20 |
| **Office-Inclined Sectors** | 23.67 | 24.14 | 23.89 | 23.94 | 24.02 | 25.53 | 0.1% | 0.6% |
| Financial Activities | 10.61 | 10.97 | 10.14 | 10.20 | 10.21 | 10.88 | -0.3% | 0.6% |
| Professional, Scientific, and Technical Services | 7.37 | 8.71 | 8.11 | 8.10 | 8.15 | 8.72 | 0.5% | 0.7% |
| Management of Companies and Enterprises | 3.93 | 2.45 | 3.30 | 3.32 | 3.35 | 3.24 | -1.0% | -0.2% |
| Religious, Grantmaking, Civic, & Prof. Org. | 1.76 | 2.00 | 2.34 | 2.32 | 2.31 | 2.69 | 1.6% | 1.4% |
| **Total Non-Farm Employment** | 217.09 | 257.50 | 268.17 | 262.04 | 257.82 | 283.87 | 1.2% | 0.7% |
| **Office Space (000s sq. ft.)** | 6,552 | 8,989 | 9,834 | -- | -- | -- | 2.3% | -- |

*Source: economy.com; W-ZHA, LLC; JP Weigand & Sons, Inc.*

**FIGURE II-4**



Based on the foregoing, office market growth is projected using compounded annual growth factors of .73 percent to 1.18 percent. The lower figure is the employment growth rate forecasted by Moody's *economy.com*, a nationally recognized economic consulting firm; the higher figure is the past growth rate achieved from 1990 to 2008. This higher figure is selected as a "reasonable" figure based on past performance in Sedgwick County (see Table II-1 above), and also takes into consideration the historical, macro-economic perspective that since 1960, national non-farm employment has grown at a compounded rate of 1.95 percent.

*Occupied Office Space Growth and Downtown Share*: Applying these growth rates to Wichita's current supply of occupied multi-tenant office space, the resulting increase over ten years would range from 472,000 to 779,000 square feet of multi-tenant space, as shown in Table II-7 below. Under the conservative scenario, the assumption is that Downtown would maintain its current share (42 percent) of the overall Wichita market's office supply. Under the more aggressive scenario, the assumption is that Downtown would capture 47 percent of new growth and begin to recapture a fairly small portion of its recently-lost market share. Applying these calculations, Downtown would support roughly 198,000 to 366,000 square feet of new space.

Approximately 25 percent of Downtown office space is owner-occupied space. Applying this ratio to the multi-tenant office potential results in a market for between 247,800 and 457,500 square feet of office space Downtown.

A portion of this market demand will be captured in existing space. Today, there is excess vacancy in the Class B office supply Downtown. Assuming a stabilized occupancy of 85 percent among Class B buildings, approximately 75,000 square feet of new demand will be captured in existing buildings. The net demand for new office space is, thus, 172,800 to 382,500 square feet.

*New Development:* The 172,800 to 382,500 square foot range represents just the occupied portion of new office development. Assuming a stabilized vacancy rate of 93 percent, actual development would range from 186,000 to 411,000 net square feet. From a development perspective, this translates into approximately 220,000 to 480,000 gross square feet of office space.

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**TABLE II-7**
**Office Market Potential**
**Downtown Wichita**
**2010-2020**

| | | Prevailing Trends | Conditional Potential |
|---|---|---|---|
| Occupied Multi-Tenant Office Space | | 6,256,000 | 6,256,000 |
| Avg Annual Growth Rate | | 0.73% | 1.18% |
| 10-Year Projected Office Space Growth | | 472,000 | 778,700 |
| Downtown Share | | 42% | 47% |
| Multi-Tenant Office Potential | | 198,200 | 366,000 |
| Plus: Owner Occupied @ 25% | | 49,600 | 91,500 |
| Total Occupied Office Potential | | 247,800 | 457,500 |
| Less: Excess Class A Vacancy | | 0 | 0 |
| Less: Excess Class B Vacancy /1 | | 75,000 | 75,000 |
| Net Occupied Office Potential | | 172,800 | 382,500 |
| Stabilized Occupancy Adjustment | 93% | 186,000 | 411,000 |
| Net to Gross Square Feet Adjustment | 85% | 219,000 | 484,000 |
| Net New Office Building Potential | | 219,000 | 484,000 |

1. Prevailing Trends growth rate based on *economy.com* employment forecast. Conditional Potential growth rate is based on two factors: (1) 30-year forecasted employment demand (if unconstrained by labor supply) of 1.5% per year set forth by Wichita Metropolitan Area Planning Department (2004), given forecasted labor supply, actual employment growth is forecasted at 0.5% per year; (2) previous long term (1990-2008) employment growth rate of 1.18 percent per year. Given these data, employment growth may exceed current economy.com forecasts.
2. Assumes Class B stabilzed occupancy at 85 percent.

*Source: W-ZHA, LLC.*

Thus, over ten years, if prevailing trends continue, Downtown Wichita is likely to support the development of more than 200,000 square feet of new office space. On the other hand, if overall economic growth exceeds current expectations, and if improvements to Downtown enhance its market position, supportable new office space could approach 480,000 square feet.

This general volume of development is contingent on a wide range of project-specific considerations, including the availability of quality sites, trends in lease rates, parking availability, proximity to amenities, and others. Overall, over the

next ten years, Downtown Wichita offers the potential to support roughly 220,000 to 480,000 square feet of net new office development.

## DOWNTOWN OFFICE PRODUCT CONCLUSIONS

To capture this potential will require that office buildings be properly sited and scaled to the target market. The following paragraphs summarize market conclusions with regard to product.

1. Modest Scale – New office buildings will likely range from 40,000 to 80,000 square feet. It will be difficult to achieve the pre-leasing thresholds required by lenders for buildings much larger in scale. Buildings 5-stories or less can be "stick-built" which is less expensive than mid- and high-rise construction. With lower cost comes lower rent.

2. CoolSpace – CoolSpace is office space located in older buildings that are architecturally distinct and within walking distance to restaurants. A share of the office market will locate in these types of buildings. Developers can often take advantage of historic tax credits as a tool to reduce the cost of rehabilitating older buildings to office space.

   In an effort to keep rents low, some newly constructed office space may be wise to adopt the hard loft concept where large, flexible, high-ceilinged, well lit space can be marketed with the option of minimal tenant finish.

3. Price Point – New office development will require a rent level of at least $25 per square foot. Rents must be this high to offset construction costs and operating expenses.

4. Parking – Office buildings will require parking within easy walking distance to the building. In the near term, the rental market will not bear the cost of structured parking. Public/private financing will be necessary to support the development of structured parking to service Downtown land uses. Parking should be sited in locations where there is the greatest potential for 24-hour use. Office users (and lenders) will demand that parking be available for employees.

5. In or Immediately Adjacent To Mixed-Use Districts – To command the rents required to construct a new office building, Downtown must offer a distinctly "urban" office product. As such, office buildings should not be developed in the middle of a surface parking lot away from the street. Office buildings must be developed in (or adjacent to) those Downtown districts that offer restaurants, entertainment, services and housing within easy walking distance.

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# HOTEL MARKET

## WICHITA LODGING MARKET

Despite the national economic downturn, the Wichita lodging market has outperformed the national lodging market. Three points summarize the recent performance of the Wichita market.

*Outperformance*: As shown below, from 2004 through 2008, occupancy rates in Wichita ranged from 62 to nearly 67 percent before falling to 59 percent in 2009 (through November). Since 2006 Wichita occupancies have consistently exceeded national market occupancies.

**TABLE III-1**
**LODGING MARKET OCCUPANCY RATES**
**U.S. v. WICHITA, 2003-2009**

| Year | Wichita | U.S.* |
|---|---|---|
| 2003 | 58.9 | 59.2 |
| 2004 | 62.0 | 61.4 |
| 2005 | 63.0 | 63.1 |
| 2006 | 66.4 | 63.3 |
| 2007 | 65.2 | 63.1 |
| 2008 | 65.0 | 60.3 |
| 2009 [1] | 59.2 | 55.2 |

[*] PricewaterhouseCoopers
[2] 2009 figures are through Nov. for Wichita marl
forecasted as of Nov. 9, 2009 for U.S. market

*Growing Market*: It should be noted that the Wichita market has been able to maintain relatively high occupancies even as it has accommodated new growth. As shown below, over the last six years room revenues have grown at an annualized rate of 5.4 percent per year; this growth incorporates increases in room supply (2.1 percent per year) and revenue per available room (RevPAR), which has increased by 3.3 percent per year.

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**TABLE III-2**
**WICHITA LODGING MARKET INDICATORS**

| | Occupancy (%) | ADR ($) | RevPAR ($) | Rm Supply | Rm. Demand | Rm Revenue |
|---|---|---|---|---|---|---|
| 2003 | 59.9 | 60.65 | 36.32 | 2,497,545 | 1,495,904 | 90,719,815 |
| 2004 | 63.4 | 62.56 | 39.66 | 2,499,483 | 1,584,557 | 99,123,800 |
| 2005 | 64.4 | 63.11 | 40.62 | 2,505,746 | 1,612,693 | 101,776,523 |
| 2006 | 67.6 | 68.09 | 46.03 | 2,556,041 | 1,727,947 | 117,655,574 |
| 2007 | 66.6 | 72.67 | 48.43 | 2,678,003 | 1,784,616 | 129,687,009 |
| 2008 | 66.7 | 76.26 | 50.85 | 2,723,341 | 1,815,984 | 138,479,472 |
| 2009 | 59.2 | 74.37 | 44.06 | 2,823,693 | 1,673,033 | 124,419,226 |
| CAGR (Compounded annual growth rate) | - - | 3.5% | 3.3% | 2.1% | 1.9% | 5.4% |

* All figures year-to-date through November of each year.

*Source: Smith Travel Reports; W-ZHA, LLC.*

*Locations*: Suburban Wichita contains 84 percent of the regional room supply. Eastern suburban Wichita has captured most of the recent growth; this submarket absorbed four new properties in 2009 (Best Western, Hampton Inn & Suites, Springhill Suites, Staybridge Suites). Suburban properties are, for the most part, limited-service properties; the Marriott and the Airport Hilton are the only full-service properties in suburban Wichita.

## DOWNTOWN LODGING MARKET OVERVIEW

The Downtown Wichita Study Area contains four properties containing approximately 770 rooms.[4] These include the Broadview Hotel, Courtyard by Marriott, Hotel at Old Town and Hyatt Regency. Among these, the Broadview and Hyatt Regency are full-service properties; a limited range of services are available at the Courtyard and Hotel at Old Town.

*Outperformance*: As a group, these properties' performance exceeds that of the overall Wichita market. As shown in Table III-3 below, since the opening of the Courtyard in 2007, this set of properties has consistently achieved higher occupancies than the overall Wichita market, despite charging considerably higher average daily rates (ADR). As a result, the RevPAR at these properties has been roughly 50 percent higher than the RevPAR in the overall market.

[4] There are actually six properties within the 67202 Downtown zip code; this analysis excludes the Holiday Inn and Cambridge Suites properties located on the south side of US Highway 54.

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These figures are consistent with the general finding that even limited-service properties in Downtown Wichita achieve daily room rates of roughly $125. This rate is well above suburban rates, and even higher than the average for Downtown properties. This is also consistent with anecdotal evidence from interviews with hotel managers/owners that many business travelers choose to stay in properties located Downtown – particularly in Old Town – even when traveling for business in suburban locations. The performance of Downtown hotels offers strong evidence that, given good locations and the economic growth projected, Downtown Wichita will support additional lodging supply.

**TABLE III-3**

**WICHITA LODGING MARKET COMPARISONS**

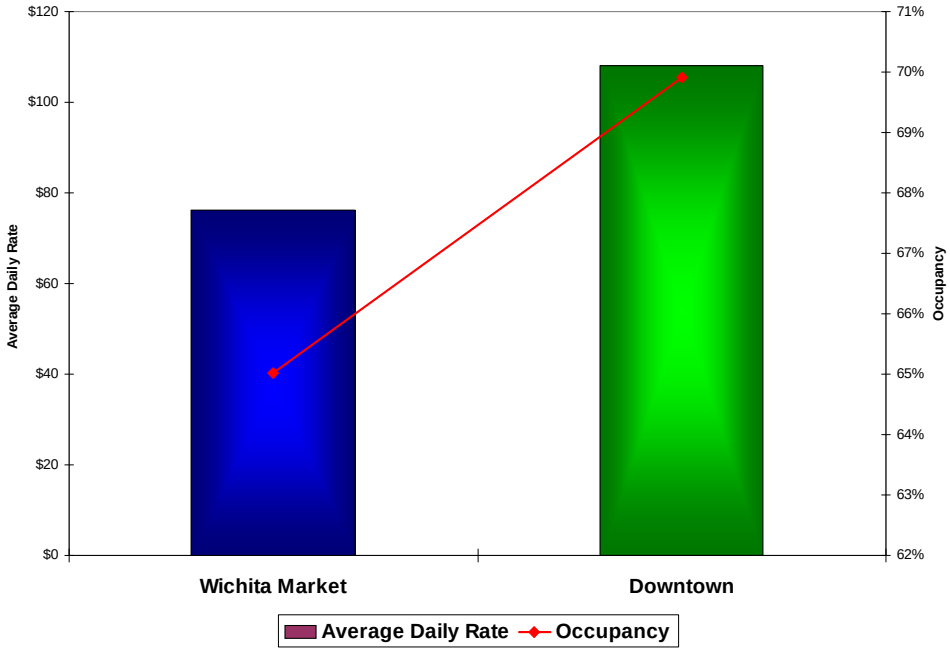
| | Occupancy (%) | | ADR ($) | | RevPAR ($) | |
|---|---|---|---|---|---|---|
| | Downtown [1/] | Overall Mkt | Downtown 1/ | Overall Mkt | Downtown 1/ | Overall Mkt |
| 2007 | 71.3 | 66.6 | 101.33 | 72.67 | 72.22 | 48.43 |
| 2008 | 71.4 | 66.7 | 108.73 | 76.26 | 77.63 | 50.85 |
| 2009 | 68.7 | 59.2 | 97.51 | 74.37 | 67.01 | 44.06 |

* All figures year-to-date through November of each year.

[1/] "Downtown" set includes the Hyatt Regency, Broadview, Marriott Courtyard and the Hotel at Old Town.

*Source: Smith Travel Reports; W-ZHA, LLC.*

**FIGURE III-1**
DOWNTOWN HOTEL PERFORMANCE COMPARED TO OVERALL MARKET




Source: Smith Travel Reports; W-ZHA, LLC

*Segments*: Like the overall market, Downtown hotels derive most of their demand from the "business transient" and convention/meeting segments. A recent study shows that the business transient and convention/meeting market account for roughly 80 percent of lodging demand in Wichita.[5] While some Downtown properties derive higher portions of their business from the Century II events, these figures, along with informal anecdotes, support the general allocation wherein meetings and conventions account for roughly 40 percent of the Downtown lodging market, with 40 percent attributable to business transient travelers, and the remaining 20 percent attributable to general leisure guests.

## DOWNTOWN LODGING MARKET OUTLOOK AND PROJECTION

The following describes the general market outlook for the Downtown Wichita lodging market, along with a projection for supportable development over the next ten years.

[5] The study, prepared by Go Wichita! attributes 42% of room-demand to business transient travelers, 31% to "convention/meeting" segments, and 11% to other "group" categories such as sports (4.5%), weddings/reunions (4.7%) and "group tour" (1.9%). The remaining "leisure transient" segments comprise less than 20 percent of the overall market.

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***Strong Potential for New Lodging Downtown***

As the local, regional and national economies recover, Downtown Wichita offers strong potential for new lodging development. Four considerations shape this outlook:

- Office ratios: Notwithstanding Downtown's 42 percent share of the Wichita office market, Downtown hotel rooms account for just 16 percent of its lodging market supply.

**TABLE III-4**
**OFFICE/HOTEL RATIOS**
**DOWNTOWN vs. OVERALL WICHITA MARKETS**

| | Total Wichita | Downtown # | Downtown % |
|---|---|---|---|
| Office Space | | | |
| Wiegand | 9,833,550 | 4,100,590 | 41.7% |
| Grubb/Ellis/Martens | 7,384,000 | 3,133,000 | 42.4% |
| Lodging Rooms | 6,351 | 1,016 | 16.0% |

*Source: Go Wichita; Grubb & Ellis/Martens Commercial Group, J.P. Weigand & Sons, Inc.*

This indicates that the Downtown market is underserved. Before even considering the influences of the Century II convention center and the new INTRUST Bank Arena, Downtown's share of the Wichita office market indicates that its lodging market should support more rooms.

Moreover, while Downtown Wichita may not capture 42 percent (its share of the regional office market) of the regional room supply, as office demand growth resumes in Downtown Wichita this will generate increased lodging demand.

- Convention Business: Downtown Wichita maintains the dominant position in the Wichita convention and meetings market.

- Downtown Amenities: Access between Downtown and suburban Wichita is not difficult, and Downtown's features and amenities increasingly provide compelling reasons for travelers to stay Downtown. Over the last several years, Old Town has provided the primary amenity for Downtown travelers; other amenities include the City's museums and the new INTRUST Bank

Arena. The importance of Downtown amenities is made clear in the previously mentioned finding that Downtown hotels attract business travelers travelling for business meetings in suburban locations.

- Underserved Niches: Downtown Wichita contains a limited supply of properties in limited-service, middle-market and budget categories. While this is not unusual for Downtown districts, in most Downtown districts this is attributable to relatively high land costs and predominantly high-end office markets. This is not the case in Wichita, where the Class-A office market achieves lower rents than its suburban competition, and where land costs are generally estimated at $30 to $50 per square foot of land. While Downtown's full-service niche may be adequately served at this time, strong performances at the Hotel at Old Town and Courtyard by Marriott properties indicates the strength of Downtown's limited service hotel market.

### *Projected Development Potential*

Based on the foregoing, it is clear that – given suitable locations close to Downtown amenities -- Downtown Wichita will be able to support additional lodging facilities.

Over the next ten years, Downtown Wichita is likely to support two to four facilities, containing a supply of 250 to 400 rooms.

The derivation of this projection rests upon the following four considerations:

Undersupplied Convention Business: A brief investigation of other selected comparable and competitive cities shows that, relative to its convention and meeting activity, Wichita is substantially undersupplied with lodging rooms. As shown below, among a selected sample of comparable cities, Wichita's ratio of space to Downtown lodging rooms is nearly 100 percent higher than that in Des Moines, the next-highest city, and is nearly 150 percent higher than the average among these cities.

**TABLE III-5**

**Exhibit Space and Downtown Lodging in Wichita and Selected Cities**

| | OK City | Tulsa | Omaha | Des Moines | **Average** | **Wichita** |
|---|---|---|---|---|---|---|
| Downtown Conv. Ctr. Exhibit Space | 100,000 | 167,200 | 194,000 | 198,000 | **164,800** | **195,500** |
| Downtown Lodging Rooms | 1,967 | 1,559 | 2,158 | 1,561 | **1,811** | **779** |
| Ratio (exhibit space/rm) | 51 | 107 | 90 | 127 | **94** | **251** |

*Source: Go Wichita!; W-ZHA, LLC*

This leads to the general finding that accommodations may present difficulties for groups seeking to book Century II for large meetings. Discussions with Go Wichita! support this general finding; Go Wichita! believes that additional Downtown rooms are important in attracting and retaining Downtown convention/meeting activity, and that, given reasonable proximity to the convention center, additional rooms would be supportable in Downtown Wichita. Over ten years, as shown below in Table III-6, growth in convention/meeting activity could likely support a 25 to 40 percent increase in Downtown rooms.

Business Market Growth: Given office growth as projected in Section II, over the next ten years the general business transient segment of the lodging market should grow by 6.9 to 13.5 percent. Based on the assumption that this segment accounts for roughly 40 percent of Downtown lodging occupancy, this would increase demand for Downtown lodging by 21 to 42 rooms (Table III-6).

Increased Downtown Amenities: An economic study prepared in anticipation of the development of the new INTRUST Bank Arena indicated that it would likely draw an increase of 220,000 out-of-town visitors to Downtown Wichita. If only 10 percent of these visitors were to stay in Downtown accommodations, this would amount to 22,000 room-nights. At an assumed occupancy rate of 67 percent, this would support 90 rooms. Given this impetus, along with other improvements to Downtown Wichita, the Downtown leisure/transient segment could potentially reasonably increase by 50 to 75 percent, adding 78 to 124 rooms to the Downtown lodging market.

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**TABLE III-6**
**LODGING INDUSTRY 10-Year GROWTH POTENTIAL**
**DOWNTOWN WICHITA STUDY AREA**

| | Segment Share | Current Rm Supply | Growth Potential (rooms) Low | High |
|---|---|---|---|---|
| General Business Component [1] | 40% | 311 | 6.9%<br>21 | 13.5%<br>42 |
| Meeting Component | 40% | 311 | 25%<br>78 | 40%<br>124 |
| Leisure/Other (Arena) | 20% | 155 | 50%<br>78 | 75%<br>117 |
| Net Total Room Increase | 100% | 777 | 177 | 283 |
| Adjustments: replace rm reduction at Broadview | | | 30 | 30 |
| Adjusted Net Total Room Increase | | | 207 | 313 |

[1] Table __ in Section __ shows the potential for 215,000 to 423,000 square feet of new office development, representing increases of 6.9% to 13.5% over existing inventory.

*Source: W-ZHA, LLC*

Competitive Development Dynamics: The figures shown in the preceding table indicate that over ten years, Downtown Wichita could potentially support an additional 200 to 300 rooms. This figure is likely to be conservative, for it excludes considerations of competitive market dynamics. Developers and lodging companies do not develop properties simply to capture opportunities within a given market's capacity. Rather, they pursue development strategies that will enable them to capture increased market shares. This competition shapes strategies involving site selection, product niches (as where, for example, Marriott may introduce its Courtyard, Residence Inn, Fairfield Inn, Springhill, TownePlace Suites, Renaissance or other products to complement existing properties in a market) and other issues. Where new construction exceeds the market's capacity, existing properties (either Downtown and/or suburban) may fail, but this does not deter such construction. Thus, where Downtown achieves growth and enhances its profile, its potential for additional lodging facilities will exceed the figures derived in the preceding table.

