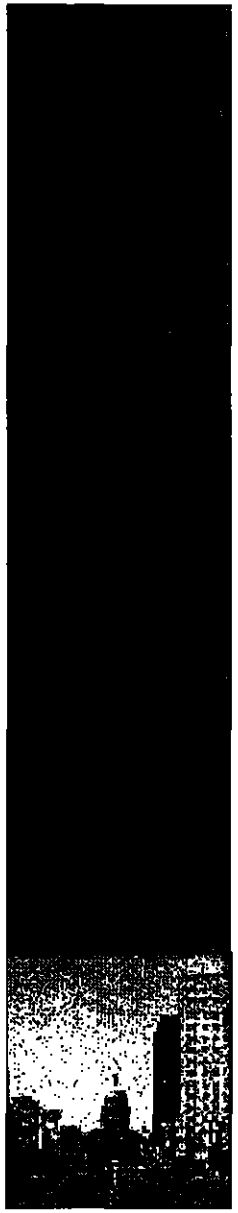


A Retail Vision and Strategy for Downtown Austin

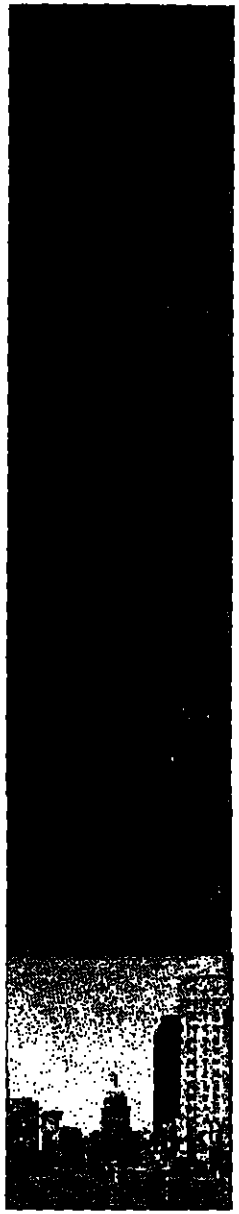
January 27, 2005

Tom Moriarity, ERA

Keenan Smith, Black + Vernooy

ERA

Downtown Austin's Retail Development Vision



Downtown Austin Retail Development Vision
Tasks:

- Infrastructure Inventory (Black+Vernooy)
- Downtown Retail Inventory (DAA)
- Surveys of Retailers/Consumers (DAA/Crane & Assoc)
- Demographic Characteristics (ERA)
- Demand Analysis (ERA)
- Broker/Developer Panel Input (IDA/ERA)
- Market Strategy & Implementation Plan (ERA and Black+Vernooy)

Study Was Jointly Funded by City of Austin and the Downtown Austin Alliance (DAA)

ERA

Intent of the Downtown Retail Vision

- Identify Downtown Infrastructure Needs
- Prioritize/fund future Capital Investment Programs
- Quantify Consumer Demand and Preferences
- Identify Priority/'Opportunity' Retail Zones
- Develop Market Positioning Strategies
- Recommend Structure for Action

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