Overall, while Table III-6 indicates a potential for 200 to 300 more rooms in Downtown Wichita, a reasonable projection must consider development dynamics that will increase this potential to a range of 250 to 400 rooms – in two to four properties -- over the next ten years.

Appendices

# A1 C

# Market Analysis: **Retail**

**Project Downtown:**
The Master Plan for Wichita

## Executive Summary

- Rather than trying to appeal to everybody, the approach to enhancing the retail mix of Downtown Wichita should be one of identifying which "niches" would be the most promising.

- Niches can be defined in many different ways. One method of particular relevance is "psycho-graphics", which analyzes markets qualitatively, in terms of what lifestyles, sensibilities and aspirations are most prevalent.

- For example, businesses focusing on "hipsters" (young, creatively- and alternatively-minded types who live in and are drawn to the underground) should be targeted for the Delano business district. Examples include funky footwear and vintage clothing shops.

- Businesses directed at "yup-sters" (creatively- and alternatively-minded types who are more established and affluent, ranging from young professional to empty nester) should be steered towards Old Town and the emerging Old Town West. Examples include "upscale bohemian" fashion boutiques and "cross-over" ethnic eateries.

- Businesses catering to "young adults" (college students and recent graduates) should be directed to Old Town and surrounding blocks. Examples include "cheap chic" purveyors and dance clubs.

- Food and drink offerings appealing to the broadest possible market should be sited within or on the periphery of Old Town, heading towards INTRUST Bank Arena. Examples include "middle-of-the-road" concepts like family restaurants, as well as less conventional ones such as a trendy "retro-chic" bowling alley and "casual chic" restaurant/bar combos.

- Such establishments are most appropriately located there rather than in the WaterWalk development so as to take full advantage of the synergies of locating within or near Downtown's *existing* dining and nightlife concentration.

- This last category of tenant serves a dual purpose, in that it also positions Downtown as something that belongs to everyone, a true crossroads that in some ways welcomes all of Wichita, with businesses that are relevant to a wide audience and not just to one or two narrowly defined niche markets.

- The sorts of retail uses for which WaterWalk would be appropriate are those "one-per-market" brands that seek a central location easily accessible from the entire metro and therefore covet the close proximity to the U.S. 400/U.S. 54/East Kellogg Avenue freeway, and that are willing and able to stand alone.

- A retail incubator similar to the Farm & Art Market of the 1990's should be re-introduced, in a location that would not otherwise be leasable to market-driven tenancies but would, perhaps with the help of a non-retail anchor use, ensure a level of foot traffic that gives the individual vendors at least some chance of survival in the early years.

- The Wichita Downtown Development Corporation (WDDC) should also consider the development of an in-house recruiter, a salaried, full-time employee dedicated solely to identifying and pursuing retail tenant prospects, who can supplement and support the efforts of brokers by assuming responsibility for the time, headache and risk often involved in trying to fill downtown retail space.

- Recruitment often requires direct retail "stimulus" so as to level the playing field for downtown retail, *in addition* to the standard façade-improvement fund. An example would be a forgivable-loan program to help with tenant build-out.

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**Downtown retail as a niche attraction**

When thinking about how to improve or enhance the retail mix of a given downtown, those of a certain age think back to the '50's (or earlier), when it was *the* premier shopping district of the entire city, when it was a "mass-market" attraction. That is, everybody went there, and it was a part of the city's collective understanding of itself, with stores that everyone shopped in and traditions that everyone took part in.

Given all that has happened since (see Appendix A), it is very difficult to recreate that sort of downtown today. This does *not*, however, mean that efforts to improve on the current retail mix would be futile, just that the approach will need to be different. Indeed, the "mass-market" aspiration, while perfectly appropriate in the 1950's, is a somewhat outdated one at the dawning of the 2010's, when retail is rarely marketed in such terms; today, success means segmentation.

To understand this change, consider the matter of television. The airwaves were long dominated by the "big three" networks. In 1980, more than 90 percent of viewers were tuned in to CBS, NBC or ABC during prime time.[1] Everyone watched them, thereby creating an experience common to all Americans (or at least, the very high percentage that owned sets).

Over the next quarter of a century, the market share of the big three would be eroded by the introduction of countless new broadcast and cable networks, many with their own, narrowly defined "niche" audiences. Soon, there was a channel for every interest and every sensibility, and mass was less "mass" than it had ever been before, with only 32 percent of viewers watching CBS, NBC or ABC during prime time by 2005.[2]

A similar change has occurred in retail, especially in *urban* settings, where business districts are increasingly defined and differentiated by the tiny micro-slivers of the consumer marketplace to which they cater. Rather than uniting everyone with a

[1] According to a March 1, 2008 piece by Douglas Blanks Hindman and Kenneth Weigand in *The Journal of Broadcasting and Electronic Media* entitled "The big three's prime-time decline: a technological and social context".
[2] Ibid.

common experience, like the downtowns of yesteryear, they attract a collection of self-selecting "niche" audiences.

The approach, then, has to be one of identifying which of these "niches" would be the most promising for Downtown.

Of course, niches can be defined in many different ways. One method of particular relevance in this instance is with the use of "psycho-graphics". As opposed to demographics, which characterizes markets in quantitative terms, psycho-graphics analyzes them qualitatively, in terms of what lifestyles, sensibilities and aspirations are most prevalent.

Imagine the typical Saturday evening at the Vagabond Café in Delano, at Caffe Moderne in Old Town and at Heroes Sports Bar, also in Old Town: each offers a different sort of crowd, with relatively little cross-over between them. We intuitively understand these distinctions. Indeed, we often self-select on the basis of them. That, in a nutshell, is psycho-graphics: it helps to explain such choices.

**The "hipster"**

Take, for example, the typical patron of the Vagabond. He/she belongs to the "hipster" psycho-graphic: young creatively- and alternatively-minded types who live in and are drawn to the underground. They shop vintage and retro, wear Chuck Taylor Converse sneakers and funky eyeglasses, exhibit multiple tattoos and piercings, drink craft and blue-collar beers, listen to vinyl records and up-and-coming bands, ride skateboards and fixed-gear bicycles, etc.

Hipsters tend to be the "early adopters" who set trends and pioneer neighborhoods. They are not deterred by a little grit, and they do not frighten easily: indeed, too much polish and amenity makes them suspicious. Furthermore, the lack of convenient parking is not a deal-breaker for them; in fact, many walk, take the bus or ride a bike. They are usually believers in downtown, not skeptics.

Hipster-oriented businesses are scattered in Wichita's case, somewhat diluting their overall impact, but their absolute number (see table) clearly points to the presence of a market. Needing inexpensive space, such entrepreneurs are drawn to the low-rent

areas immediately adjacent to Downtown, for example, along West Douglas Avenue in Delano, East Douglas Avenue in the Design District, East Central Avenue between North Washington Street and North Hillside Street, etc.

TABLE 3. EXAMPLES OF HIPSTER-ORIENTED BUSINESSES (not exhaustive)

| Name | Category | Location |
|---|---|---|
| Street Skinz | Skate | Towne East Square |
| Endless Ride | Skate | East Central Avenue |
| Wheels Skate & Snack Shop | Skate | Downtown |
| Klassic Line | Vintage/thrift | Delano |
| DAV (Disabled American Veterans) Thrift Store | Vintage/thrift | Delano, East Central Avenue (five locations in total) |
| Rewound Sounds | Music | Delano |
| Bicycle X-Change | Bikes | Delano, East Central Avenue |
| Vagabond Café | Café | Delano |
| Donut Whole | Café | Design District |
| Beacon Restaurant | Diner | Downtown |
| Ty's Diner | Diner | Delano |
| The Anchor | Bar | Design District |
| Finn's Lounge | Bar | Downtown |
| Kirby's Beer Store | Bar | WSU |
| Lucky's | Bar | Design District |
| Blank Page Gallery | Gallery/Performance Space | Delano |

Source: MJB Consulting

One should be careful not to *over*estimate the size of this market. Indeed, Wichita is relatively underrepresented in the kinds of arts and information-technology jobs typically filled by hipsters. Having said that, there are retail categories where they remain under-served, most notably, footwear, an important fashion accessory for this psycho-graphic, and vintage clothing.

The assumption is often that hipsters, while influential in starting trends, do not have much money to spend. Yet while this may be true, the reality is that they *will* spend in categories and on brands that have **meaning** for them on a psycho-graphic level, and scrimp on most everything else. Examples include Apple products and funky/limited-edition footwear.

The most appropriate location for such retailers would be in Delano, along the stretch of West Douglas Avenue between McLean Boulevard and Seneca Street, given the cluster of hipster-oriented businesses already there (see table above), the relatively low rent levels (estimated at $9-$10/sq.ft.) as well as the district's edgy "outlaw" brand (as bestowed by the cowboys of yesterday and the motorcyclists of today).

Beavers Den: one of several biker-oriented businesses on West Douglas Avenue in Delano

**The "yup-ster"**

The presence of hipsters often foreshadows the arrival of another psycho-graphic niche, the "yup-ster", a unique blend of a "yuppie" and a "hipster". The yup-ster will typically have a more established career and earn more money than the hipster, and she can range in age from young professional to empty nester, but she shares the same sorts of creative and alternative sensibilities and tends to gravitate to areas that have developed reputations as hip and artsy.

Yup-sters are among Wichita's most cosmopolitan and sophisticated residents. They value "high culture" and celebrate the creative and the cerebral. For example, they support the symphony, listen to jazz, watch "indie" films, participate in Final Friday art crawls, read *The New Yorker*, attend events at Watermark Books & Cafe, listen to National Public Radio (NPR), enjoy a nice glass of wine, and explore new and diverse cuisines.

Yet while they tend to be some of the most passionate supporters of Downtown, yup-sters are not as enamored with urban grit and edge as the hipsters, instead preferring settings that are a bit more stylized and sanitized. For instance, they might live in Downtown, but in the high-end Rumley Lofts. They might be curious about Latino food and culture, but only when dressed in more familiar, upscale garb, as at Sabor Latin Bar & Grill.

TABLE 4. EXAMPLES OF YUP-STER BUSINESSES (not exhaustive)

| Name | Category | Location |
|---|---|---|
| Lucinda's | Variety | Old Town |
| Bella Luz | Variety | Old Town |
| Aspen Boutique | Fashion | College Hill |
| Chico's | Fashion | Bradley Fair |
| Coldwater Creek | Fashion | Bradley Fair |
| Ferguson-Phillips Homeware | Home furnishings | College Hill |
| Traditions Furniture | Home furnishings | College Hill |
| Beyond Napa | Wine | Old Town |
| Watermark Books & Cafe | Books/café | College Hill |
| Caffe Moderne | Café | Old Town |

| | | |
|---|---|---|
| La Galette | Restaurant | Delano |
| Uptown Bistro | Restaurant | Old Town |
| Sabor Latin Bar & Grill | Restaurant | Old Town |
| Clifton Wine & Jazz | Bar | College Hill |
| Oeno Wine Bar | Bar | Old Town |

Source: MJB Consulting

Yup-sters, however, do not only live in Downtown lofts: they are also found in relatively high concentrations in the dense, close-in neighborhoods of College Hill and Riverside, living in historic Victorian and bungalow homes on tidy, tree-lined blocks, enjoying an urban alternative to the postwar suburban sub-division that is at the same time, not *too* urban.

A residential block in Riverside

Indeed, in addition to Downtown, a number of Wichita's yup-ster businesses (see table above) are in fact located in the small, neighborhood-scaled business districts nestled within these same neighborhoods, like the ones, for instance, along East Douglas Avenue in College Hill, at that corridor's intersections with Hillside Street and Oliver Street.

However, Downtown boasts the city's largest cluster, including some of the most successful, like, for instance, Lucinda, Bella Luz and Sabor Latin Bar & Grill. Such businesses tend to be located in Old Town, and specifically, in Old Town Square, which has successfully branded itself as a more mature and upscale pocket within the broader Old Town district.

The strength of these existing co-tenancies suggests the potential for adding more of the same. For example, there could be a greater variety of sit-down restaurants in Old Town, specifically, ethnic cuisines to entice yup-ster diners.

At present, Wichita's largest concentration of ethnic restaurants is on the North Broadway Street corridor, roughly between East Central Avenue and East 21st Street N.

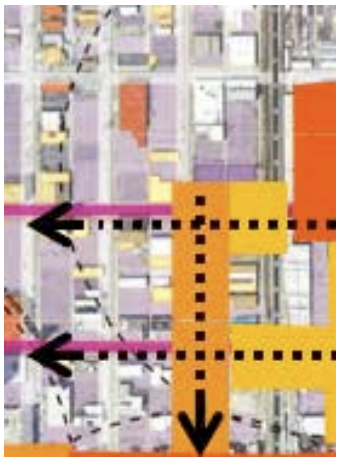
Yet while some of these might draw Downtown office workers during the lunch hour, Midtown's foreboding feel after nightfall limits the dinner traffic. Indeed, Maharaja Cuisine of India recently relocated to West Central Avenue because, according to the owner, "people don't like to come [to North Broadway] in the evening."[3]

For this reason, Old Town would be a better location for ethnic offerings that aim for such a "cross-over" draw. To maximize their appeal, however, they might also need to be "re-packaged" – in terms of signage, service, menu and experience – so as to feel more welcoming and less intimidating to mainstream diners, as well as marketed through conventional channels (e.g. reviews in the *Wichita Eagle, Splurge!*).

Danny Nguyen, owner of **Pho Hot** (on East Pawnee Street) and the more upscale **Pho Hot Bistro** (on North Rock Road), is an example of an entrepreneur who is willing to "re-package" his concepts to appeal to a broader audience

Generally speaking, sit-down restaurants are an ideal use for corridors that have not yet been redeveloped, as they have the unique ability to draw people to parts of town that they would otherwise ignore or avoid. Specifically, eateries might be utilized in this context as "pioneers" of the so-called "Old Town West" sub-district, steered towards ground-floor spaces, for example, in new mixed-use projects along North St. Francis Street.

[3] As quoted in Carrie Rengers' January 14, 2010 post on her "Have You Heard?" blog on the website of *The Wichita Eagle*.



Also, one of Old Town's most unique aspects, as a case study in downtown revitalization, is the success of its boutiques, with shops like Lucinda's, Bella Luz, Aida's Silver Jewelry and First Gear reportedly achieving sales levels more commonly found in enclosed regional/super-regional malls. Such performance suggests that additional yup-ster concepts could be viable going forward.

Yup-ster concepts like Lucinda's, Bella Luz and even Aida's Silver Jewelry attract a consumer who is looking for styles that are a bit more "artsy", "eclectic" or "funky", either the sorts of twenty- and thirty-somethings who might be drawn to stores like Urban Outfitters or Anthropologie, or the kinds of empty nesters who would gravitate to brands like Eileen Fisher, Chico's or Coldwater Creek.

The Chico's store at Bradley Fair

While certain "yup-ster" chains with more of a "*faux*-boutique" positioning, like Anthropologie[4] and I.O. Metro[5], might be within the realm of possibility, Downtown Wichita should, generally speaking, be targeting smaller-scale entrepreneurs and "chain-lets", and *not* large brands. Indeed, one of its chief points of differentiation, vis-à-vis homogenized suburban competitors like Towne East Square and Bradley Fair, is its carefully curated, "one-of-a-kind" shops.

[4] Anthropologie does not presently have a Wichita-area location but it has been known to take chances on re-emergent downtowns (e.g. its store in Milwaukee's Third Ward) and similarly sized markets (e.g. the Jackson, MS metro).

[5] I.O. Metro is a fast-growing purveyor of moderately priced modern furniture that focuses on mid-sized markets and is willing to consider downtown settings. Unlike Abode Home, which was devastated by the economic downturn, I.O. Metro has thrived in recent years.

Of course, a center such as Bradley Fair has its share of boutiques as well, like, for instance, Bricks/Genevieve G Shoes, Lyndon's and Nouveau, but this gets to another point of differentiation: many of the merchants who choose to operate in a downtown setting are fiercely devoted to it, and they could not imagine ever locating in the suburbs no matter how attractive the opportunity on conventional grounds.[6]

Finally, the sorts of boutiques at a Bradley Fair tend to be the well-established ones that have been in business for decades[7] and are generally considered credit-worthy. Most independently owned and operated businesses, however, are in much earlier stages of their respective lifecycles: they cannot afford the rents in the low to mid $20's/sq.ft. charged at such a center, nor would they be welcomed there.

For these reasons, Downtown's most direct competition is *not* necessarily the large suburban shopping centers, but rather, as described above, those neighborhood-scaled business districts nestled within the dense, close-in, neighborhoods that predate the postwar suburban era, as these can differentiate themselves in similar terms, inspire the same kind of fierce devotion, and offer roughly comparable rents.

It is difficult to imagine Riverside Perk feeling at home at a NewMarket Square

Old Town is well positioned in this competition, in that it still has small floor-plates to offer. Riverside, on the other hand, has very little retail fabric, and of the two aforementioned nodes along East Douglas Avenue in College Hill, the one at Oliver

[6] This would rule out the Shops at Tallgrass, across East 21st Street from Bradley Fair, which might otherwise appeal to less established boutique entrepreneurs looking for more affordable rents.

[7] For example, Lyndon's first opened in 1975 and Nouveau, 1978.

Street is virtually full[8], while the other, at Hillside Street, converges on an automobile-dominated, pedestrian-unfriendly intersection that could deter such prospects.[9]

Of course, Delano's West Douglas Avenue also has available, competitively priced space. However, as discussed earlier, existing co-tenancies are a critically important factor for boutique entrepreneurs, and Old Town offers more in this respect. Indeed, the current mix in Delano would seem to be a much better fit for the sort of hipster-oriented fare proposed above.

A yup-ster entrepreneur would probably prefer to locate in a space near Lucinda's versus one close to say, Rewound Sounds

Finally, while sit-down restaurants could play the role of pioneer, new boutiques want and need to a much greater extent to be close to and able to take advantage of the cross-traffic generated by existing ones -- that is, in the case of yup-ster businesses, *not* on the periphery of Old Town, but rather, in "in-fill" spaces within the heart of the district.

One last recommendation for both the yup-ster and hipster psycho-graphic segments is a cinema that concentrates on art and independent films. Currently there are no such theatres, in a metropolitan area with almost 600,000 people (and a 7-year-old film festival). Arguably the most appropriate venue in the city is the Old Town Warren, which could devote one or two screens to such fare. Failing that, either the Orpheum Theatre or the Scottish Rite Temple could look to secure films for regular showings.

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[8] The 8,580 sq.ft. space formerly occupied by Barrier's Jewelry is still vacant, but that floor-plate is far too large to be affordable to most such users.

[9] Clifton Square, the shopping "village" just to the east of this intersection, between North Clifton Avenue and North Yale Avenue, provides low-cost space for early-stage entrepreneurs – current asking rents are roughly $9 to $10/sq.ft. – but it appears to be transitioning to primarily an office complex. Indeed, in Carrie Rengers' April 23, 2010 post on her "Have You Heard?" blog on the website of *The Wichita Eagle,* Clifton Square's owner, Jo Zakas, notes that it is "becoming quite the medical area", and that "we'd like to expand on that".

Meanwhile, some 6,000 sq.ft. of ground-floor retail space is planned as part of the Parkstone development at East Douglas Avenue and North Rutan, but as new construction, it might be challenged to offer the sorts of rents – in the mid teens per sq.ft., at the most – that could compete with existing bays in/near Old Town.

**The student and young adult**

University **s**tudents represent another opportunity for Downtown. Wichita can claim roughly 20,000 in total: Wichita State University (WSU) boasts an enrollment of nearly 15,000 at its main campus to the northeast of Downtown, while Friends University and Newman University add another 3,100 and 2,000, respectively, at their primary sites to the southwest.

Even, however, with 20,000 of them, Wichita does not have any sort of "college drag". WSU would be the school most likely to have one, yet with the notable exceptions of the William H. Smith Bowling and Recreation Center (in the Rhatigan Student Center) and Kirby's Beer Store, there is precious little on the campus and in the surrounding neighborhood beyond basic conveniences (e.g. textbooks, fast food, ATM, etc.)

WSU's Rhatigan Student Center

Students therefore largely have to look elsewhere for shopping, sit-down dining and nightlife. A certain percentage would qualify as early-stage hipsters and act similarly as consumers (see above), but a much larger number can be characterized in terms far more conventional. Furthermore, recent graduates often retain this same sensibility for their first few years after college. Combined, these young adults represent a sizable sub-market in their own right.

For example, as avid sports fans who drink mainstream American beers and do not prioritize décor, the men tend to prefer typical sports bars, like Heroes Sports Bar. Alternatively, they might gravitate to ones that base their appeal at least partly on

female sexuality, like, say, Emerson Biggins (see below). Indeed, Hooters is one of this psycho-graphic's most oft-patronized chain restaurants.

The home page on Emerson Biggins' website

The women follow mainstream fashion, perusing magazines such as Elle, but at the same time they lack the discretionary income needed for full-price, and will rely on Forever 21 for its inexpensive runway knockoffs. They will turn to that same store for dresses and tops to wear in the evenings, while their male suitors try to impress in sharp jeans and dress shirts purchased, say, at The Buckle.

Not surprisingly, Forever 21, featuring trendy, "of-the-moment" looks at very inexpensive prices, has been wildly popular since debuting at Towne East Square in 2008. Few other retailers in the region, however, can be said to offer something similar, and while the chain would be very unlikely to consider the Downtown for a second store[10], perhaps a smaller-scale entrepreneur(s), utilizing the same "cheap chic" business model, could be drawn to the visibility of an Old Town location to the young adult-heavy nightlife crowd.

Also, judging by the long lines on a Saturday evening at, say, a Margarita's Cantina, the market for young adult-oriented dance clubs in Wichita appears to be far from saturated, and Old Town, boasting the largest concentration in the region (i.e. Doc Howards, America's Pub, Liquid, Finn's Lounge, etc.), is well positioned to take advantage by adding to its existing selection.

[10] The same holds for the other well-known "cheap chic" purveyor, H&M, were it to choose to expand to the Wichita market.

The contribution of young adults to Downtown retail could be augmented still further by establishing a greater presence for Wichita State University, perhaps with some sort of satellite campus that includes a student housing component, thereby enabling the school to offer even more of the big-city urban experience that it emphasizes in its marketing materials.[11]

**The impact of the INTRUST Bank Arena**

One cannot talk about the evening potential in Downtown without mentioning the presence of the new INTRUST Bank Arena (IBA). The concerts, Wichita Thunder matches and various other events generate large numbers of potential customers for nearby restaurants and nightspots, with the impact especially significant during the week, when such establishments would otherwise be far less busy.

During the first quarter of 2010, the INTRUST Bank Arena sold 52,592 tickets, ranking it as the 45th-busiest arena in the world, and 22nd-busiest in the U.S.[12]

Of course, the crowd attracted by the arena consists of far more than just students and recent graduates. Indeed, it is as wide-ranging in psycho-graphic terms as the state itself, also including, for example, working class Wichitans from the city's southern reaches as well as rural folks from West Kansas: the impact depends on that night's event, and the specific business.

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[11] In the "About WSU" page on its website, the university writes: "Location. It's what separates Wichita State from the other guys. As Kansas' only urban-serving research state university, WSU can offer things the others can't. By combining a traditional college atmosphere with the endless possibilities of the state's biggest city, Wichita State is the only school in Kansas that can provide an educational experience that goes beyond the limits of a typical college town. Bottom line – because we're in Wichita, Kansas, Wichita State students have advantages other students don't. Period."

[12] According to Pollstar, as referenced in Chris Moon's April 16, 2010 *Wichita Business Journal* article entitled "INTRUST Bank Arena ranked high for ticket sales".

For example, Old Chicago Pasta & Pizza has proven to be popular regardless of what is happening at the arena, whereas the evening offerings of Melad Stephan's Empire Restaurant Management (Uptown Bistro, Sabor Latin Bar & Grille and Oeno Wine Bar), while in high demand for the Billy Joel and Elton John performance, did not draw heavily for the Taylor Swift concert.[13]

This illustrates an important point. The establishments likely to be the most successful in catering to the arena traffic are the ones that appeal to the broadest possible market, that is, that draw the widest range of incomes and sensibilities. In this sense, Old Chicago's accessible pizza and beer concept and moderate price-point was bound to enjoy more of a boost than Stephan's yup-ster fare.

Generally speaking, "middle-of-the-road" food and drink concepts – like, for example, the family restaurant – are able to engage the more rural Kansans in town for concerts in the arena, as well as the blue-collar young singles and retirees who live in the adjacent neighborhoods. These offerings need not be destinations in order to succeed, for they are simply targeting event-goers and residents already using the Downtown for other reasons.[14]

They are, however, serving a very important purpose in the mission of downtown. That is, even if Downtown Wichita can no longer be mass-market shopping destination for an entire region, it can still be – and indeed *should* still be -- something that belongs to everyone, a true crossroad*s* that in some ways welcomes all of Wichita, with businesses that are relevant to a wide audience and not just to one or two narrowly defined niche markets.

This does not mean, however, that they necessarily have to be conventional. Take, for example, Pin-Up Bowl, a trendy, "retro-chic" bowling alley/martini lounge concept that first opened in St. Louis' University Loop district in 2004, expanded with a second location at Kansas City's Legends at Village West development in 2007 and has since

[13] According to Daniel McCoy and Josh Heck's April 9, 2010 *Wichita Business Journal* piece entitled "Restaurants and retailers riding the tide of different arena demographics".

[14] For the sake of clarity, residents are already "using Downtown" because they treat Downtown as their local neighborhood business district.

been looking at other markets, including Wichita, where it was talking with the developers of WaterWalk.[15]

Bowling is, of course, a widely popular pastime in Wichita, but it has never been offered in quite this swanky, "uber-cool" format, with the ability to draw from beyond its traditional base and attract nightlife seekers. Indeed, Joe Edwards, the owner, has described the Pin-Up Bowl concept as a "good martini lounge that [happens] to have bowling".[16]

One note of caution, however, with this sort of bowling alley in Downtown: it might not be able to co-exist with the "Bowllagio" concept planned as part of a possible new commercial development at W. Kellogg Drive and S. Maize Road on the West Side. The two would not necessarily be programmed and marketed in exactly the same way, but the business models could still overlap, throwing feasibility into question.

Another example of the unconventional, Earls Restaurant, arrives by way of Canada.[17] Earls is the leading example of what has become known in that country as "casual chic", referring to aggressively stylish and contemporary restaurant/bar concepts that have managed to secure broad appeal – among young adults, yup-sters and others -- with their blend of meat-and-potatoes and more adventuresome entrees, their wide range of price points, their use of strikingly attractive, provocatively dressed wait-staff and their ability to tap a widely shared desire to feel young, hip and modern.

Earls might at first seem like a concept geared primarily towards larger, more trendy metros, and its initial expansion in the U.S. has focused on such opportunities (e.g.

[15] The developers of WaterWalk were said to be "courting" Pin-Up Bowl in Chris Moon's November 2, 2007 *Wichita Business Journal* article entitled "WaterWalk courting retro bowling alley". At the time, Joe Edwards, the owner of the concept, was also very interested. However, it is not clear how that courtship ended.

[16] As quoted in Ibid.

[17] Earls has already expanded to the U.S., with locations in the Denver, Phoenix and Seattle markets

Denver, Phoenix, Seattle) but in its home country, it has proven to be popular even in the suburban settings of smaller, second-tier markets. Furthermore, the model has also enjoyed success in close proximity to arenas programmed similarly to Wichita's INTRUST Bank Arena.

The stylish interior of an Earl's

One might argue that concepts such as Pin-Up Bowl and Earls should be targeted for the WaterWalk development -- where an "entertainment district" is apparently still planned, and roughly 65,000 sq.ft. of signed leases and letters-of-intent are still in play[18] -- but rather than creating an entirely new center of gravity on that side of Downtown, it is recommended that such uses be sited in or on the edge of Old Town, en route to the arena, so that they can take full advantage of the synergies of locating within or near the *existing* dining and nightlife concentration.

This line of thought starts from the assumption that the market is not large enough to fill the entire Downtown with restaurants and entertainment venues. And because such uses benefit from strong co-tenancy, new offerings would be more likely to succeed – and overall traffic and patronage would probably be higher -- if they are situated in close proximity to already-existing ones. In other words, it makes more sense to expand outward from current poles of strength than to start entirely from scratch somewhere else.

[18] According to a March 12, 2010 *Wichita Business Journal* piece by Chris Moon entitled "WaterWalk faces impatience as it pursues entertainment district".

Dining and entertainment uses oriented towards the mass market should be targeted for the following:

- The mixed-use projects planned within Old Town itself, such as the parking lots at the northwest corner of East 1st Street N and North Mead Street, and East Douglas Avenue and North Mead Street.

- Extending along the route between Old Town and the INTRUST Bank Arena, encompassing the sites along St. Francis Street N in the "Old Town West" sub-district, in-fill opportunities in existing buildings along East Douglas Avenue (including Union Station and Eaton Place) and the parking lot immediately to the east of Naftzger Park.

- Parcels directly across from the arena itself, like the "Spaghetti Works" building and the parking lot on the northwest corner of South Emporia Street and East English Street.

**The other sub-districts**

The sorts of retail uses for which WaterWalk (and the South Main Street corridor, more generally) would be appropriate are those "one-per-market" brands, like Gander Mountain, that seek a central location easily accessible from the entire metro and therefore covet the close proximity to the U.S. 400/U.S. 54/East Kellogg Avenue freeway, and that are willing and able to stand alone.

Another example would be Nebraska Furniture Mart (NFM), the Omaha, NE-based, Berkshire Hathaway-owned regional chain-let. Of course the WaterWalk development does not have the real estate to accommodate a full-sized NFM store – its Omaha and Kansas City locations are each 420,000 sq.ft. -- but the iconic retailer also operates a smaller, 24,000 sq.ft. format, selling just appliances, televisions and flooring, in the Des Moines, IA market, which is roughly the same size as Wichita's.

Nebraska Furniture Mart's smaller format in Clive, IA, within the Des Moines, IA metropolitan area

As for the waterfront development planned to the north, on the parking lot to the immediate north of and the vacant piece of grass directly across the Arkansas River from the Broadview Hotel, the presence of river-fronting, ground-floor restaurants and bars would be justified, so as to maximize public access to the amenity, but a larger-scale dining and nightlife component there should, for the reasons explained above, be discouraged.

Perhaps the most challenged district in Downtown from a retail point of view is the stretch of Douglas Avenue from the Arkansas River to Topeka Avenue. Even though it runs through Downtown's primary office district, foot traffic there is low, even during the weekday lunch hour.

One might expect such a canyon-like office corridor to be filled with fast-food restaurants, specialty-beverage purveyors and other lunch-hour conveniences, but in Wichita's automobile-dominated culture, workers typically think first of driving for such purposes – not walking – and expect such businesses to offer convenient on-site parking.

Indeed, almost all of the lunch spots popular among Downtown office workers are so equipped – the fast-food chains along South Broadway Avenue and North Broadway Avenue, the ethnic eateries further north on North Broadway Avenue, the yup-ster restaurants in Old Town, etc. Even the banks would rather place their branches on Downtown's periphery, where there is room for drive-thru lanes and on-site parking, than occupy a traditional storefront.

For this reason, existing ground floor spaces along this stretch of Douglas Avenue are at a disadvantage, and should be considered for other uses (e.g. retail-oriented offices, like, say, an Edward Jones) for the foreseeable future. The only exception would be a re-worked Garvey Center, where a small dining/nightlife component would serve the less adventurous/energetic conventioneers and hotel guests in the immediate area.

One last point on this subject: the Exchange Place project planned for the northeast corner of East Douglas Avenue and North Market Street is slated to include a roughly 23,000 sq.ft., upscale "urban grocery market" on its ground floor.[19]

However, while such an amenity would undoubtedly help to market the project's residential component, a grocery store of that scale, with an upscale orientation (and an entirely new parking technology), might be risky, given how reliant it would have to be on outmaneuvering nearby competitors (see table) for the expenditures of the well-educated, relatively affluent households of College Hill and Riverside.

The Dillons at the intersection of East Douglas Avenue and North Hillside Street, one of the would-be competitors to the grocery planned for the Exchange Place project

TABLE 5. RELEVANT GROCERY STORE COMPETITORS

| Name | Approximate Location |
|---|---|
| Dillons | West Central Avenue and North West Street |
| Dillons | West 21st Street N and North Amidon Street |
| Dillons | East Douglas Avenue and North Hillside Street |
| Dillons | East Harry Street and South Broadway Street |
| Dillons Marketplace | West 21st Street N and North Maize Road |
| Dillons Marketplace | East Central Avenue and North Rock Road |
| Aldi | West 21st Street N and North Amidon Street |
| Aldi | West 31st Street S and South Seneca Street |
| Save-A-Lot | East 13th Street N and North Grove Street |
| Wal*Mart Supercenter | West Pawnee Street and South Broadway Street |
| Super Target | West 21st Street N and North Maize Road |
| Food For Thought | East Central Avenue and North Hillside Street |
| Green Acres | East 21st Street North and North Rock Road |

Source: MJB Consulting

Another possibility – for the higher-end consumer who lives and works in Downtown -- would be a smaller, 1,000 to 2,000 sq.ft. grocery that doubles as a lunch spot, or alternatively, a larger-footprint offering that caters primarily to the moderate-income population living in the close-in neighborhoods, like, for instance, Wal*Mart's Neighborhood Market concept.

[19] According to the page on Exchange Place on the website of its developer, Real Development. The high-end orientation is assumed because of the nature of the project and the intent to position the store as a "destination" with "unique offerings".

A Wal*Mart Neighborhood Market is a roughly 40,000 sq.ft. supermarket that does *not* sell the kinds of general merchandise found in the chain's traditional or supercenter formats

Finally, the Commerce Street Arts District, while very popular on Final Fridays, does not provide the sort of consistent foot traffic needed to sustain most types of shops. With its proximity to the arena, it could attract the interest of dining and nightlife operators but again, for the reasons discussed above, such offerings are ideally located elsewhere. Furthermore, the Arts District plays a critically important role as a symbol of the sort of Wichita to which so many Downtown yup-sters *aspire*.

Yet even if bars and restaurants were to be prohibited by zoning, fears of gentrification there are well founded, in that the presence of the arena and the development of Finn Lofts could ultimately lead to an escalation of property values and tax levies for current owners. If this were to happen, the City might consider the use of zoning to protect at least a small portion for this purpose, perhaps the stretch of South Commerce Street from East Waterman Street to East Lewis Street.

**The entrepreneur**

Before it was discontinued in the early 2000's, the Farm and Art Market in Old Town served as an unusually effective incubator for new businesses, including ones that still operate in Old Town today, like Lucinda's and Aida's Silver Jewelry. A similar concept is recommended now, so as to spawn a new crop of successful entrepreneurs.

Indeed, a new vendor market would make particular sense in light of Wichita's reputation for entrepreneurialism. Perhaps Wichita State University's renowned School

of Entrepreneurship could be approached with the idea of entering into a partnership with the City of Wichita and/or the Wichita Downtown Development Corporation to support a space for such purposes.

As with the original Farm & Art Market, the structure would involve a master lease, entered into by one (or a combination) of these sponsors, which would, in turn, nurture the individual vendors with low and/or percentage rents and assume the risk on the space itself. Of course a loss is to be expected, and appropriate levels of subsidy would need to be provided.

Finally, the location for this enterprise would be critical. On one hand, it should not fill highly desirable space capable of attracting market-driven tenancies, but on the other, it needs to be sited within some flow of potential customers – perhaps with the help of a non-retail anchor use of some sort -- so that the vendors have a chance of surviving in the early years.

**The recruitment**

Many of the above recommendations require "buy-in" from the primary implementers, the property owners (or, in certain cases, lease-holders). They are the ones who control the ground-floor space and ultimately make the call on possible tenancies.

In many cases, landlords will rely on commercial real estate brokers for this purpose. These individuals, however, survive on commission: they usually do not have the security of a base salary, and only make money if a deal is consummated. Furthermore, the amount that they make on a particular lease is typically determined by a percentage of the rent level agreed upon.

For this reason, brokers understandably allocate their time and energy to higher-rent deals that are more likely to happen, and with less aggravation. In most automobile-dominated metros, this implies a bias towards new space in suburban strips, and against historic buildings in downtown settings, which they will often characterize as "too much risk for not enough reward".

Furthermore, the process of identifying and selling prospects is usually far easier in the suburbs: brokers will typically post a sign on a vacant space and wait for the possible

tenants to *contact them*. The same approach does not always work so well in a downtown setting, where the appeal is not necessarily a conventional one, and where it is often necessary to be more proactive in finding retailers and creative in framing the opportunity for them.

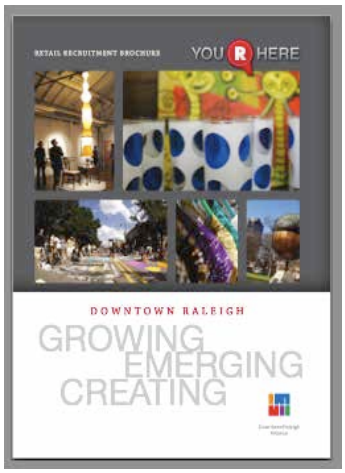
Finally, as they are usually deal-driven and focusing on matching space to tenant, brokers are not incentivized to think more broadly about the larger dynamic of or the longer time horizon for a given business district. Opportunities to create and reinforce synergies between multiply owned properties could be missed as a result.

None of this is meant to cast aspersions on the broker profession. It is *entirely understandable*, given how and by whom they are paid, that they would choose to focus on what they do and approach it in the way in which they do. The point is merely to shed light on the larger framework within which retail leasing takes place, and in so doing, to clarify what sort of role other actors might play in rearranging that framework to downtown's benefit.

For example, many Business Improvement Districts (BID's) across North America have decided to create an in-house resource, a salaried, full-time employee dedicated solely to retail recruitment, who can supplement and support the efforts of brokers by assuming responsibility for the time, headache and risk often involved in trying to fill downtown retail space.

Specifically, this "retail recruiter" would focus on identifying and pursuing prospects, and more generally, "curating" a vibrant and synergistic retail mix for the entire business district. If he/she develops a promising lead, it is then forwarded to the appropriate landlord and/or broker, with the latter earning the commission on any deal that is consummated.

The recruiter is also responsible for a number of tasks attendant to the goal of tenant recruitment. This would include, for instance, the creation and maintenance of a "vacancy database", the development of marketing collateral (see below), etc. It could also encompass the tenanting and management of master-leased spaces, as discussed in the above section on "The Entrepreneur".




MJB Consulting and the Downtown Raleigh Alliance worked together on the development of a retail leasing brochure that the recruiter as well as brokers could use in selling Downtown Raleigh to prospective tenants. This piece also included room for inserts on specific spaces, sub-districts and sub-markets

This recruiter need not be an actual broker: the fundamentals of how retail works, how to identify realistic prospects, how to make a compelling "pitch", how to speak the "language" of leasing, how to respond to typical concerns about downtown settings, etc., can be taught and learned. Indeed, MJB Consulting is providing just this sort of training to a number of current clients, including, for example, the Downtown Raleigh Alliance (DRA).

This recruiter does, however, need to be analytical, detail-oriented and well organized, with a knack for selling, a capacity for perseverance and a passion for Downtown Wichita. In addition, he should have an understanding of the specific psycho-graphic niches that would be targeted, and ideally, given its importance to retail, a working knowledge of fashion.

Finally, it is worth noting here that recruitment often requires direct retail "stimulus" so as to level the playing field for downtown retail. Cities across the U.S. have experimented with different types of incentive programs: in addition to the standard façade-improvement funds, several have offered forgivable loans to help with tenant build-outs, and some are even going further, with, for example, broker supplements to narrow the gap with suburban payouts.

In the 2000's, for example, the City of St. Louis approved the use of $400,000 in Federal Community Development Block Grant (CDBG) funds for small forgivable loans to new retail tenants for build-out, equipment, inventory or working capital. With a net increase of 110 businesses in its five years of operation, the program was considered a

success, helping to create active street retail in a downtown that previously had very little.

Active street retail in Downtown St. Louis

**APPENDIX**

**A. Downtown retail as a mass-market attraction**

Like most downtowns across the United States, Downtown Wichita used to be *the* premier shopping district of the entire city. As late as the 1970's, retail thrived in the four square blocks bordered by East 1st Street N, Broadway, East William Street and Main Street, with the "100% corner"[20] at the intersection of Broadway and Douglas Avenue.

In those times, the retail in Downtown Wichita was a "mass-market" attraction. That is, everybody went there, and it was a part of the city's collective understanding of itself, with stores that everyone shopped in and traditions that everyone took part in.

A shot of South Broadway, looking south, in 1972, with a Macy's department store in the foreground.

Of course, that era was soon to come to an end, with the rise of the suburban shopping center. In 1973, at the intersection of East Douglas Avenue and South Rock Road, Melvin Simon & Associates started construction on what would become Wichita's first enclosed super-regional mall.[21] Towne East Square opened in 1975, with three anchor department stores (J.C. Penney, Henry's, Dillard's) and over 1,000,000 square feet of retail space.

[20] The "100% corner" is a term-of-art in the retail industry, referring to the intersection of a business district where visibility and foot traffic are greatest and where, for that reason, rents would be highest.

[21] In the shopping center industry, "super-regional" defines centers with 800,000 sq.ft. of retail space or more, whereas "regional" refers to ones with 400,000 to 800,000 sq.ft.

Melvin Simon (left), in 1973, showing the architectural model of the Kellogg Mall, later renamed Towne East Square

With its location in East Wichita, its direct access to/from an U.S. 400/U.S. 54/East Kellogg Avenue interchange, and its accommodation to the automobile, a shopping center like Towne East Square was far better positioned than a traditional downtown to serve as the new "mass-market" draw of a new, suburban-oriented, car-centered American lifestyle.

This is not a story specific to Wichita, but rather, one that could be told in reference to almost any city in the United States during the postwar period. The second half of the 20th century saw downtowns across the country lose much of their relevance from a retailing point of view[22], as people stopped viewing them as shopping destinations or visiting them for that specific purpose.

However, Wichitans who are old enough – generally, 50 years old or more – still remember this Downtown of an earlier era very fondly, and many still long for its return. "We remember Macy's," they will say, "and we want it back."

Others, while perhaps not as driven by nostalgia, still view the "mass-market" approach as one that could be successful in Downtown, pointing to cities with downtowns that have been resuscitated by the development of an enclosed regional/super-regional mall, like, for instance, Indianapolis or San Diego.

A quick look at the numbers alone, however, indicates why the Downtown of the 1950's can no longer be. Consider, for example, the case of a mass-market retailer that is looking to open its first store in the Wichita market. Assume, for the purposes of discussion, that this operator is highly desired by landlords and can have its pick of locations.

Upon comparing the demographics within a five-minute drive of Downtown, Towne East Square and NewMarket Square, he finds the following:

TABLE 1. DEMOGRAPHICS WITHIN A FIVE-MINUTE DRIVE TIME

[22] Their relevance did not decline so precipitously in other realms. For instance, downtowns never truly lost their status as an office address.

| | Downtown | Towne East Square | NewMarket Square |
|---|---|---|---|
| Population | **42,310** | 30,108 | 26,148 |
| % with B.A. or more | 15% | **36%** | **43%** |
| % White-Collar | 48% | **66%** | **74%** |
| Median HH Income | $32,250 | **$43,601** | **$76,787** |
| % of HH at $75K+ | 10% | **22%** | **52%** |
| Median Home Value | $61,500 | **$113,750** | **$160,000** |

Source: Nielsen-Claritas, MJB Consulting

Such demographic comparisons do not present Downtown is a favorable light vis-à-vis its primary competitors.

Downtown has other drawbacks as well. For example, most retailers do not want to open in settings where they would be largely responsible for generating their own traffic; they prefer locations where they can take advantage of cross-traffic from other stores (or "co-tenants"). Indeed, the industry proverb is that "retailers are like lemmings: they follow each other, *even* off a cliff".

Retailers: like lemmings

This "safety in numbers" philosophy applies even to competitors. Indeed, the standard regional/super-regional mall contains many stores operating in the same category of goods, including large department stores. Generally speaking, retailers prefer such concentrations because they figure that they will get more traffic there than they would on their own. This holds for fashion, for furniture, even for fast food.

The mall food court: a textbook example of the
"safety in numbers" philosophy

Say that this retailer looking to open its first store in Wichita is a clothier. For this prospective tenant, Towne East Square can point to the traffic-generating abilities of its department stores – Sears, J.C. Penney, Dillards and Von Maur – as well as other "junior" anchors like Forever 21 and Old Navy, not to mention the big and medium box retailers nearby (e.g. Target, T.J. Maxx, Burlington Coat Factory).

Downtown, in contrast, does not boast any traditional retail anchors. Of course, unlike suburban centers, it can point to other sources of traffic besides the residential base: for example, there are an estimated 21,800 daytime workers[23], 274,298 annual conventioneers[24], 425,941 event-goers at Century II[25], 400,000 at Lawrence-Dumont Stadium[26] and another 600,000 projected for the Intrust Bank Arena[27].

However, all of these user groups are in Downtown for other purposes and not specifically to browse and purchase clothing. In fact, shopping is *not* a likely additional activity for any of them. A prospective tenant will assume, on the other hand, that in an enclosed regional mall like Towne East Square, a very high percentage of the foot traffic is there to do just that.

To a clothier, a department store is a more compelling anchor than a convention hall

As mentioned above, some point to the few cases of successful downtown malls as evidence that this approach should be emulated in Wichita. In fact, most of the ones that were developed in the 1970's and 1980's have failed, and closer scrutiny of the few exceptions reveals that they should not be used as comparables for Downtown Wichita.

Take Indianapolis' downtown, for example. 1995 saw the debut there of Circle Centre, a four-level, 736,000 sq.ft. enclosed regional mall anchored by Nordstrom and Carson Pirie Scott. The center is considered a success: it registers sales of approximately

[23] According to statistics compiled by the Wichita Downtown Development Corporation (WDDC).

[24] Ibid. Note that this does not include the roughly 590,000 annual conventioneers outside the Downtown.

[25] Ibid. Includes conventioneers.

[26] Ibid.

[27] Ibid.

$406/sq.ft.[28], roughly even with the nationwide average, and has had a catalytic effect on surrounding blocks and the downtown as a whole.

This mall, however, is able to take advantage of much stronger demographics within a five-minute drive:

TABLE 2. DEMOGRAPHICS WITHIN A FIVE-MINUTE DRIVE TIME

| | **Downtown** | **Circle Centre** |
|---|---|---|
| Population | 42,310 | **57,172** |
| Median HH Income | **$32,250** | $30,668 |
| # of HH's at #35K+ | 8,008 | **10,115** |
| # of HH's at $50K+ | 4,864 | **6,656** |
| # of HH's at $100K+ | 843 | **1,867** |
| Total Retail Expenditures | $509M | **$665M** |
| % of HH's without a Car | 13% | **24%** |

Source: Nielsen-Claritas, MJB Consulting

The median income levels may be similar, but due to the ability to reach a higher number of potential shoppers within a five-minute drive, Circle Centre can tap larger pools of the middle- and upper-income consumers that malls typically find most desirable, partly explaining the presence of an upscale anchor like Nordstrom, which, in turn, helped to lure other up-market brands like Coach, Johnston & Murphy, Talbots and Banana Republic.

Furthermore, with more than 50% of the mall's sales to customers from outside the Indianapolis metropolitan area[29], visitors are extremely important to Circle Centre's performance, and Downtown Wichita simply cannot match the volumes generated by such draws as the Indiana Convention Center, Conseco Fieldhouse (home to the NBA's Pacers) and Lucas Oil Stadium (NFL's Colts).

Perhaps most importantly, the developer, part-owner and manager of Circle Centre, Simon Property Group, is headquartered in a 14-story office building across the street from the mall and one of downtown's great benefactors. As one former Deputy Mayor said, "they're [the Simon's] just one of those families--it's just in their DNA to give back to the city."[30]

[28] As of 2007, according to a January 26, 2009 *Indianapolis Business Journal* piece by Greg Andrews entitled "Ailing anchor store casts shadow over Circle Centre".

[29] According to Johnson Consulting's "*Proposed Economic Development Project: Pabst City*", submitted in May 2005 to the City of Milwaukee.

[30] Said Steve Campbell, former Deputy Mayor, as quoted in an April 20, 2009 *Indianapolis Business Journal* piece by Cory Schouten entitled "Simon's family interests thrive, but taxpayers pay the price".

That is, there were other factors driving Simon's initial interest -- and continued stake -- besides simple market viability. Projected sales could not possibly have justified the 17 years that the project took to develop and open. Indeed, Circle Centre's sales levels, while average by nationwide standards (see above), are 17% lower than the company's average of $491/sq.ft. for its 168 regional malls across the country.

Finally, in the case of Circle Centre, the public sector was willing to mitigate the risk for Simon, with the City of Indianapolis funding $187 million of the roughly $320 million total project cost through the sale of Tax Increment Financing (TIF) bonds and then offering the land rent-free.

For all of these reasons, it is highly unlikely that Downtown would be able to attract the interest of an experienced mall developer or recreate any sort of "mass-market" shopping draw. This does *not*, however, mean that efforts to improve on the current retail mix would be futile, just that the approach will need to be different. For more on this point, please return to p. 3.

Appendices

# A2 b Benefits from Transportation Improvements

Project Downtown:
The Master Plan for Wichita

A2 b

Appendices

# Benefits from Transportation Improvements

## PRIORITY OUTCOMES

### State of Good Repair

**Maintain and rehabilitate existing infrastructure.**
The condition of downtown street infrastructure is below average. Many streets need significant repair and some need complete reconstruction. The proposed improvements focus on providing for a multimodal downtown transportation system by building significant street improvement to support transit, dedicated on-street bicycle lanes, and high-qaulity sidewalk and streetscape amenities. At the same time these mode changes are implemented, downtown's subpart infrastructure can be repaired and replaced.

**Upgrade transit facilities and service for better downtown mobility.**
Transportation downtown is currently automobile-centric, a condition that has negative impacts on pavement conditions, particularly in comparison to areas where transit, biking, and walking are more prevalent. Transit service has very limited hours and service intervals and is primarily used as a park-and-ride service for events. These limitations contribute to low ridership and encourage greater use of automobiles in downtown. Realizing downtown's redevelopment potential rquires creation of a much more walkable environment. Given downtown's size and the separation of major nodes of activity—Old Town, the central business district, Government Center, Delano, the arena, the convention center, and the museum district—fostering a walkable environment will require expanded transit service.

**Add bicycle facilities to reduce the burden on the roadway network.**
Because there are now no bicycle facilities in downtown, bicycle users often ride on the sidewalk, creating safety hazards for pedestrians (and for the bicyclists themselves). Downtown traffic volumes are low enough and the streets are wide enough to provide dedicated on-street bicycle lanes on low-volume streets, which should help increase the mode-share of bicycles in downtown and lessen the number of automobile trips.

*Adding bicycle facilities reduces the burden on the roadway system.*

## Strengthening Economic Competitiveness

**Build a strong downtown Wichita.**

Downtown is the core of the Wichita region and home to many of the region's major cultural, business, and entertainment facilities. Millions of people from throughout the region use these facilities annually, and most of these users have no choice but to use their automobiles to get to them. The Transportation Framework offers a framework for providing multimodal access to and around downtown by introducing significant transit, bicycle, and pedestrian improvements that will improve access to downtown's major destinations for all visitors.

**Capture the 'Creative Class.'**

Young "creative class" workers prefer to live in urban, walkable environments, and creating that environment downtown can unlock significant economic development potential for new housing, office, and commercial markets. The multimodal transportation improvements proposed in this master plan will play a key role in creating this urban, walkable environment.

**Create jobs in an economically distressed area.**

With an average income that is 77% of the national per-capita average, downtown Wichita is an economically distressed area. TheTransportation Framework provides a redevelopment framework that, if unlocked by the proposed transportation improvements, would result in significant development of new housing, office, and commercial uses drawing higher-income residents and new jobs.

Expanding access to downtown Wichita through better transportation and additional employment and residential development opportunities would broaden the jobs base for the entire region, due to downtown's mix of businesses and cultural amenities that cannot be found anywhere else in the state.

## Promoting Livability

Implementing the Transportation Framework would improve livability by revitalizing, modernizing, and reallocating deteriorating right-of-way features to effectively support job attraction and creation, to fuel economic growth, and to broaden access to places and activities that add to the community's quality of life. Rehabilitating downtown rights-of-way,

strategically converting key one-way streets to two-way operation, and diversifying modes of transportation services would enhance everyday life by improving access and connectivity for all citizens.

Improved transportation services would enhance commerce by strengthening links between jobs and the workforce, reinforcing links and synergies among businesses, and supporting movement of goods and services. Everyday life would be enhanced by greater access to education, human and medical services, and civic and cultural destinations and events. Investment in downtown Wichita would also foster a concentration toward the historical center of the region rather than an expansion into new and more dispersed areas. Concentrating on the center would bring activities and interconnections closer together, utilize existing utilities and infrastructure more efficiently, and prevent the basic components of a thriving community from being diluted by expansion and sprawl.

Implementing the Transporation Framework would help bring the components of everyday living within reach for more and more of the community and do it in a way that is both affordable and sustainable.

**Enhance user mobility by creating more options.**
With the expansion and enhancement of transit, bicycle, pedestrian, and auto infrastructure within downtown, residents would not only have new travel options but they would be able to make connections to transit service not otherwise accessible or safe to reach. Transit amenities would immediately improve user mobility and, as service expands in the future, transit would become a more viable and dependable travel option for additional choice riders who require the convenience of frequent, higher-capacity service.

**Improve existing transportation choices by enhancing connectivity.**
Downtown Wichita has a series of vibrant and attractive activity centers within downtown. The distance between the activity centers within these "Strings of Pearls" works against their success, and the challenge of separation is exacerbated by poor walking conditions almost everywhere. This Plan would provide four circulator transit routes to connect the String of Pearls to housing, employment, and the regional transit center. In addition, improved bikeways and walkways would provide non-motorized options for connecting the activity centers within downtown.

**Improve accessibility for low-income residents, non-drivers, senior citizens, and people with disabilities.**
Knitting downtown together through enhanced pedestrian, bicycle and circulator transit service would especially benefit the most economically disadvantaged individuals, families and businesses. Implementing the transportation component of the *Master Plan for Wichita* would strongly benefit populations often left behind due to poor access to opportunities. The Transporation Plan would also improve access and connections among struggling businesses and services that may currently be close but inconvenient to drive to, yet too far or inconvenient to walk to. A focus on

affordable alternative transportation improvements would serve all residents.

## Advancing Environmental Sustainability

Implementing the Transportation Framework would promote environmental sustainability in the region by reducing annual vehicle miles traveled. This decrease would in turn greatly reduce oil dependency and greenhouse gas emissions.

As an integrated transportation and land use plan, the master plan fosters growth in the historical center of the region. The plan is contingent on providing sustainable transportation choices, such as walking, cycling and riding transit, that people of all ages want to see in their city. Implementing the Transportation Plan would help reduce vehicle emissions and foster denser redevelopment that capitalizes on a choices downtown's robust range of viable transportation options.

The Transportation Framework would increase the region's sustainability by converting streets to two-way operation to facilitate transit and bicycle circulation; modernizing sidewalks and pedestrian amenities; and providing high-quality transit amenities. Implementing the framework:

- Preserves and increases the use of existing infrastructure, rather than building new infrastructure that must be maintained, even though it may be underused.

- Encourages compact land development by connecting uses that may be beyond walking distance but still lie within convenient reach of buses and bicycles.
- Opens up more efficient parking options, thereby freeing land currently devoted to parking for higher-level uses.

**Improve energy efficiency, reduce dependence on oil, and reduce greenhouse gas emissions**

Downtown Wichita's long blocks and one-way circulation makes transit circulation and auto trips to specific destinations circuitous and time-consuming. Converting streets to two-way operation would make transit easier to use, since a return-trip bus stop would be on the same street; would make auto trips more accessible and direct; would reduce vehicle miles traveled (and associated fuel consumption); and would actually reduce the number of vehicles entering the downtown intersections.

Introducing new and improved transit circulator service would provide a convenient alternative to short auto trips and encourage workers to take transit downtown knowing they have a viable option for lunchtime and business-related

travel. Bus service would reduce vehicle miles traveled by eliminating short automobile trips within downtown, and it reduce congestion and delay caused by drivers searching for parking. Bus service would also encourage those who drive to downtown to park once and then move throughout downtown on buses instead of driving to new parking locations.

Incorporating new and integrated bicycle features into the downtown street network, parking inventory, and transit capabilities would provide the conveniences of walking with the range of bus service. The safety of bike lanes connected with the existing bikeways would raise the bicycle mode split for work trips, cutting the number of cars entering downtown and reducing overall vehicle miles traveled.

Implementing the Transporation Framework would dramatically improve the downtown pedestrian environment by rehabilitating deteriorating sidewalks, creating a complete and coherent pedestrian circulation network, and installing new strategically located amenities to help pedestrians cross streets. The anticipated redevelopment and increased use of downtown properties would create more destinations that are within walking distance.

**Maintain, protect or enhance the environment.**
The transit, bicycle, and pedestrian improvements recommended here would make use of existing infrastructure and rights-of-way, which means that making them would have minimal environmental impact. Once in operation, these components would also reduce harmful emissions: a significant number of auto trips would be replaced by walking, cycling and transit trips, and the remaining auto trips would be less circuitous and therefore less polluting.

## Enhancing Safety

Implementing the Transporation Framework would enhance public safety in several ways. It would reduce the probability and severity of transportation crashes; increase the safety of public infrastructure; and help prevent crime. The latest urban design practices that pertain to ADA compliance, right-of-way infrastructure, transportation operations, and crime prevention should be applied.

Converting parts of the street network to two-way operation would shorten trips for transit riders, cyclists and drivers, thereby reducing their exposure to potential threats. Managing auto-pedestrian conflicts through signalization would enhance

safety at the intersections of two-way streets, where—unlike the intersections of one-way streets—signals can control left-turning autos so they don't cross active crosswalks. Right-turn lanes can provide space for drivers as they wait for pedestrians to finish crossing their path. Complete sidewalks and strategically located and designed midblock crosswalks would encourage pedestrians to circulate and cross streets where drivers and cyclists can be warned and prepared to expect them. On-street parking should be used not only to support local business, but to provide a buffer between traffic and pedestrians, producing a more inviting street environment. Bike lanes would provide wide, dedicated space on streets where current configuration requires bicyclists to travel in auto lanes, leading to conflicts with motorists.

Implementing the Transportation Framework should also incorporate principles of crime prevention through enhanced pedestrian-level street lighting, increased transit presence and infrastructure design. High-quality, lighted bus shelters on downtown's major streets would greatly enhance the safety of transit riders and pedestrians. As a catalyst to redevelopment, reinvestment, and increased livability, greater activity in public rights-of-way (including more bicyclists and transit vehicles) would multiply the number of "eyes on the street" and the overall sense that downtown is safe, vibrant, and inviting.

## Accelerating Innovation

**Multimodal "complete streets" approach**

The planning team applied the emerging "complete streets" approach to the plan's street design, employing a broader systems view that leds to recommendations for complete mode-specific networks that would effectively connect destinations, areas, and land uses careful rethinking of Wichita's unique public right-of-way layout.

**Innovative application of common tools and best practices**

One-way streets and two-way streets are nothing unusual, but choosing particular existing rights-of-way as spurs to transportation, economic growth, livability and sustainability objectives is innovative—and the resulting recommendations will require creativity in execution.

**Transit-signal priority, real-time passenger information**

Wichita Transit has secured funding for installation of intelligent transporation system (ITS) equipment with the ability to give buses priority at traffic signals and generate real-time bus arrival information for passengers. Extending the technology to the Q-Line trolley buses would significantly improve their reliability, and the real-time information would provide convenience and security to existing riders and can help attract a new generation of choice transit riders.

# PARTNERS FOR IMPLEMENTING THE TRANSPORTATION FRAMEWORK

All partners who have played a role in developing the Transporation Framework are committed to working together to make it a reality. They include:

- **Wichita Public Works**
  *http://www.wichita.gov/CityOffices/PublicWorks/*
  Wichita Public Works should be responsible for designing, constructing, operating, and maintaining right-of-way infrastructure improvements.
- **Wichita-Sedgwick County Metropolitan Area Planning Department (MAPD)**
  *http://www.wichita.gov/CityOffices/Planning/*
  MAPD should help perpetuate the goals of the *Master Plan for Wichita* by providing ongoing planning expertise and advocacy in the areas of land use, community facilities and transportation.
- **Wichita Transit**
  *http://www.wichita.gov/CityOffices/Transit/*
  Wichita Transit Should operate the recommended Q-Line routes that will link locations within downtown and along its perimeter that could otherwise only be linked by automobile. Wichita Transit should collaborate with MAPD and Public Works to establish the most strategic links between locations and to assure that right-of-way features and operations complement transit service and access to transit service.
- **Wichita Downtown Development Corporation (WDDC)**
  *http://www.downtownwichita.org/,*
  WDDC's expertise and programs should complement the project by providing additional incentives to support business relocations to downtown, tenant improvements, housing investments, and parking lot landscaping.
- **Wichita Area Metropolitan Planning Organization (WAMPO)**
  *http://www.wampoks.org/*
  WAMPO will provide the regional perspective and funding support required to assure that the *Master Plan for Wichita* benefits greater Wichita. In particular, WAMPO policies and transportation project should discourage suburban sprawl by encouraging urban redevelopment and renewal.

Save for the WDDC and WAMPO, all project partners fall under the leadership of Wichita's city manager. This unity of leadership and accountability should help assure productive collaboration among the City partners.

The City and WDDC should use these transporation improvements as an opportunity to further the partnership they have established to address comprehensively all aspects of livability in downtown.

# BENEFIT/COST ANALYSIS SUMMARY

Wichita, Sedgwick County, the State of Kansas and beyond will feel the benefit of this plan's proposed investment. It will leave infrastructure in good repair. It will strengthen Wichita's economic competitiveness. It will enance the livability, sustainability and safety of the community. Some of these benefits have been quantified below in monetary terms.

Completing the right-of-way improvements and expanding the transit-circulator components of the Transportation Framework will create a new and robust multimodal environment in downtown. Enhancing the pedestrian experience, adding transit stop amenities, increasing transit service frequency and introducing a new bicycle network will have many benefits. These benefits will take the form of higher-quality, more varied, and integral infrastructure as well as improved transportation service. Improved service can be quantified in terms of time saved. In particular, improved traffic circulation and more frequent circulator transit service will save time for users. Assuming current demand, drivers will save more than an estimated 80,000 hours of driving time yearly. Over their 40-year useful life the infrastructure improvements will save an estimated $23,000,000 in driving time.

**TO READ THE COMPLETE BENEFIT/COST ANALYSIS, VISIT:**

www.wichita.gov/NR/rdonlyres/4A6A4540-1285-446D-9018-9A2F1086489B/64007/ECONWBenfitsCalculationsWichita3Adjusted.xls

Reducing the headway time between Q-Line buses from 30 minutes to 10 minutes will reduce waiting time accordingly. Accounting for the value of time and a growing reliance on the Q-Line, transit users will save approximately $27,000,000 worth of time during the 40 years after service begins in 2012. The data and methodology supporting these estimates are documented in Exhibit 5-1, Web Links to Additional Information.

## Immediate Benefits

The Transportation Framework will make immediate tangible improvements to downtown Wichita. It will not just fix existing broken infrastructure, it will make the City better.

Investment in excellent public rights-of-way that effectively connect places and complement adjacent property will be an immediate benefit to those who already live, work and own property and businesses.

It will immediately attract more people to consider downtown as a potential place of business, residence, and financial investment. Downtown's refreshed and updated transportation framework will immediately turn the broader region's attention from its expanding suburban frontier towards its urban core:

- A core where existing and plentiful utilities and infrastructure can absorb growth without further public or private investment.
- A core that provides a desirable central location that provides great access to the region.

## Benefits That Extend Into Other Parts of the City And Region

A refreshed and complete right-of-way network and enhanced transit service will be a catalyst that makes downtown a "shovel-ready" location for the next generation of business and residential development. It will be a place where property can be developed without the cost of building or expanding infrastructure.

The sustainability aspects of the framework, discussed above, will provide ongoing benefit to the community. Reduced air pollution, increased safety, reduced stormwater runoff, and less space devoted to the operation and storage of autos will continue into the future.

Implementation of the Transportation Framework, coupled with other stimulus initiatives in Downtown, is estimated to foster office, retail and hotel development that will support a total of 2,080 new employees earning wages totaling $103,690,000 (2009 dollars) at full buildout.

A significant investment in the downtown core will allow public works maintenance dollars to be applied to other areas of the city. It will allow other projects to move up on the City's priority list. New infrastructure will need a minimum of maintenance. Modern, innovative improvements in traffic signal operation and stormwater management will minimize operating costs.

Appendices

# A2 a Existing Transportation Conditions

Project Downtown:
The Master Plan for Wichita

# Downtown Transportation Overview

A successful downtown provides dynamic synergy between people and activities. A mix of great streets and comfortable connections makes this synergy possible. The choices available to move about and the quality of those choices influence people's perceptions of downtown and their willingness to engage in life there. The following sections document existing conditions of the downtown Wichita transportation network, identifying the challenges and opportunities for creating the connections that will frame and fully enable realization of the Downtown Revitalization Plan.

Downtown Wichita once relied on a variety of transportation modes for its bustling economy. Like this image of Douglas Avenue in the 1920s, the streetcar and private automobiles mix comfortably with pedestrians and other street life. As travelers began to rely more on their cars and downtown activities shifted and reformed the landscape, Wichita's multimodal transportation system was introduced to new challenges. They include:

- super-blocks interrupting connections of the original street grid for all users;
- dispersed destinations, gaps between buildings, and poor streetscape conditions that discourage walking; and,
- a mix of one-way and two-way streets, perceived as confusing for drivers unfamiliar with downtown and its neighborhoods.

A new vision for downtown renews the potential to, once again, intertwine the transportation system and reintroduce the essential characteristics of a complete range of choices for downtown access and circulation. It can build on the significant investment of previous generations, particularly in areas of long-standing destinations and recent development. Each characteristic of circulation, from safety and freedom-of-movement to wayfinding and aesthetics, can help to brand downtown Wichita as a welcoming place for business, an attractive place to live, and an interesting place to spend an afternoon or an evening of culture and entertainment. The following summarizes the major findings detailed in this report.

## TRANSPORTATION SYSTEM ELEMENTS

### Street Configuration

- Downtown Wichita has been well-defined by its major transportation "infrastructure": the Arkansas River running north-south to the west, the railway and I-135 to the east, and US 54 to the south. These significant barriers also help to organize the street system so that their few crossing points focus the majority of traffic to only a handful of streets. The strong network of gridded streets creates redundancy to these links enhancing movement within downtown and is an asset worth preserving and re-establishing in some areas.

- Getting around downtown by car can be an intimidating experience for visitors, new-comers and long-time Wichitans alike. The barriers of rivers and railroads and freeways, combined with the mix of one-way and two-way streets (some continuous and others not), make for a confusing and even frustrating system of streets. Simplifying and reconnecting the *street network* provides for easy access to downtown and easy orientation for even first-time visitors. It will also be critical to more intuitive, discernable transit routing and transfers.

- Street network issues include: the mix of one-way and two-way streets, some of which change how they operate within the downtown; loss of connectivity through the creation of superblocks and placement of buildings in the public street right-of-way; and, a lack of appropriately timed signals on some streets. Each of these creates out-of-direction travel and unnecessary delay for motorists trying to efficiently get where they want to be.

- Traffic flows freely in downtown Wichita, even during peak commute times. The wide streets that makeup the downtown street network could better integrate other priority users by reallocation of some lanes to transit, bicycling and parking, thereby strengthening downtown for all users.

### Pedestrian Environment

- The street grid is a major asset to pedestrian and bicyclists. For pedestrians it provides generally good connectivity between uses, and numerous crossing opportunities at urban-scaled intersections. The long north-south blocks coupled with dispersed destinations are less than ideal for travelling on foot around downtown. Further, the introduction of super-blocks has diminished the pedestrian experience in the areas around the Arkansas River.

- Public art has been introduced on many city streets. Coupled with a shaded sidewalk and other landscaping, public art contributes to perceptions of ownership and care for public streets and a general feeling of security for pedestrian travel. As in Old Town and along Douglas Avenue through Delano, the preservation and enhancement of sidewalk amenities and pedestrian-scale streets create unique pedestrian experiences and should be encouraged. Aesthetic designs and materials will be detailed in the city's street design manual, but should be functional and reflect the most up-to-date approaches to ADA and maintenance considerations.

### Bicycle Network

- The City's bicycle planning has focused largely on a recreational path system. Recent routes for on-street bicycling are geared to commute travel, in and out of Downtown. Opportunities exist to enhance circulation and parking for bicycling downtown and for connections from the street system to the existing and future recreational bike paths. Streets that invite bicycling as a priority mode would generally run parallel to transit and auto priority streets through downtown.

- All vehicles in Wichita Transit's fleet have been equipped with bicycle racks helping to bridge distances between bus stops and destinations for some riders. Once arrived downtown, the transit-rider may find that access to one's destination is most efficient by bicycle rather than by another bus transfer.

### Transit System

- Most existing bus service runs only hourly during the mid-day and 30 minutes during peak hours, connecting at the Downtown Transit Center to facilitate transfers. The routes travel to the Downtown Transit Center using many streets, with little concentration of transit activity.

- The visibility of transit service, or presence on the street, is very limited. There are a few benches that denote transit stops, but no bus stop signs or other on-street information.

- The Q-Line is operating on a one-way, 30-minute loop in downtown. During heavy travel times, such as Friday and Saturday evenings, a second bus operates a reverse loop. The Q-Line also serves as a parking shuttle for major events at the newly opened Intrust Arena. Recognition of, and support for, the Q-Line is strong among the Wichita residents.

- Wichita Transit is in the processing of creating a Transit Development Plan that would look at fundamentally altering the existing hub-and-spoke transit system, to address growth that has occurred in Wichita over the past 15-20 years. The transit plan would incorporate and support the elements of the downtown plan, ensuring strong regional transit connections as well as movement within the downtown area. Concentrating transit on fewer streets with fixed stops and clear connections to Q-Line service will be important elements of the transit component of the downtown plan.

- Wichita Transit has invested in Intelligent Transportation System (ITS) equipment and has the ability to improve customer communications making transit more available to new riders. Communication giving signal priority to transit vehicles is also possible with the cooperation and modest investment by the City.

### Intermodal Connections

- The existing intercity bus service terminal is currently several blocks away and not visible from the Downtown Transit Center, making the connection between local and interregional travel less than ideal. The intercity bus providers have expressed interest in relocating into the downtown Transit Center.

- Current Amtrak service is available 25 miles to the north of downtown Wichita. Historic Union Station and its parking and rail infrastructure are located near the Downtown Transit Center. This major city asset is now privately owned. The Northern Flyer Alliance has been leading advocacy efforts to return Amtrak service to downtown. A series of studies and recent legislative action indicate that preserving the use of this landmark infrastructure will be an important outcome of plan implementation.

Appendices

# A3 b Project Development Criteria

Project Downtown:
The Master Plan for Wichita

# Project development criteria

## General requirements applying to all projects:

*Historic building:* Historic Environs requirements as currently outlined

*Demolition:* Any approved demolition of existing buildings should be followed within 3 months by substantial start of new construction, or else be subject to an ongoing penalty imposed on a per-day basis

*Public benefit from public investment:* Direct public investment in a project should only tangible, lasting public benefits such as public parking, park or plaza, street trees, sidewalk improvements or façade improvements.

## Douglas/Core, Douglas/Historic*

** Current Douglas/Historic design guidelines prevail where guidelines below differ*

| | **Criteria for all projects (whether or not incentive is provided)** *(meet all requirements)* | **Criteria for receipt of incentive** *(meet all requirements)* | **Optional criteria to justify additional incentive (or more favorable terms i.e. debt coverage ratio)** *(meet one or more requirements)* |
|---|---|---|---|
| *Any building, new or existing* | • Ground floor dwellings are strongly discouraged<br>• No surface or structured parking should be added at ground level along Douglas edge | • Project is at least partially located along a walkable development focus corridor<br>• Construct at least 70% of ground level façade area of transparent glazing (i.e. traditional storefront). Opaque areas of ground level facades should not extend more than 20 feet horizontally. Existing buildings should be restored or modified to meet this condition if necessary.<br>• Construct ground floors with characteristics that can support retail eventually even if not immediately: sufficient ceiling height (i.e. 15 to 20 feet), ground floor flush to sidewalk, average depth 60 feet or more, zoned building utilities/HVAC<br>• Relocate/eliminate any existing surface or structured parking at ground level along street edge(s)<br>• Facade improvement grants: meet existing criteria | • Implement a strong retail merchandising plan – or participate in a master lease program -- targeting at least 75% of retail façade length facing Douglas on the block on which the project is located. The City should impose penalties for extended vacancies (i.e. more than 3 months), with proceeds going to a fund supporting downtown retail. Retail, restaurant or entertainment uses preferred where possible. Alternate uses include galleries, private or public offices, educational institutions or other uses whose activity and design welcome the public to enter on a regular basis and provide a high level of transparency and interest along the street.<br>• Locate at least 50% of project's theoretical parking requirement in a public parking facility with all spaces subject to some shared use over the period of a day or week<br>• Accommodate on project site a public parking structure containing at least twice the project's theoretical parking requirement<br>• Provide a portion of residential units as affordable or low income housing per typical local criteria<br>• Developer may propose alternate benefit for consideration |

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| *New buildings* | • Locate façade at sidewalk edge (zero setback)<br>• Construct at least 50% of ground level façade area of transparent glazing (i.e. traditional storefront). Opaque areas of ground level facades should not extend more than 20 feet horizontally. | • Minimum two-story building height | |

## Old Town*, Old Town West, Old Town South, Arena

** Current Old Town design guidelines prevail where guidelines below differ*

| | **Criteria for all projects (whether or not incentive is provided)** *(meet all requirements)* | **Criteria for receipt of incentive** *(meet all requirements)* | **Optional criteria to justify additional incentive (or more favorable terms i.e. debt coverage ratio)** *(meet one or more requirements)* |
|---|---|---|---|
| *Any building, new or existing* | • On St. Francis and First Streets, any ground floor dwellings should be built as work/live or live/work units<br>• No surface or structured parking should be added at ground level along street edges | • Project is at least partially located along a walkable development focus corridor<br>• Construct at least 70% of nonresidential ground level façade area of transparent glazing (i.e. traditional storefront). Opaque areas of ground level facades should not extend more than 20 feet horizontally. Existing buildings should be restored or modified to meet this condition if necessary.<br>• Relocate/eliminate any existing surface or structured parking at ground level along street edge(s)<br>• Facade improvement grants: meet existing criteria | • Contribute to construction of a public park:<br>  o In Old Town West, on the former Coleman factory site (SE corner St. Francis and 2nd Streets) and/or other appropriate location<br>  o In Arena District, on the former Allis Hotel site and/or other appropriate location<br>  o In Old Town South, a plaza/park in front of Union Station and/or other appropriate location<br>• Locate at least 50% of project's theoretical parking requirement in a public parking facility with all spaces subject to some shared use over the period of a day or week<br>• Accommodate on project site a public parking structure containing at least twice the project's theoretical parking requirement<br>• Implement a strong retail merchandising plan – or participate in a master lease program -- targeting at least 75% of retail façade length facing St. Francis, First, William, Emporia, Waterman and/or Second Streets on the block on which the project is located. The City should impose penalties for extended vacancies (i.e. more than 3 months), with proceeds going to a fund |

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| | | | supporting downtown retail. Retail, restaurant or entertainment uses preferred where possible. Alternate uses include galleries, private or public offices, educational institutions or other uses whose activity and design welcome the public to enter on a regular basis and provide a high level of transparency and interest along the street.<br>• Provide a portion of residential units as affordable or low income housing per typical local criteria<br>• Developer may propose alternate benefit for consideration |
| *New buildings* | • Locate façade within 15 feet of sidewalk edge. Where ground floor residential occurs, provide a planted setback at least 3 feet deep.<br>• Construct at least 40% of ground level façade area (at least 50% for retail, dining or entertainment) of transparent glazing. Opaque areas of ground level facades should not extend more than 20 feet horizontally. | • Along St. Francis, First, William, Waterman and Emporia Streets, construct ground floors with characteristics that can support retail eventually even if not immediately: sufficient ceiling height (i.e. 15 to 20 feet), ground floor flush to sidewalk, average depth 60 feet or more, zoned building utilities/HVAC<br>• Minimum two-story building height | |

## Core, Main Street, Government Center

| | **Criteria for all projects (whether or not incentive is provided)** *(meet all requirements)* | **Criteria for receipt of incentive** *(meet all requirements)* | **Optional criteria to justify additional incentive (or more favorable terms i.e. debt coverage ratio)** *(meet one or more requirements)* |
|---|---|---|---|
| *Any building, new or existing* | • On Main, Broadway, First and Second Streets, any ground floor dwellings should be built as work/live or live/work units<br>• No surface or structured parking should be added at ground level | • Project is at least partially located along a walkable development focus corridor<br>• Construct at least 70% of nonresidential ground level façade area of transparent glazing (i.e. traditional storefront). Opaque areas of ground level facades should not extend more than 20 feet horizontally. Existing buildings should be restored or modified to meet this condition if necessary.<br>• Relocate/eliminate any existing surface or structured parking at ground level along edges of Main, Broadway, First and/or Second Streets and Central Avenue<br>• Facade improvement grants: meet existing criteria | • Contribute to construction of a public park within the Core or Government Center districts, and/or dedicate a portion of site area as a public park for the neighborhood<br>• Locate at least 50% of project's theoretical parking requirement in a public parking facility with all spaces subject to some shared use over the period of a day or week<br>• Accommodate on project site a public parking structure containing at least twice the project's theoretical parking requirement<br>• Implement a strong retail merchandising plan – or participate in a master lease program -- targeting at least 75% of retail façade length facing Main, Broadway, First, Second and/or Central on the block on which the project is located. The City should impose penalties for extended vacancies (i.e. more than 3 months), with proceeds going to a fund supporting downtown retail. Retail, restaurant or entertainment uses preferred where possible. Alternate uses include galleries, private or public offices, educational institutions or other uses whose activity and design welcome the public to enter on a regular basis and provide a high level of transparency and interest along the street.<br>• Provide a portion of residential units as |

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| | | | affordable or low income housing per typical local criteria<br>• Developer may propose alternate benefit for consideration |
| *New buildings* | • Locate façade within 5 feet of sidewalk edge. Where ground floor residential occurs, provide a planted setback at least 3 feet deep.<br>• Construct at least 40% of ground level façade area (at least 50% for retail, dining or entertainment) of transparent glazing. Opaque areas of ground level facades should not extend more than 20 feet horizontally. | • Along Main, Broadway, Market, First, Second and Central, construct ground floors with characteristics that can support retail eventually even if not immediately: sufficient ceiling height (i.e. 15 to 20 feet), ground floor flush to sidewalk, average depth 60 feet or more, zoned building utilities/HVAC<br>• Minimum two-story building height | |

## Century II/WaterWalk, Douglas/River, other areas in or adjacent to the Arkansas River corridor

| | **Criteria for all projects (whether or not incentive is provided)** *(meet all requirements)* | **Criteria for receipt of incentive** *(meet all requirements)* | **Optional criteria to justify additional incentive (or more favorable terms i.e. debt coverage ratio)** *(meet one or more requirements)* |
|---|---|---|---|
| *Any building, new or existing* | • New buildings along the Arkansas River should have strong visual and access orientation to the river and its public path/promenade. Facades facing the river should be composed of at least 50% glazing (with all this being transparent glazing at ground level along the river) and should include at least one entrance per every 60 feet horizontally. Opaque areas of ground level facades must not extend more than 20 feet horizontally<br>• No surface or structured parking should be added at ground level<br>• Ground floor dwellings are strongly discouraged along Douglas | • Project is at least partially located along a walkable development focus corridor<br>• Construct at least 50% of nonresidential ground level façade area, and at least 40% of residential ground level façade area, of transparent glazing (i.e. traditional storefront). Opaque areas of ground level facades should not extend more than 20 feet horizontally. Existing buildings should be restored or modified to meet this condition if necessary.<br>• Facade improvement grants: meet existing criteria | • Contribute to enhancement of public park areas adjacent to the Arkansas River, and/or dedicate a portion of site area as a public park for the neighborhood<br>• Implement a strong retail merchandising plan – or participate in a master lease program -- targeting at least 75% of retail façade length facing Water, Douglas and/or Waterman Streets on the block on which the project is located. The City should impose penalties for extended vacancies (i.e. more than 3 months), with proceeds going to a fund supporting downtown retail. Retail, restaurant or entertainment uses preferred where possible. Alternate uses include galleries, private or public offices, educational institutions or other uses whose activity and design welcome the public to enter on a regular basis and provide a high level of transparency and interest along the street.<br>• Provide a portion of residential units as affordable or low income housing per typical local criteria<br>• Developer may propose alternate benefit for consideration |

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| *New buildings* | • Locate façade within 5 feet of sidewalk edge. Where ground floor residential occurs, provide a planted setback at least 3 feet deep.<br>• Along Water, William, English and Waterman Streets, construct at least 40% of ground level façade area (at least 50% for retail, dining or entertainment) of transparent glazing. Opaque areas of ground level facades should not extend more than 20 feet horizontally. | • Minimum two-story building height along existing public streets<br>• Along Water and Waterman Streets, construct ground floors with characteristics that can support retail eventually even if not immediately: sufficient ceiling height (i.e. 15 to 20 feet), ground floor flush to sidewalk, average depth 60 feet or more, zoned building utilities/HVAC<br>• Relocate/eliminate any existing surface or structured parking at ground level along edges of Water and Waterman Streets | |

## Commerce Street Arts; Renaissance Square

| | **Criteria for all projects (whether or not incentive is provided)** *(meet all requirements)* | **Criteria for receipt of incentive** *(meet all requirements)* | **Optional criteria to justify additional incentive (or more favorable terms i.e. debt coverage ratio)** *(meet one or more requirements)* |
|---|---|---|---|
| *Any building, new or existing* | • Work/live or live/work units are especially encouraged on Commerce, St. Francis, Emporia and Lewis Streets<br>• No surface or structured parking should be added at ground level along street edges | • Project is at least partially located along a walkable development focus corridor<br>• Construct at least 50% of nonresidential ground level façade area of transparent glazing (i.e. traditional storefront). Opaque areas of ground level facades should not extend more than 20 feet horizontally. Existing buildings should be restored or modified to meet this condition if necessary.<br>• Relocate/eliminate any existing surface or structured parking at ground level along street edge(s)<br>• Facade improvement grants: meet existing criteria | • Contribute to construction of a public park or plaza at an appropriate location serving the district/neighborhood<br>• Locate at least 50% of project's theoretical parking requirement in a public parking facility with all spaces subject to some shared use over the period of a day or week<br>• Accommodate on project site a public parking structure or lot containing at least twice the project's theoretical parking requirement<br>• Implement a strong retail merchandising plan – or participate in a master lease program -- targeting at least 75% of retail façade length facing Commerce, St. Francis, Emporia, Central or Lewis on the block on which the project is located. The City should impose penalties for extended vacancies (i.e. more than 3 months), with proceeds going to a fund supporting downtown retail. Retail, restaurant or entertainment uses preferred where possible. Alternate uses include galleries, private or public offices, educational institutions or other uses whose activity and design welcome the public to enter on a regular basis and provide a high level of transparency and interest along the street.<br>• Provide a portion of residential units as |

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|---|---|---|---|
| | | | affordable or low income housing per typical local criteria<br>• Developer may propose alternate benefit for consideration |
| *New buildings* | • Locate façade within 15 feet of sidewalk edge. Where ground floor residential occurs, provide a planted setback at least 3 feet deep.<br>• Construct at least 40% of ground level façade area (at least 50% for retail, dining or entertainment) of transparent glazing. Opaque areas of ground level facades should not extend more than 20 feet horizontally. | • Along St. Francis, Commerce, Emporia, Central and Lewis, construct ground floors with characteristics that can support retail eventually even if not immediately: sufficient ceiling height (i.e. 15 to 20 feet), ground floor flush to sidewalk, average depth 60 feet or more, zoned building utilities/HVAC<br>• Minimum two-story building height | |

Appendices

# A3 a Design Guidelines

Project Downtown:
The Master Plan for Wichita

# Appendix: General Design Guidelines

*Note: district-specific project criteria supersede these general criteria where they differ*

## *Building form*

- **Placement on site** Building facades should typically be located at or near the sidewalk to promote strong relationships of scale, access and visual connection between buildings and pedestrians, and to shape public street corridors and plazas as distinct volumes.
  - Building facades with ground floor commercial and civic uses should be located at the property line, or set back up to 15 feet from the property line if the setback accommodates paved sidewalk area for outdoor dining or similar public activity. Upper floors of these buildings may be stepped back up to 15 feet from the ground floor façade to augment the privacy of upper floor dwelling units and/or exterior balconies/decks.
  - Building facades with ground-floor residential uses should be set back 5 to 15 feet from the property line behind a landscaped area.
  - Facades of adjacent buildings should typically meet a common build-to line unless ground floor use changes among commercial, civic (including religious) and/or residential.
  - Exceptions:
    - In all cases, building facades may be aligned with existing buildings of two or more stories.
    - Courtyards facing streets may exceed 15 feet in depth (perpendicular to street) if they are surrounded by building facades on three sides, do not exceed 100 feet in width (parallel to street), and represent a distinct, isolated condition relative to a well-defined and predominant build-to line.
- **Massing and height**
  - Buildings should not have fewer than two stories.
  - Building form should reinforce view corridors to/along the Arkansas River wherever possible. Create architectural landmarks in new buildings that terminate significant vistas, and frame view corridors with consistent façade lines.
  - Buildings that exceed five stories and/or fall within an historic environs that impacts height should step-back the façade of upper floors from the façade that meets the ground, at a height that relates to the scale of adjacent buildings (and/or the historic building(s) where applicable) and that is no higher than five stories.
  - Facades should include horizontal lines of expression (such as string courses, cornices, window alignments and step-backs) that correspond to the height of adjacent context buildings.

- Building tops and other skyline elements that rise above context buildings deserve special attention as prominent elements in the public realm.
- Penthouses, stacks, grilles and other building service elements at roof level should either be screened or else fully integrated into the overall building form in way that contributes to it.

- **Ground floor transparency and retail accommodation** The retail land use diagram in Chapter 5 identifies corridors along which buildings should be designed to accommodate retail, entertainment or dining uses. Some portions of these corridors are immediate priority areas for retail, while others (longer-term priority areas) should provide for the possibility of future supplementary retail. Ground floor facades along these corridors should meet these criteria:
  - At least 70% of ground floor façade area in priority retail areas, and at least 50% of ground floor façade area in supplementary retail areas, should consist of transparent glazing.
  - Opaque façade areas should extend no more than 20 feet horizontally.
  - The façade architecture should incorporate a horizontal break that distinguishes the ground floor from upper floors and accommodates a horizontal signage zone above ground floor glazing.
  - Floor-to-floor height should measure 15 to 20 feet
  - Leasable ground floor retail space should average at least 60 feet in depth from the façade, with 80 feet preferable.
  - The ground floor should be flush with the sidewalk
  - Interior power, HVAC and other key services should be zoned to allow convenient sublease of ground floor retail spaces
  - In supplementary retail areas, ground level uses should follow this order of priority:
    1. Retail
    2. Community uses open to the public such as daycare center, health services, religious uses, arts organizations
    3. Work/live or live/work spaces preferably with restrictions against reversion to pure residential use
    4. Building lobbies and interior gathering spaces such as meeting rooms
    5. Conventional office space
  - The design of signage, awnings, storefronts, window displays and other elements defining retail presence should reinforce local neighborhood and district character. To this end, prominent use of corporate logos is discouraged. Signage font, scale, material and other characteristics should primarily reflect cues from the local setting – such as the architectural style of their own and adjacent buildings, themes established among local merchants, and public realm signage and public art reinforcing community identity – instead of conventional corporate signage and logo practice. Signage should be especially oriented to pedestrians, such as through use of signs suspended over the sidewalk.

- **Articulation of scale and proportion** Building facades should be composed using a "base/middle/top" format that defines three major zones from base to top of the building façade. In addition, to prevent a monolithic appearance and promote good scale relationships to a variety of context elements from people to whole street blocks, a façade should incorporate modules at a hierarchy of scales. In particular, these modules should all be represented:
    - Building Bays, 42' to 64' in horizontal length (or other dimension best matching context) and extending vertically at least three stories. Building bays relate to the scale of traditional residential building sections and overall street widths.
    - Unit Bays, 22' to 36' in horizontal length and extending vertically at least three stories. Primary bays relate to the scale of whole apartment units, street trees and street pavement widths.
    - Room Bays, 10' to 16' in horizontal length and extending vertically at least one and one-half stories. Secondary bays relate to the scale of individual residential rooms, building entrances and sidewalk widths.
    - Opening Bays, 3' to 6' in horizontal length and extending vertically at least 1.4 times horizontal length. Window bays relate to the scale of typical building windows, doors, projecting bays and the human body.
    - Detail Elements, of variable dimensions, but enclosing an area of approximately one square foot. Detail units relate to the scale of individual building-material units such as bricks and shingles, as well as light fixtures, vegetation, and elements of the human body.
    - In general, these scale modules should be used to emphasize vertical proportions in overall building massing. The unbroken horizontal length of any façade plane should not exceed 1.75 times the façade height (at eave). Intervals of set-back or projected façade area, preferably finished with a contrasting material, may be used to permit longer building lengths
- **Materials** Building design should emphasize use of stone, masonry, metal, glass, concrete and/or other high-quality, durable finishes.
    - Wood and materials resembling wood should not be the predominant façade materials on any structures. Wood and materials resembling wood should only be used on secondary facades of residential structures of three or fewer stories.
    - Consider using glazing generously as a functional and expressive means of connecting building occupants to their environment. However, use no reflective or darkly tinted glass.
    - Incorporate a variety of materials, in counterpoint to the elements of formal continuity that are defined from block to block. Any single material should make up no more than 80% of wall area other than glazing on each building façade; at least one secondary material should make up the difference.
    - Secondary facades (those not facing public streets, parks and plazas) may differ in finish materials from primary facades but should adhere to all other design guidelines provisions and should be of similar quality to primary facades. At semi-private

courtyards, it is strongly encouraged that façade materials match those of the primary façade(s).

- Construction joints, where they do not directly contribute to façade composition, should be obscured by locating them at changes in facade plane or material, such as along projecting string courses or bays, and through use of inconspicuous joint filler material.
- Use metal, slate or other high-quality roofing on sloped roofs. Asphalt shingles should not be used for roof areas exposed to public view. Occupied terraces are encouraged on flat roof areas, incorporating high-quality construction providing long-term resistance to water infiltration. Green roofs are also encouraged on flat or gently sloped roofs to moderate the microclimate and help retain stormwater. Flat roof areas and parking decks that other taller buildings look down upon should be designed with comparable attention to appearance as would be given to a vertical façade. Place particular emphasis on screening parking from above. Wherever possible, incorporate a significant amount of vegetation in the form of an occupied roof terrace with planters, green roof, trellis or other format. Consider opportunities to include solar panels and solar shading devices.
- Locate heavier materials closer to the ground and highest-quality materials and details at pedestrian level.
- Integrate HVAC and mechanical equipment unobtrusively into the overall building design.

- **Additional Guidance for Specific Building Types**
  - *Civic buildings,* such as major government facilities, churches, schools and recreation facilities, should strive to embody the noblest aspirations of their time through their architecture. Civic buildings should stand out from all others by undisguised building mass, prominent location, scale and presence of unique ornament. Civic buildings should not necessarily imitate the architectural scale of their built context; rather, it may be especially appropriate for them to stand out distinctly from the prevailing scale as community landmarks. Civic buildings in and adjacent to the Arkansas River district deserve particular attention to design quality to continue the tradition of high quality architecture in this area. Holding an international architectural design competition for the planned new library, potential convention center improvements, and/or other new buildings in this area is strongly recommended.
  - In *multifamily residential buildings,* ground floor units should have direct entrances from the public street wherever possible.
  - *Office and hotel buildings* deserve high-quality design expression, particularly on prominent sites along and near Douglas Avenue, Main Street and the Arkansas River. This is also true of *residential buildings* on prominent sites along the Arkansas River amidst other prominent civic and/or commercial buildings. Their architecture should emphasize a distinction from historic and other traditional architecture in the planning area and thus heighten the prominence of each style or era represented. At the same time, it is essential that these buildings exhibit the range of scales, architectural compatibility with context, and other design standards expected of all buildings downtown.

- **Off-street parking**
  - **Parking ratios** Meet the use-based needs for off-street parking in ways that maximize space- and cost-efficiency.
    - Development densities shown in the vision plan would require structured parking to accommodate most parking demand, with surface parking possible on some lower-density blocks, particularly in the Commerce Street Arts District, Renaissance Square District and Old Town West District to promote affordability.
    - Shared use of parking facilities by uses with different peak demand times is encouraged wherever possible as per the Parking framework outlined in Chapter 5. Uses and parking facilities should be located and managed to facilitate this sharing. The intended mixed-use development approach fully supports this. While ownership housing units often must have dedicated parking spaces to be market-competitive, rental units commonly may share spaces with other uses such as retail, office, hotel and civic/religious. For planning purposes, aggregate parking space needs among compatible uses sharing parking have been assumed to be up to 30% lower than the sum of individual demands per use.
    - To the extent the market allows, dwelling units should be provided with a minimum number of parking spaces (i.e. one) as part of the base unit price, with additional parking space(s) available for an additional fee. This improves parking efficiency by making residents aware of the costs of additional parking, and provides residents a choice of whether they want to incur these costs or not.
    - Utilize public on-street parking wherever possible to reduce off-street parking needs. Parking spaces should be parallel to the street, except in core retail areas where diagonal parking is acceptable as space allows.
    - Development must continue to accommodate the parking needs of existing uses.
    - The vision plan assumes the following parking ratios for principal uses downtown. These ratios, or refinements of them, should be imposed as maximum parking ratios, instead of minimums, to encourage efficient provision of parking, and design and use that favor access by foot, transit and bicycle as much as possible.
      - Retail: 3.5 parking spaces per 1,000gsf
      - Office: 3 parking spaces per 1,000gsf
      - Residential: 1.5 parking spaces per dwelling unit
      - Hotel: 1.1 spaces per room
      - Civic buildings, churches and other institutional buildings: typical parking demand patterns as of the adoption of this plan.
  - **Placement and design** Off-street parking should be located and designed to have minimal presence, if any, along streets and other public spaces. Surface or structured parking should not be located along a street edge, except as a temporary condition on

blocks to be developed in later phases. Upper levels of parking structures should also be screened from public spaces wherever possible. Any portions of parking structures visible from the street should follow the building form guidelines outlined above.

  - **Pedestrian access** should be prominent, inviting and convenient, making it easy to park once and reach multiple destinations on foot. Pedestrian entrance lobbies to parking structures should have as much visibility from the exterior as possible to promote security. Stair towers and elevators, where adjacent to the street, should be designed with a high degree of transparency. Consider making use of their potential as a strong vertical design element.

## *Streetscape*

- **Street trees** All streets should be lined with street trees.
  - **Retain existing trees wherever possible** through design and construction of street improvements and buildings that takes care to avoid disturbing them. Existing mature street trees are very important assets. The cost, risk of death, and long growing period to maturity of new street trees mean that every existing tree saved represents a great value.
  - **Ensure a continuous canopy** along sidewalks by spacing new trees every 30 to 50 feet, or other distance as appropriate to species, on both sides of the street.
  - **Reinforce the distinct character of districts** within the overall planning area with an appropriate tree-planting plan for each. Highlight special places with particular species, planting layouts, or other features that contrast with prevailing species or layouts in adjacent areas.
  - Select trees according to desired **visibility and privacy.** Along mixed-use streets, select trees that allow good visibility of ground-floor uses beneath branches and do not overly obscure signage. Next to residential development, select and locate trees to balance desires for residential privacy and for maintenance of prime views.
  - **Select trees that best tolerate the stresses of urban locations,** including air pollution, physical contact, and limited groundwater access. Use only species approved by the City of Wichita. Match mature-tree size and shape to building heights and volumes on adjacent parcels.
  - **Locate trunk centerlines** at least 4 feet from the face of the street curb to prevent contact from vehicles in travel or parking lanes.
  - **Provide ample soil area and groundwater access** to ensure long-term survival of trees. Plant trees in extended planting strips wherever possible to maximize opportunity for rainwater infiltration to roots.
- **Planting strips and tree wells** Create planting strips wherever possible along streets to serve multiple functions:
  - **Reinforce separation of sidewalk and residential uses from traffic** through the use of planting strips of at least 4 feet wide that can accommodate trees, lawn and/or ornamental plantings up to three feet tall.

- **Create continuous permeable areas between sidewalks and curbs** where stormwater can filter into the ground, promoting the health of street trees and other vegetation, restoring groundwater, and reducing demand on storm sewer systems and impact on water-ways. Individual unit pavers may be placed across planting strips at periodic intervals to facilitate access to on-street parking.
- **Where tree wells are provided,** observe the following:
  - Tree wells should be a minimum of 5' x 5' or 25 square feet for new development. Using larger tree wells of 40 square feet or larger is encouraged to promote greater tree longevity and size. New development should provide contiguous tree trenches to provide maximum soil area for roots to spread and water and air to penetrate.
  - Provide irrigation (captured from stormwater instead of municipal supply wherever possible) to ensure adequate water to establish and maintain trees.
  - Tree wells should be flush with the sidewalk pavement and should be planted with groundcover.
  - Expect residents and business and property owners to **maintain the planting strips** in front of their property.

- **Medians** Include planted medians in the street section of Douglas where possible, and maintain those along McLean.
  - **Accommodate median trees wherever possible** by providing at least 9 feet of soil between inside median curb edges (typically resulting in 10 feet of width between outside curb edges) to give trees adequate separation from traffic and create pervious ground through which rainwater can reach their roots.
  - **Include flowering plants, grasses, shrubs, and other plantings** up to two feet tall, whether or not trees are present. Choose plants that require little or no maintenance, tolerate traffic conditions, and are native or otherwise well suited to the climate.
  - **Provide supplementary irrigation** as needed.
  - Consider opportunities for medians that can **accommodate ground infiltration of stormwater** from road runoff.
- **Retaining walls** Where retaining walls are necessary to accommodate elevation changes, provide a level of finish quality better than plain concrete. Consider adding granite facing, art installations or similar design accents to add interest and help relate the form and finish of the wall to the surrounding landscape.
- **Transit shelters** Use bus shelters that are attractive and, where possible, unique to a district or activity center, to celebrate transit as a public amenity; clearly identify stops; provide service information; make waiting convenient; and reinforce place identity.
- **Benches** Provide benches in sidewalk or plaza areas indicated for high levels of pedestrian use, parks, near pedestrian-oriented retail, and any other places that facilitate public gathering. Provide at least two benches per block face in priority retail or open space areas, and at least one per block face otherwise. Choose durable benches approved by the City and locate them out of the main sidewalk passage area

- **Bike racks** To encourage and facilitate biking as a means of transportation, bike racks approved by the City should be provided:
  - Place bike racks with capacity for at least four bikes in at least two locations per block face in priority retail or open space areas, and at least one location per block face otherwise. Ensure racks are in convenient, safe, well-lit, paved areas outside of sidewalk walking areas
  - Place bike racks in parking garages and at other concentrations of public parking
  - Provide weather protection over bike racks where possible
- **Trash Receptacles** Trash receptacles approved by the City should be provided, generally located near the curb. One trash receptacle should be located at each intersection. Two additional trash receptacles should be located mid-block on streets with retail frontage.
- **Bollards** Bollards approved by the City may be used as traffic control and safety/protection devices. Decorative bollards should be used in high-visibility areas, where bollards are required and approved during site review. Simple bollards may be used in less visible areas that require protection from automobiles, such as building walls at service and parking entrances. Simple bollards should consist of a round concrete-filled metal post with a concrete cap, painted in one color to match the building architecture.
- **Lighting**
  - Street lighting should include City-approved fixtures specifically scaled to pedestrian environments as opposed to vehicular travel, at priority areas for retail and public open space.
  - Integrate lighting with poles for traffic signals, signage, and other elements out of the main sidewalk passage area as feasible to minimize the number and variety of poles in sidewalks.
  - Consider using lighting of unique design, color, or other quality at special places in the neighborhood.
  - Consider energy-saving fixtures that are powered by sunlight or wind.
  - Place street lights to avoid conflict with street trees.
  - Where located next to residential uses, streetlights should include house-side shields as needed to prevent lighting from directly entering residential windows.

## *Pedestrian infrastructure*

- **Connectivity**
  - **Provide continuous pedestrian connections** between areas of new and existing development. Most existing streets downtown do have existing sidewalks and crosswalks, an important asset. Improve these facilities where needed to meet standards outlined below, and install new sidewalks and crosswalks to expand the network of walkable streets within and beyond downtown. Improve walking connections between riverside multi-use paths and nearby streets and bridges. Retain

existing streets; closure of street segments is strongly discouraged. Add pedestrian routes across large blocks (with lengths exceeding 400 to 500 feet) where possible.

  - **Prioritize pedestrian convenience and safety** at crosswalks along major walking routes, such as Douglas and McLean.
  - **As parcels are redeveloped,** invest in needed sidewalk, tree and landscaping improvements adjacent to their property.

- **Sidewalks**
  - **Width:** Provide at least 8 feet of continuous clear width for walking along retail or other active building frontage; at least 6 feet along multifamily residential buildings; and at least 5 feet along single-family houses. Provide additional width for bus shelters and other transit facilities, bike racks, and for outdoor seating and/or sales areas in front of restaurant and retail uses that support such functions.
  - **Protection from traffic:** Provide at least a planting strip, preferably 4 feet or more in width, and on-street parking as well, wherever possible. In planting strips, include street trees where width allows; in other areas, provide shrubs or other plants up to three feet tall. Along retail or in other areas where pedestrian activity would degrade a planting strip, additional sidewalk paving may be substituted for planted area, with trees set in tree wells.

- **Crosswalks**
  - **Crosswalks at priority areas** for retail and public open space, and primary pedestrian crossings of perimeter streets, will have particular prominence and pedestrian volume. Those crosswalks should receive priority for installation of masonry pavers or similar enhanced surface materials, and added width and crossing time.
  - **Provide pedestrian signals** that display a numeric countdown of remaining crossing time and have audible indications of phase. At crosswalks that experience regular use, evaluate the idea of eliminating pedestrian signal buttons in favor of a standard pedestrian crossing phase that runs concurrently with parallel traffic. At crosswalks that experience occasional use, consider providing a signal-actuation button that provides a clear signal in a prompt timeframe. Existing crosswalk signals often require pedestrians to wait an unreasonably long time for a clear signal, encouraging jaywalking.
  - **Clearly distinguish the crosswalk from adjacent traffic paving.** White painted markings, preferably striped parallel or at an angle to travel lanes, do this effectively. Where additional prominence is desired, raising the crosswalk on a gentle rise or “traffic table” very effectively cues drivers to the presence of pedestrians. Special paving may also be considered. Use masonry pavers only if they can be installed and maintained well enough to retain a smooth surface Add white-painted edge lines where existing pavers do not stand out clearly from traffic lane pavement. Markings impregnated in asphalt offer a functional alternative. In all cases, regular maintenance, at least annually, is important to maintaining markings and surface quality.
  - **Make each crosswalk at least as wide as the widest sidewalk approaching it.** Provide accessible curb cuts linking crosswalks to sidewalks.

  - At intersections where a median is present, **provide a median refuge for pedestrians** at least 4 feet wide and preferably 6 feet wide (measured across the roadway).

- **Paving**
  - **Maintain smooth paving** surfaces with level changes not exceeding ¼ inch. This standard facilitates ease and safety of access by people in wheelchairs or with other mobility constraints, as well as those on foot.
  - **Maintaining this standard with bricks or other masonry pavers can be difficult,** even when bricks are embedded in a concrete base. For this reason, if pavers are desired, consider using them as an accent and combining them with a continuous concrete sidewalk at least four feet wide. Concrete sidewalks can be visually accented where desired with score lines and integral coloring. Sidewalk and crosswalk areas at priority areas for retail and public open space, and priority pedestrian crossings of perimeter streets, are intended to mark prominent areas of high pedestrian traffic that deserve special attention to pedestrian convenience, safety and investment in quality materials. In other areas, give priority to basic connectivity over special aesthetic treatments.
- **Safety and wayfinding considerations for isolated areas** Certain sidewalk segments passing below the elevated portion of Kellogg, along or the Arkansas River, and in larger park areas, may lack significant informal surveillance from buildings or traffic, particularly at night. Take special measures to enhance safety such as:
  - Installing pedestrian-scale wayfinding signage that makes destinations, routes and distances clear.
  - Installing continuous night lighting, using pedestrian-scaled light fixtures. For instance, use bracket- or pole-supported fixtures rather than standard commercial wall- or bridge-mounted fixtures.
  - Installing lighted call buttons notifying police in cases of emergency

Appendices

# A4 Implementation Matrix

| Action strategy | | | Priority | Timing | Measures of success | Responsibility | Key partners/ stakeholders | Cost category | Resources | Precedents |
|---|---|---|---|---|---|---|---|---|---|---|
| Number | Title | Detail | | | | | | | **bold:** committed | |
| **1. Reinforce downtown as the hub for arts, culture, sports and education** | | | | | | | | | | |
| **1a.** | **Support and strengthen formal associations** (Commerce Street Arts District, Museums on the River etc.) | • Continue current support/coordination role of WDDC<br>• Level of organization of associations can vary per area as appropriate<br>• Strengthen collective voice of downtown areas, among downtown areas, and of downtown as a whole | 3 | Ongoing | Existing associations and organizations continue to grow stronger, individually and collectively. Within 5 to 10 years, all downtown neighborhoods/ districts have their own representative group. Regular communications occur among groups, WDDC, and other downtown stakeholders as appropriate. | **WDDC** | • Current and emerging neighborhood and district associations<br>• Arts & Cultural Serv. | within existing resources | **existing** | • Old Town Association<br>• Commerce St. Arts Association<br>• Museums on the River<br>• Delano Neighborhood Association |
| **1b.** | Seek **expanded funding** for operations and facilities | *Operations support:*<br>• Prioritize reinforcing long-term operations funding before undertaking major facilities investments<br>• Reduce competition among local organizations for grant and foundation funding<br>*Facilities support:*<br>• City proceed with ongoing upgrades to Century II to improve functions as performing arts venue<br>• Examine feasibility and desirability of creating new performing arts facilities (ie. First Street performing arts district) separate from Century II, from capital and operations standpoints. Address ways to capitalize on feasibility of touring musicals (*Wicked* etc.). Coordinate with comprehensive planning for Century II and convention center (coordinate with Strategy 7g) | 2 | *Initiate:* Ongoing<br>*Complete:* Add new funding sources within 3 years. Confirm new performing arts center feasibility within 5 years | Current level of operations is maintained or expanded at all downtown arts/culture/sports/ education organizations. Funding sources are more diversified and overall funding amounts are greater. Within 5 years, potential for new performing arts facilities is understood, and the long-term role of Century II as a performing arts venue is confirmed. | **Arts & Cultural Serv.** | • Arts Council<br>• Go Wichita<br>• Arts organizations<br>• WDDC | *Cost of seeking funding:* $10,000-$100,000 | *Upgrading Century II:* **dedicated City CIP resources.**<br>*Feasibility studies:* City funds, foundation grants | • Asheville performance center advocacy<br><br>http://www.theperformancecenter.org/ |

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| Number | Title | Detail | | | | | | | **bold:** committed | |
| **1c.** | **Expand joint marketing**, ticket packages, operations etc. among Museums on the River, Delano Business Assn, Commerce St Arts Assn, WaterWalk and/or other downtown destinations to increase impact and achieve efficiencies | • Continue/expand shared human resources management among arts/culture organizations and City<br>• Issue passes offering access to multiple destinations<br>• Hold joint events<br>• Market destinations collectively<br>• Target youth and other critical demographic groups | 2 | *Initiate:* Ongoing<br>*Complete:* Expand joint marketing, ticketing and/or programming within 3 years. | Attendance at Museums on the River increases annually -- both overall and among youth and other target demographic groups. Net revenue from admissions and concession sales increases annually. | **Go Wichita** | • Arena management<br>• ROK-ICT<br>• Chamber Young Professionals group<br>• Museums on the River etc.<br>• City/Arts and Culture Division<br>• WDDC | Existing resources to extent possible; aim for increased patron revenue to more than cover any added costs | Go Wichita | • Boise Museum Pass http://www.boisemuseums.org/pass.asp |
| **1d.** | Create a **Downtown Visitors Amenity Plan** coordinating implementation of pedestrian-oriented wayfinding, maps, transit services, marketing, etc. | • Add/improve pedestrian wayfinding signage, information on transit and parking<br>• Address perspective of different visitors: Arena audiences, hotel/convention guests, local dining, young professionals etc.<br>• Coordinate with 1d, 2a, 2b, 6a | 1 | *Initiate:* apply for grant funding within 1 year<br>*Complete:* Within 3 years after securing funding | Plan funding is secured and work on the Plan initiated within 2 years. The Plan is complete and under implementation within 3 years of securing funding. Significant improvements in visitor experience of downtown are measured upon implementation. | **WDDC/Planning (Advanced)** | • Arts Council<br>• Wichita Transit<br>• DPW<br>• Go Wichita<br>• Arts & Cultural Serv.,<br>• Park & Recreation,<br>• Project Management,<br>• Public Works, Transit | *Creating the Plan:* $200,000<br>*Plan implementation:* covered under referenced strategies for infrastructure etc. | FTA, State Capital Outlay, City CIP, Community Challenge Planning Grant, Past city investments in vehicular wayfinding | • Philadephia<br>• Charlotte<br>• San Antonio<br>• Baton Rouge (http://www.downtownbatonrouge.org/02-053_DowntownVisitor'sAmenityPlan_lowres.pdf) |
| **1e.** | Create a handbook for holding **downtown events** | • Standardize, document and circulate information currently being provided by the WDDC on a per-project basis<br>• Identify key contacts - for sanitation, street closures, use of parks, safety etc. | 2 | *Initiate and complete:* Within 1 year | Event sponsors can more easily organize events with less WDDC support within 1 year. An increased number of downtown events with greater public participation are occurring within 3 years. | **WDDC/Arts & Cultural Serv.** | • Typical event sponsors<br>• Park & Recreation,<br>• Police, Public Works,<br>• Urban Development<br>• Go Wichita<br>• Wichita Festivals Inc | within existing resources | existing resources | • Fort Myers, FL: (http://www.cityftmyers.com/recreation/AboutUs/Services/SpecialEvents/tabid/1183/Default.aspx)<br>• Louisville<br>• Baton Rouge |

| Action strategy | | | Priority | Timing | Measures of success | Responsibility | Key partners/ stakeholders | Cost category | Resources | Precedents |
|---|---|---|---|---|---|---|---|---|---|---|
| Number | Title | Detail | | | | | | | **bold:** committed | |
| **1f.** | Attract **educational institutions** | • Reach out to WSU, Friends, Newman, KU, and any other educational institutions for downtown presence opportunities<br>• Special opportunities include shared use of arts and recreation facilities; evening and weekend activity; storefront space occupancy in key locations; student life activities; student housing<br>• Coordinate with strategy 3c | 3 | Ongoing | More educational institutions have a presence downtown, whether in their own facilities or through joint operations (i.e. with YMCA, downtown museum or business partners etc.) within 5 years. More college/ university students are living and spending leisure time downtown annually. | **WDDC** | • Visioneering<br>• City<br>• Planning (Advanced),<br>• Arts & Cultural Serv. | within existing resources | existing resources | • Tidewater Community College, Norfolk<br>• LSU Performing Arts facility, Baton Rouge<br>• South Campus Gateway Center, Columbus<br>• San Francisco State Univ. Union Square campus, http://www.sfsu.edu/~downtown<br>• Massachusetts College of Liberal Arts Gallery 51 http://www.mcla.edu/ About_MCLA/Community/ bcrc/mclagallery51/about/ |

| Action strategy | | | Priority | Timing | Measures of success | Responsibility | Key partners/ stakeholders | Cost category | Resources | Precedents |
|---|---|---|---|---|---|---|---|---|---|---|
| Number | Title | Detail | | | | | | | **bold:** committed | |
| **2. Make downtown's public streets and parks places for everyone to enjoy** | | | | | | | | | | |
| **2a.** | Create "**complete streets**" with convenient transportation choices, dignified addresses, greenery, beauty and stormwater management | • Plant/enhance street trees where they are missing (especially portions of St Francis, Emporia, Market, First, English, William)<br>• Integrate improvements into ongoing street work<br>• Target improvements to walkable development focus areas and active development projects<br>• Lewis is a good candidate for pilot stormwater project<br>• Coordinate transportation improvements with strategies 5 and 6<br>• Coordinate water quality improvements with strategy 2f | 1 | *Initiate:* through ongoing work<br>*Complete:* Pilot stormwater quality project within 3 years. Add distinctive plantings to all Green Streets (see parks plan diagram) within 5 years. | Property values are increasing along existing streets. New housing, businesses and institutions are attracted to enhanced address opportunities in walkable development focus areas (and beyond) every year. Downtown stormwater runoff quality is improving. The number of people walking, biking and using transit consistently increases. | **Public Works** | • Arts & Cultural Serv.,<br>• Park & Recreation,<br>• Planning (Advanced),<br>• Transit<br>• WDDC | $13 to $15.5 million identified for thorough reconstruction of major portions of downtown streets including Commerce, English, First, Lewis, Market, McLean, Second, St. Francis, Sycamore. Related improvements covered under strategies 2e, 6a, 6b, 6c, 6d. | • Commited and future City CIP<br>• Federal, state and regional stormwater management funding including WRAPS<br>• Private developer investment in streetscape associated with projects<br>• Private foundations promoting walkability<br>• Transportation Investment Generating Economic Recovery (TIGER II)<br>• Tax Increment Financing (TIF) | • Wichita Downtown Streetscape Design Guidelines (May 2010)<br>• Stormwater quality rain garden precedents (in street sections and at river's edge) such as Jackson Street in Topeka, and Portland OR |
| **2b.** | **Make Douglas a continuous promenade** with interpretive signage/displays on Wichita | • Create a distinctive destination walking corridor through downtown's core with consistent signage, images, displays etc.<br>• Potential themes could include Chisholm Trail, other history, aviation, notable people etc.; explore with partner stakeholders<br>• Coordinate with Strategy 1d and 6a | 1 | *Initiate:* apply for grant funding within 1 year<br>*Complete:* Within 5 years after receiving funding | The numbers of people walking along Douglas and adjacent streets increases annually. New cultural/ historical content has been intriduced through public art and/or interpretive signage | **WDDC/Planning (Advanced)** | • Council<br>• Artists<br>• Historical organizations, museums etc. to help create themes and content<br>• Arts & Cultural Serv.,<br>• Park & Recreation,<br>• Project Management,<br>• Public Works<br>• Go Wichita | $25,000 to $500,000 depending on level of detail | • Grant sources targeting arts and culture<br>• Community Challenge Planning Grant | • Wichita Arts Council's Sculpture Walkabout program – goal of placing total of 30 temporary sculptures in public locations; implemented 5 in 2009 and 5 in 2010, open opportunity for future years<br>• Washington, DC interpretive signage drawing people from National Mall into city<br>• Chattanooga Main Street arts district |

| Action strategy | | | Priority | Timing | Measures of success | Responsibility | Key partners/ stakeholders | Cost category | Resources | Precedents |
|---|---|---|---|---|---|---|---|---|---|---|
| Number | Title | Detail | | | | | | | **bold:** committed | |
| **2c.** | Ensure public spaces are **safe** – and perceived that way | • Install street lighting where needed<br>• Support efforts to establish additional regional facilities serving the homeless<br>• Publicize key contacts for police, other service providers<br>• Publicize downtown's vibrancy and safety<br>• Continue to provide ambassadors assisting with wayfinding and safety during Arena events and other major events per Downtown Parking and Mobility Plan (Coordinate with Strategy 5a)<br>• Establish neighborhood safety watch networks coordinated with police | 1 | ongoing | The average rates of downtown crime drop annually. The numbers of homeless and/or panhandlers downtown decreases annually. Within 3 years, the region has an improved perception of downtown safety. | **Police** | • Interfaith Ministries<br>• United Methodist Open Door<br>• WDDC<br>• Neighborhood/ district associations, businesses<br>• Park & Recreation,<br>• Public Works,<br>• Urban Development | Existing resources. Gradual expansion of ambassadors program at additional cost of $50,000 or more/year desirable. | Existing resources, grants | |
| **2d.** | Monitor and enforce **downtown cleanliness** | • City provide services<br>• WDDC monitor actual and perceived level of quality of downtown spaces on a regular basis in partnership with neighborhood associations. Verify current maintenance procedures are being applied. Identify any gaps in maintaining downtown<br>• Publicize key service contacts (Police, DPW, Parks & Recreation etc.)<br>• Reach out to neighborhood/business associations, confirm needs<br>• Seek association/business sponsorships | 1 | *Initiate:* ongoing<br>*Complete:* confirm communications and service delivery framework within 1 year | The region's perception of downtown cleanliness has improved within 3 years. | **Public Works/WDDC** | • Neighborhood/ district associations, businesses<br>• Arts & Cultural Serv.,<br>• Park & Recreation,<br>• Police | Continue maintenance at levels of existing resources. Additional funding in the $50,000-$100,000/year range desirable for enhanced appearance | *Monitoring and maintenance:* existing resources; potential for property and business owner contributions for expanded services | • Partnership for Downtown St Louis |

| Action strategy | | | Priority | Timing | Measures of success | Responsibility | Key partners/ stakeholders | Cost category | Resources | Precedents |
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| **2e.** | Revitalize existing, and establish new, downtown **parks and green streets** according to neighborhood goals | • Specific recommended new and improved parks are identified in the Master Plan<br>Examples:<br>• Improve State office plaza with active building edges and a "downtown living room" for everyday and special events<br>• Create neighborhood parks in Commerce Street Arts District and Old Town West<br>• Add street tree and ornamental plantings along high-profile green streets: Douglas, St. Francis, English, Lewis<br>• Ongoing park improvements at Broadview Hotel<br>• Include green streets goals in ongoing street revitalization projects | 2 | *Initiate:* green street improvements through ongoing street improvements; at least 1 new/enhanced park initiative within 5 years<br>*Complete:* Broadview/river park improvements within 1 year. Coordinate future initiative timing with nearby development projects | The presence of quality public streets and parks attracts new development, and reinforces the value of existing development, annually. The number of people using downtown parks and other public spaces increases annually. | **Park & Recreation/WDDC** | • Planning (Advanced),<br>• Public Works,<br>• Urban Development | $5 to 6.5 million identified for near-term green streets improvements. Costs of new and improved parks will vary depending on facilities. As a benchmark, Riverfront park improvements at the Broadview Hotel cost approximately $1.5 million per acre. This suggests overall park costs in the $10 to $25 million range across downtown. | City CIP; City incentives for development funded by TIF and/or similar agreements | • River edge park improvements at Broadview Hotel |
| **2f.** | Make the **Arkansas River** Downtown's green centerpiece | • Add walking links, housing, dining, plantings<br>• Implement downtown riverbank improvement concepts as part of regional river corridor planning<br>• Encourage boating activities including personal kayaking/canoeing, college crew, water tours and ferries coordinated with events<br>• Encourage redevelopment on adjacent publicly owned land to as riverfront activity catalyst<br>• Complete implementation of 1999 River Corridor Plan | 2 | *Initiate:* Continue ongoing riverbank and park improvements.<br>*Complete:* Park improvements at Broadview Hotel within 1 year; riverbank improvements within 3 years; confirm location/program for new WSU/community boathouse within 3 years. Coordinate future initiative timing with nearby development projects | The number of people using the river corridor for recreation and other activities increases annually. The appearance of public spaces along the river improved with each successive year. New river-oriented development has been completed along the river corridor within 5 years. New public and WSU boating facilities are available within 5 years. | **Public Works/WDDC** | • Park & Recreation,<br>• Planning (Advanced),<br>• Urban Development<br>• Go Wichita | Park improvement costs included under strategy 2e. Downtown stormwater quality improvements included under strategies 2a, 2e. | • City incentives for development funded by TIF and/or similar agreements<br>• Mayor's Institute on City Design resources available to assist with river corridor issues<br>• Leverage existing water quality programs such as local WRAPS initiatives | • Complementary river park and development initiatives in...<br>• Greenville, SC<br>• Providence, RI<br>• Milwaukee, WI<br>• Indianapolis, IN<br>• Tampa, FL |

| Action strategy | | | Priority | Timing | Measures of success | Responsibility | Key partners/ stakeholders | Cost category | Resources | Precedents |
|---|---|---|---|---|---|---|---|---|---|---|
| Number | Title | Detail | | | | | | | **bold:** committed | |
| **3. Bring street fronts and neighborhoods to life** | | | | | | | | | | |
| **3a.** | **Prioritize target locations and types of retail,** other active ground floor uses<br>• Sites needing immediate improvement<br>• Incremental growth of walkable retail environments<br>• Strategic locations for pioneer tenants | • Create and maintain GIS database on downtown buildings (see strategy 4a)<br>• Use GIS to map storefront space availability, size, location, access, contacts etc. for potential tenants<br>• Hire retail specialist to monitor retail space and determine/pursue recruitment priorities<br>• Retail incubator technique<br>• Coordinate with strategies 3b, 3c, 4a | 1 | *Initiate:* seek enhanced retail management budget within 2 years<br>*Complete:* existing conditions mapping and priorities within 2 years of securing funding | Accurate information on downtown retail space options is conveniently available. Priority locations for new retail, and types of retail desired, are identified. New retail businesses have opened downtown, and existing retail is performing well. | **WDDC** | • WAAR<br>• Universities and City (GIS/data support)<br>• Old Town Association<br>• Delano Business Association<br>• Planning (Advanced),<br>• Urban Development | $75,000-$100,000/ year for retail-focused staff and support | WDDC / Program underwriting | • Chattanooga River City Company -- Chattanooga Retail program (http://www.chattanoogaretail.com/)<br>• Washington, DC Downtown BID<br>• Downtown Dallas retail resources: (http://downtowndallasorg.yourwebhosting.com/ForBusiness/Retail.aspx)<br>* Downtown Kitchener BIA (Ontario, Canada)<br>* Downtown Raleigh Alliance |
| **3b.** | **Activate street level storefronts** with visually interesting active uses as alternatives to retail where necessary | • Near-term: work with owners to fill priority locations with arts etc.<br>• Recruit/cultivate pioneer tenants: arts, restaurants, business entrepreneurship center, colleges (coordinate with strategy 1f)<br>• Install temporary storefront displays (art, interpretive signage etc) in any first priority gaps<br>• Encourage active ground floor work spaces along priority walkable streets that have less retail potential (i.e. off Douglas, in Commerce St Arts District) using design guidelines, RFPs and development incentive criteria<br>• Coordinate with strategies 3a, 3c, 7f | 2 | *Initiate:* through strategy 3a within 1 year, and through ongoing dialogue with active development proposals<br>*Complete:* occupy first priority spaces within 2 years, second priority spaces within 5 years; install temporary displays where needed within 1 year. Incorporate live/work policy into design guidelines within 2 years; incorporate into RFPs as completed | The most visible downtown storefronts are occupied with an active pedestrian-oriented use within 2 years and/or a visual display within 1 year. A set of second-priority locations is occupied with active pedestrian uses or visual display within 5 years. Active pedestrian-oriented businesses enliven streets that are not main retail corridors | **WDDC** | • City<br>• SHPO<br>• WAAR | Attending regional networking/trade show events (2 per annum): $2,000/yr plus cost of booth exhibits<br>Advertise and market in appropriate media vehicles: TBD. Staff costs covered under Strategy 3a. | WDDC / Program underwriting | • Chattanooga River City Company<br>• Washington, DC Downtown BID<br>• Tidewater Community College, Norfolk<br>• San Francisco State Univ. Union Square campus, http://www.sfsu.edu/~downtown<br>• Massachusetts College of Liberal Arts Gallery 51 http://www.mcla.edu/ About_MCLA/Community/ bcrc/mclagallery51/about/<br>* Downtown Kitchener BIA (Ontario, Canada)<br>* Downtown Raleigh Alliance<br>• Greenville, SC riverfront live/work spaces |
| **3c.** | **Manage retail tenant mix** with a targeted retail recruitment program | • Apply coordinated, capable retail recruitment to blocks of downtown storefronts on a mall-management model that utilizes up to date market research. Coordinate with multiple private property owners.<br>• If necessary to prevent tenants that do not support the desired retail mix, pay interim rent for up to 6 months while optimal tenant is recruited.<br>• Coordinate with strategies 3b, 3c | 2 | *Initiate:* through strategy 3a, within 2 years<br>*Complete:* within 5 years or as retail on Douglas begins to mature | New retail businesses are in place and successful not only in their own right, but as catalysts to further retail and other uses through their niche and location. Property owners are drawing increased revenue from storefront retail spaces | **WDDC** | • Urban Development<br>• WAAR | $50,000 - 70,000 per year for interim rental payments during retail recruitment | WDDC | • Neenah, WI, http://www.neenah.org/resources/2010operatingplanfinalcouncilapprovednov1809.pdf<br>• Milwaukee |

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| **3d.** | **Promote quality downtown housing** serving a broad spectrum of households | • Create guide (online and brochure) to downtown neighborhoods<br>• Conduct downtown housing tours<br>• Track housing unit inventory by type, sales, prices as resource for tenants/buyers and owners/buyers range of different-sizes and styles for diverse households<br>• Coordinate with strategies 3a, 4a in tracking data | 2 | *Initiate:* continue ongoing improvements to existing online guides<br>*Complete:* repeat downtown housing tour within 1 year | The number of housing units available downtown increases at least every two years. The growing numbers of housing units reflect a diversity of unit types and affordability levels. People seeking housing can conveniently learn about downtown housing and neighborhood options. | **WDDC** | • Housing, Urban Development<br>• WAAR | $10,000-$50,000/ year | • existing resources<br>• City-administered Federal HUD funding<br>• New low-interest revolving loan fund<br>• Housing tours may be revenue sources for housing initiatives, other downtown initiatives, charity etc. | • Asheville Urban Loft + Art Tour (http://ashevilleartmuseum.blogspot.com/2009/03/urban-loft-art-tour.html)<br>• Dallas "Your D Spot" online guide to unique downtown places: http://www.yourdspot.com/<br>• Spring 2010 Wichita housing tour<br>• Louisville |
| **3e.** | **Utilize historic assets to spur housing** development through adaptive reuse | • Encourage use of historic tax credits to help finance adaptive reuse of underutilized historic buildings<br>• Highlight Wichita's historic architectural heritage as a unique value asset for housing<br>• Encourage affordable housing through historic tax credit guidelines<br>• Coordinate with strategy 7e | 1 | ongoing | Historic tax creidts continue to be utilized to help finance downtown housing development. | **WDDC/Planning (Current)** | • City<br>• SHPO<br>• WAAR<br>• Urban Development | within existing resources | existing resources | • Old Town, Exchange Place<br>• Major downtown housing reinvestment in…<br>• St. Louis<br>• Asheville<br>• Kansas City and other cities |
| **3f.** | Target **façade improvement incentives** in walkable development focus areas | • Provide low-interest loans and/or small grants for façade improvement/restoration along priority walkable development corridors<br>• Conditional upon developer and project meeting public/private incentive criteria (strategy 8)<br>• Coordinate with Strategies 3b, 3c, 3d, 3e, 7a, 8a, 8b | 3 | *Initiate:* ongoing<br>*Complete:* tie to updated public/private incentive criteria within 1 year | Facade grants continue to be utilized to help finance improvements to downtown buildings. Improvements are begun within 1 year, and completed within 3 years, of any grant award. | **Urban Development** | • WDDC (design resource center, strategy 7a)<br>• private sector | within existing resources | • existing resources<br>• New low-interest revolving loan fund | Current façade improvement program |

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| **4. Explain how downtown Wichita makes a difference – in the region, nation and world** | | | | | | | | | | |
| **4a.** | Maintain data base on **downtown buildings** | • Create and maintain GIS database on downtown buildings (see strategy 3a)<br>• Track ownership, occupancy, size, land use | 2 | *Initiate:* within 1 year<br>*Complete:* establish data base within 3 years, update on ongoing basis as projects are completed/spaces tenanted | Prospective tenants can more easily find potential downtown locations. Communications among property owners, tenants and and the WDDC and other stakeholders are made easier. Accurate information is available on downtown uses, property ownership | **WDDC/Planning (Advanced)** | • WAAR<br>• Universities and City (GIS/data support)<br>• private property owners<br>• Urban Development | $10,000-$25,000/ year | WDDC / Program underwriting | • Washington DC Downtown BID |
| **4b.** | Track data on **key downtown indicators** | • Build on WDDC's established role as downtown champion and marketing agent<br>• Track data including land use, occupancy, employment, private investment, public investment, visitors, building permits, sales and property revenues etc.<br>• Coordinate with current data gathering by Go Wichita, Chamber of Commerce, Visioneering Wichita, GWEDC etc.<br>• Identify any new data points for target audiences | 1 | ongoing | More objective and holistic assessments of downtown's performance are available. Problems needing attention, and successes deserving publicity, are identified in a timely manner. | **WDDC** | • City<br>• County<br>• Go Wichita<br>• Chamber of Commerce<br>• Visioneering Wichita<br>• GWEDC<br>• Arts & Cultural Serv.,<br>• Planning (Advanced),<br>• Urban Development | within existing resources | WDDC | • Partnership for Downtown St Louis<br>• Charlotte Center City Partners -- (http://www.charlottecentercity.org/center_city/data/)<br>• City of Norfolk, VA |
| **4c.** | Commission periodic **market studies** | • Obtain analysis of market opportunity in housing, office, retail, hospitality sectors, with focus on emerging markets to extent possible and appropriate<br>• Use results in recruitment, retention efforts and to promote downtown | 3 | *Initiate:* through downtown master plan<br>*Complete:* update market analysis at least every 5 years. Obtain updates as requirement from development proposals | Objective, accurate market studies are available to assist property owners and developers accurately target the most appropriate markets. | **WDDC** | • Chamber<br>• Visioneering<br>• GoWichita<br>• GWEDC etc. | up to $50,000 every 3-5 years | WDDC / Program Underwriting; private developers | • Downtown Master Plan market analysis elements |
| **4d.** | **Interpret data and communicate key messages** to distinct target audiences | • WDDC do annual report on downtown<br>• Issue annual awards for exceptional downtown contributions, achievements etc.<br>• Key target audiences include:<br>> City, region, nation, world<br>> Businesses, developers<br>> Conventions, festivals<br>> Tourists<br>> Target workforce including young , college/high-school age youth | 2 | ongoing | Downtown's strengths and successes are well-known by people who can act upon them to further reinforce downtown's value. | **WDDC** | • Visioneering<br>• Chamber of Commerce<br>• YP's<br>• Go Wichita<br>• ROK-ICT<br>• WAM Contemporaries etc. | $50,000 | WDDC / Program Underwriting | • Downtown Dallas business information (http://www.downtowndallas.org/ForBusiness/index.aspx)<br>• Partnership for Downtown St Louis<br>• Charlotte Center City Partnership Vision Awards and Downtown Overview -- (http://www.findyourcenter.com/things-to-do/signature-event/7/center-city-vision-awards/) (http://www.charlottecentercity.org/center_city/)<br>• City of Norfolk, VA |

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| **5. Locate parking to improve access and stimulate re-investment** | | | | | | | | | | |
| **5a.** | Implement the **Downtown Parking and Mobility Management Plan** (DPMMP) to improve utilization of parking infrastructure and minimize need for new parking | • Implement priority elements of 2009 DPMMP such as:<br>> Create overall Downtown Parking District<br>> Designate a Downtown Parking Director<br>> Coordinate pricing of on- and off-street parking | 1 | *Initiate:* ongoing - maintain City Parking Director position.<br>*Complete:* implement DPMMP actions per its recommended near-, short- and long-term timeframes | People driving to downtown have more convenient access to parking and their destinations. Downtown development and business activity is enhanced through more cost-effective utilization of existing and new parking resources and connecting transportation | **Planning (Advanced)/ WDDC** | • Public Works<br>• Wichita Transit<br>• Urban Development<br>• County<br>• Go Wichita | per Downtown Parking and Mobility Management Plan | Self-fund parking management through parking revenues | • Old Town parking district<br>• Montgomery County MD (county-funded parking structures)<br>• WDDC ?2P initiative |
| **5b.** | **Prioritize parking in places** where it:<br>• Serves multiple uses 24/7 (achieving highest cost/benefit)<br>• Unlocks "refill" opportunity for significant buildings lacking parking<br>• Expands development opportunity on prime sites through efficient land use<br>• Promotes walkability | • Initial priority locations and characteristics identified by Downtown Master Plan<br>• Coordinate with transportation demand management (strategy 5d) to minimize overall need for new parking<br>• Satisfy ongoing demand for current surface parking displaced by new development or parking structures | 1 | Ongoing.<br>*Complete:* Within 1-3 years, ID target capacities, configurations for public parking facilities; share with development community via Downtown Development Handbook (strategy 7c) | Parking is concentrated where it can servea variety of uses 24/7 via inviting walking connections. Buildings lacking sufficient parking on-site have convenient public parking available supporting high-value uses. Surface parking areas are freed up for new development. | **Urban Development** | • WDDC<br>• property owners<br>• developers<br>• realtors<br>• Planning (Advanced),<br>• Public Works, Transit<br>• Go Wichita | existing resources | City - existing resources | • Existing 2007 Downtown Parking and Mobility Management Plan<br>• 2009 Downtown Parking and Mobility Management Plan<br>• 2007 Downtown Parking and Mobility Master Plan |
| **5c.** | Based on this, **invest in public parking structures** as crucial downtown infrastructure | • Build new (and/or acquire) public parking structures (and/or lease existing spaces) in priority locations per strategy 5b.<br>• Follow design standards for public parking structures/lots<br>• Share usage among multiple activities with different peak demand times<br>• Incorporate bike parking and convenient walking access to destinations and transit<br>• Coordinate with strategies 5a, 5b | 2 | *Initiate:* Within 2 year, begin more detailed conceptual programming and design for parking structure locations identified in Master Plan, for discussion with potential developers<br>*Complete:* Build facilities when related private development occurs, through agreements with developers | Within ten years, at least 1,000 new public parking spaces are available and supporting investment in new development investment. The siting and design of parking enhances walkability of downtown streets. | **Urban Development/ WDDC** | • Planning (Advanced),<br>• Public Works<br>• Wichita Transit<br>• County<br>• Go Wichita | Up to $50 million or more over 20+ years (assuming 2,500 spaces @ $20,000 each) | TIF and similar tools for parking facility design, construction and/or operations support | • Old Town public parking investments |

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| **5d.** | Institute **transportation demand management** and improve walking, transit and biking options and to reduce congestion and future parking demand | • Reduce traffic congestion through voluntary coordination of business hours/shifts<br>• Encourage major employers to encourage transit, biking, walking, and shared structured parking to reduce costs of providing parking and be more competitive attracting workforce<br>• Coordinate with strategies 5a, 6a-d | 3 | Ongoing | Need for investment in new traffic and parking infrastructure has been minimized due to more efficient use of streets and parking. Downtown workers, employers and residents are aware of a variety of convenient and economical transportation choices | **Planning (Advanced)** | • WDDC (as liason to business community)<br>• major employers<br>• Public Works, Transit,<br>• Urban Development<br>• Go Wichita | $10,000 to $50,000/ year | Seek funding for management. Self-fund through parking revenues and avoided parking capital costs. CMAQ | • WDDC online wayfinding/parking assistance: (http://www.downtownwichita.org/get_around-maps.php)<br>• Charlotte Center City Partners/Center City Transportation Partners Program (http://www.charlottecentercity.org/initiatives/project/2/center-city-transportation-council/)<br>• Clifton Corridor Transportation Management Agency, metro Atlanta |
| **5e.** | Provide **on-street parking** | • Prioritize efforts in/near target retail areas where compelling cost/benefit ratio is possible<br>• Improve striping and signage to indicate on-street parking where street capacity is available but underutilized<br>• Parallel parking typical; Diagonal parking possible where space allows<br>• Control parking access through time restrictions, updated pricing per DPMMP (strategy 5a) | 1 | Ongoing; expand supply through planned St. Francis, Commerce and Market St improvement projects | Public parking access is improved for retail and other storefront uses, with time restrictions where turnover is important to retail viability. On-street parking helps keep traffic to 25mph throughout downtown and helps separate pedestrians from traffic flow | **Public Works/ WDDC** | • Adjacent property owners<br>• developers<br>• realtors<br>• Planning (Advanced),<br>• Police, Transit,<br>• Urban Development<br>• Go Wichita | $10,000 to $100,000/ year and as part of other comprehesive street improvements (see strategies 2a, 6d) | Self-fund through parking revenues | • Old Town |

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| **6. Improve walking, transit and biking choices** | | | | | | | | | | |
| **6a.** | **Make walking safe, easy, enjoyable** with more visible crosswalks, links across large blocks, wayfinding signage, interpretive signage/displays, public art | • Add white stripes to block-paved crosswalks on Douglas<br>• Restripe faded striped crosswalks annually or as needed<br>• Add signals at key pedestrian crosswalks without it (i.e. Mead at Douglas)<br>• Add pedestrian wayfinding signage<br>• Coordinate with Strategies 1d, 2a, 2b | 1 | *Initiate:* through ongoing street improvement projects<br>*Complete:*<br>Striping -- within 6 months; Wayfinding signage -- at least temporary signage within 6 months, permanent within 3 years; Interpretive signage/displays -- first pieces within 1 year; Public art -- add annually; Add priority links across large blocks in conjunction with adjacent redevelopment | More people choose to walk downtown each year. All downtown crosswalks have markings that are clear to drivers and pedestrians, and maintained in good condition. The incidence of pedestrian injuries, relative to total number of pedestrians, declines annually. | **Public Works** | • Kansas Health Foundation initiative<br>• Health and Wellness Coalition of Wichita<br>• YMCA<br>• Wichita Arts Council<br>• WDDC (through Downtown Visitors Amenity Plan)<br>• Park & Recreation,<br>• Planning (Advanced),<br>• Police, Transit, Urban Development<br>• Go Wichita | $1.3 to $1.6 million identified for near-term pedestrian crossing and traffic caming features. Other related walkability improvements covered under strategies 2a, 2e, 6d. | TIGER II, NEA grants, City CIP, grants | • Downtown Wichita Streetscape Design Guidelines<br>• Current WDDC guide to downtown art installations: (http://www.downtownwichita.org/user/file/Art%20Walk%203.pdf)<br>• Washington, DC interpretive signage drawing people from National Mall into city<br>• Chattanooga Main Street arts district |
| **6b.** | Expand **convenient transit** servicing key downtown destinations and corridors | • Make transit visible and permanent: defined stops, attractive shelters/vehicles<br>• Reliable, frequent, timely service<br>• Expand Q-line into a true downtown circulator service with additional routes and more frequent service, and extended operating times per Master Plan<br>• Coordinate downtown transit with regional transit routes/schedules<br>• Coordinate information/incentive programs with key employers, destinations<br>• Designate Union Station as priority Amtrak Station (and intermodal hub) location in ongoing city railroad plan | 1 | *Initiate:* seek funding for expanded services within 1 year<br>*Complete:* begin phasing in improvements within 2 years, starting with marked stops | Transit ridership within and to/from downtown increases annually. Routes, stops and schedules of transit services are evident. Employers, museums and other downtown destinations are able to advocate use of transit to access their locations. The rate of downtown traffic growth has slowed compared to scenarios with no transit service improvements. | **Transit** | • WDDC (promoting usage)<br>• Planning (Advanced),<br>• Public Works<br>• Go Wichita | For implementing Q1, Q2, Q3 and Q4 circulator routes, $3 to $4 million identified for near- and mid-term capital improvements, and $2 to $3 million annual operating costs depending on service level | TIGER II; regional CMAQ funds; eventually, parking revenues | • Downtown circulators (Chattanooga Electric Shuttle; Norfolk NET; Alexandria King Street Trolley; Philly Phlash)<br>• Streets with dedicated transit lanes and permanent station infrastructure such as Kansas City MAX, Cleveland Health Line |

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| **6c.** | Make downtown **bikeable** with defined streets/lanes linked to regional networks, bike parking | • Confirm an integrated downtown on- and off-street bike network and design lane markings, signage as needed to complete network. Refer to Master Plan Operating Context diagram<br>• Coordinate proposed downtown bike facilities with regional MPO bikeway plan | 2 | *Initiate:* through ongoing city bikeway planning<br>*Complete:* within 5 years | More people choose to bike downtown each year. There is an evident network of on- and off-street bike routes serving all downtown districts/neighborhoods and linking to city/regional bike routes. The incidence of cyclist injuries, relative to total number of cyclists, declines annually. | **Public Works** | • Bike/Walk Alliance of Wichita<br>• WDDC (promoting biking)<br>• Park & Recreation,<br>• Planning (Advanced),<br>• Police, Transit | Costs addressed under strategies 2a and 6d. | TIGER II grants, existing City resources | • Regional MPO bikeway plan |
| **6d.** | Apply specific roles and streetscape design to each street to **improve function for all access modes** | • City conduct a detailed planning effort for feasibility of one-way to two-way conversion and determining streets to be converted.<br>• City confirm feasibility of master plan's proposed Street Operations Context<br>• Restripe lanes, update signals and make other changes as needed to implement<br>• Reference Master Plan Transportation Element<br>• Coordinate with Strategy 2a. | 2 | *Initiate:* within 1 year. Ensure planned/ ongoing street improvements support master plan goals<br>*Complete:* Confirm long-term street hierarchy within 2 years | The roles of each downtown street are intuitively clear to users through their design, striping, and streetscape. All new investments in streets support their roles. A long-term strategy regarding one-way and two-way streets is confirmed. | **Planning (Advanced)** | • Public Works,<br>• Transit | $2.5 to $3 million identified for planning and design, and $4 to $5.5 million for street resurfacing and restriping, for near-term projects. | TIGER II grants, existing City resources | • Recent and ongoing downtown conversions to 2-way traffic: Main, Topeka, St. Francis<br>• Crystal City, Arlington, VA (conversion of 1-way auto corridors to 2-way streets with walkable retail)<br>• Boise is considering returning to 2-way streets |

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| **7. Foster development with new tools** | | | | | | | | | | |
| **7a.** | Designate a **go-to center** for aspiring development, with information highlighting<br>• Master Plan goals<br>• Downtown market opportunity<br>• Incentives, including New Market Tax Credits, CIDs, low-interest loan funds<br>• Zoning, design review process<br>• Partnership opportunities | • Coordinate current City development services with added WDDC efforts<br>• City revise policy on considering and granting incentives, per criteria recommended in master plan. Coordinate with grant policy of WDDC and any other funding sources, to ensure consistent/ complementary policy<br>• Maintain a record of funding strategies for downtown development projects; note successes, challenges, trends etc.<br>• Create downtown design resource center, assisting with development planning, retail facade improvements etc. Draw upon university/college resources and local design community<br>• Conduct downtown design workshop for local design community | 1 | *Initiate:* within 1 year<br>*Complete:* within 3 years | Property owners, developers and others can advance dvelopment proposals more quickly and effectively with improved access to downtown development information. Up-to-date information and advice are readily available. | **WDDC/Planning (Current)** | • developers<br>• realtors<br>• financial institutions<br>• designers (architects, engineers, planners, etc.)<br>• WABA<br>• Central Inspection,<br>• Project Management,<br>• Public Works,<br>• Urban Development | $100,000+ for annual go-to-center staffing/ support | WDDC / Program Underwriting, existing City administrative resources | • Asheville Design Center<br>• Chattanooga River City Company |
| **7b.** | Access **new and underutilized development finance tools** | • Establish low-interest revolving loan fund for housing development and potentially retail<br>• WDDC, Chamber and/or City expand awareness and utilization of new market tax credits and other underutilized tools<br>• WDDC and other parties maintain active support for state historic tax credits<br>• Retail grant program with forgivable loans for tenant improvements, sponsored by city or other party<br>• Coordinate with strategies 3g, 7a, 7c | 2 | *Initiate:* ongoing<br>*Complete:* within 3 years | Developers are able to advance development projects more easily and efficiently through increased familiarity with and utilization of a variety of funding sources. Overall funding availability is increasing from sources including historic tax credits and low-interest revolving funds. | **WDDC/Urban Development** | • developers<br>• realtors<br>• financial institutions<br>• designers (architects, engineers, planners, etc.)<br>• WABA<br>• Planning (Advanced) | Fund amount to be determined. Louisville precedent uses a fund of about $7 million | WDDC / Program Underwriting, existing City administrative resources, create revolving fund through partnership of local banks | • Louisville revolving loan fund (Barry Alberts, City Visions Associates, 502-561-7885); similar programs in Detroit, Lowell<br>• St Louis retail incentive program |

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| **7c.** | Summarize downtown development information and tools in a **Downtown Development Handbook** | • Adapt and expand current City development handbook into a version tailored to downtown<br>• Provide Handbook to interested property owners and developers as part of development "go-to" center assistance (strategy 7a) | 2 | *Initiate:* within 1 year<br>*Complete:* within 3 years, plus regular updates with new information | Parties interested in proposing or reviewing development have convenient access to comprehensive relavant information. | **Planning (Current)/WDDC** | • developers<br>• realtors<br>• financial institutions<br>• designers (architects, engineers, planners, etc.)<br>• WABA<br>• Central Inspection,<br>• Project Management,<br>• Public Works<br>• Urban Development | within existing resources | existing resources | |
| **7d.** | **Proactively connect people** who offer complementary skills and opportunities (housing + office; local + national; etc.) | • WDDC proactively facilitate conversations | 3 | ongoing | New opportunities for businesses and development to locate downtown are arising through creative collaboration among stakeholders. | **WDDC** | • Urban Development | within existing resources | existing resources | • Downtown organizations in Chattanooga, Houston, Atlanta |
| **7e.** | Leverage Wichita's **historic buildings as development assets** | • Encourage adaptive reuse of underutilized historic buildings and ongoing vitality of occupied ones by promoting historic tax credits, providing public parking where needed, and otherwise incenting development per strategies 5, 7, 8<br>• City issue *Making the Environs Law Work* in coordination with Downtown Development Handbook (strategy 7c)<br>• Delay approved demolition of existing historic eligible structures pending demonstrated progress of replacement development project<br>• Identify criteria that would justify new buildings that significantly differ from historic structures in their environs<br>• Pursue opportunity to refine application of state environs law to optimize coordination with downtown master plan (i.e. consider reducing environs radius from 500' to 400')<br>• Coordinate with strategies 3e, 8c | 1 | *Initiate:*<br>Continue ongoing advocacy for historic tax credits<br>*Complete:* Issue Making the Environs Law Work within 1 year. Stiffen demolition prevention policy within 1 year. Include ongoing representation from historic preservation commuity and development community, among others, in a downtown design review entity (Strategy 8c) | Under-occupied downtown buildings with historic value are being "refilled" with high-value, market-based uses. Historic tax credits are being utilized wherever possible. New development and renovations are able to pursue in a way that complements historic context without needing to mimic it. | **Planning (Current)/WDDC/** | • WABA<br>• City<br>• SHPO<br>• WAAR<br>• Urban Development | within existing resources | existing resources | • Asheville downtown master plan and downtown design guidelines |

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| **7f.** | **Update zoning** to enable high-value walkable development | • Allow residential use where now prohibited in the study area: change LI zones to CBD, and/or apply overlay district<br>• Reduce/eliminate Urban Renewal District setbacks to allow pedestrian-oriented facade placement<br>• Incorporate updates in zoning and urban design guidelines<br>• Make requirements user-friendly; coordinate with Downtown Development Handbook (Coordinate with strategies 7a, 7c) | 2 | *Initiate and complete:* within 1 year. Urban renewal district revisions completed at time of Master Plan adoption. | Zoning policy and regulations fully support Downtown Master Plan goals. Zoning regulations are accessible and clear to the development community and general public. | **Planning (Current)** | • developers<br>• realtors<br>• financial institutions<br>• designers (architects, engineers, planners, etc.)<br>• WABA<br>• Central Inspection | within existing resources | existing resources | • Asheville downtown master plan |
| **7g.** | Pursue means to address cumbersome **ground leases** | • Create process enabling current building owners/occupants, developers etc. to purchase long-term ground leases<br>• Facilitate communications with dispersed ownership of many current ground leases | 2 | *Initiate:* launch study effort within 2 years<br>*Complete:* Aim to begin implementing improvements within 3-5 years | Downtown development actvities are not significantly constrained by difficulties communicating with or gaining agreement among ground lease holders. Current building and business owners can more easily purchase ground leases. | **Urban Development/WDDC** | • Law | To be determined | existing resources | • Baltimore precedent for resolving ground leases |
| **7h.** | Create plans for more **specific initiatives** that advance the Downtown Plan | • Enable private and public investments through more specific plans.<br>• Initial priorities: Commerce Street Arts District, Douglas corridor, Old Town West/First Street performing arts, Century II convention center, Government Center | 2 | *Initiate:* apply for Community Challenge Grant; launch planning efforts for at least 2 districts within 1 year, and for at least 2 more districts within 3 years<br>*Complete:* complete plans within 1 1/2 years of beginning them | Detailed plans for specific downtown areas and issues are completed, spurring and guiding new investments and other improvements. Needs for any additional planning are identified and pursued. | **Planning (Advanced)WDDC** | • Commerce Street Association<br>• Old Town Association<br>• GoWichita<br>• Arts Council<br>• other stakeholders for specific areas<br>• Planning (Current),<br>• Urban Development | $1.8 to $2.2 million | Community Challenge Grant program | Chattanooga downtown area plans |
| **7i** | **Invite development proposals on strategic sites** under public/quasi-public control, per defined plan goals | • Incorporate development and design standards into RFP criteria<br>• Time issuance of RFP's to when market analysis indicates market-supported demand for target program<br>• Longer-term potential for non-public entity to strategically acquire and sell development parcels to achieve shared public/private goals | 1 | *Complete:* Establish RFP criteria for 2-3 key sites within 1 year. Issue RFPs when market demand supports target program | New market-based development is proceeding on one or more publicly-owned sites in ways that advance master plan goals and spur additional private-sector investment. | **Urban Development/WDDC** | • Planning (Current)<br>• County | within existing resources | existing resources for RFPs | • Charlotte Center City Partners Land Swap project: (http://www.charlottecentercity.org/initiatives/project/1/the-land-swap/)<br>• Chattanooga River City Company<br>• Downtown Dallas |

| Action strategy | | | Priority | Timing | Measures of success | Responsibility | Key partners/ stakeholders | Cost category | Resources | Precedents |
|---|---|---|---|---|---|---|---|---|---|---|
| Number | Title | Detail | | | | | | | **bold:** committed | |
| **8. Set criteria for public/private development incentives** | | | | | | | | | | |
| **8a.** | For the **developer**:<br>• Past performance, appropriate expertise, capitalization | • Ensure selected developers have the capacity and expertise to proceed with quality projects that advance Master Plan goals in a timely manner that justifies public incentives | 1 | *Initiate:* through ongoing proposal review<br>*Complete:* Set criteria within 6 months | Any public investment in a project is rewarded with timely project completion by a capable development entity. Clear, objective criteria guides review of development applicants. | **Project Management** | • developers<br>• realtors<br>• financial institutions<br>• designers (architects, engineers, planners, etc.)<br>• WDDC<br>• Planning (Advanced),<br>• Urban Development | within existing resources | existing resources | • TIF commissions in Pittsburgh, Kansas City; Chattanooga's River City Company.<br>• W-ZHA's project incentive criteria for Silver Spring and Rockville, MD, and Quincy, MA<br>• GWEDC developer selection criteria |
| **8b.** | For the **project**:<br>• Appropriate use(s) per location<br>• Design supporting walkability, downtown character (transparent facades along sidewalk, historic compatibility<br>etc.)<br>• Priority community benefits as defined by district (river access, public parking, park enhancements etc.) | • Promote developer confidence in potential supportive city initiatives:<br>• Publicize and implement this plan<br>• Define specific public investments (i.e. toward a park, land acquisition or brownfields cleanup) that would be triggered by private-sector action to develop/redevelop related sites.<br>• Make public investments conditional upon specific, sustained private sector actions/milestones | 1 | *Initiate:* through ongoing proposal review<br>*Complete:* Set criteria within 6 months | Any public investment in a project leads to results that provide tangible long-term public benefits. Clear, objective criteria guides review of development proposals. | **Project Management** | • developers<br>• realtors<br>• financial institutions<br>• designers (architects, engineers, planners, etc.)<br>• WDDC<br>• Planning (Current),<br>• Planning (Advanced),<br>• Urban Development | within existing resources | existing resources | • TIF commissions in Pittsburgh, Kansas City; Chattanooga's River City Company.<br>• W-ZHA's project incentive criteria for Silver Spring and Rockville, MD, and Quincy, MA<br>• GWEDC developer selection criteria |
| **8c.** | Establish **design guidelines** for walkable development focus areas (Old Town and Delano precedent) | • Set design guidelines to encourage or require new projects to advance Master Plan goals<br>• Establish design review entity dedicated to downtown. Projects should be subject to mandatory design review and voluntary compliance, with mandatory compliance in the event of public incentives or public land ownership<br>• Participation on design review entity should include at least one in each category: residents, developers, historic preservation board, City, WDDC, business and property owners, designers<br>• City establish a commission or designate third party charged with review of incentive requests (i.e. TIF commission model) | 1 | *Initiate:* within 1 year<br>*Complete:* design guidelines criteria within 2 years; confirm and implement design review structure within 1 year | New building and renovation projects contribute to the quality and prosperity of downtown overall. Developers and designers have flexibility and incentive to create innovative design and program solutions. Design standards are clear, and applied objectively in ways that reflect the diverse perspectives important to downtown. | **Planning (Advanced)/WDDC** | • Design review stakeholders as noted<br>• developers<br>• realtors<br>• financial institutions<br>• designers (architects, engineers, planners, etc.)<br>• Central Inspection,<br>• Planning (Current),<br>• Project Management,<br>• Urban Development | within existing resources | existing resources | • Old Town and Delano design guidelines and review boards<br>• Asheville Downtown Commission design review |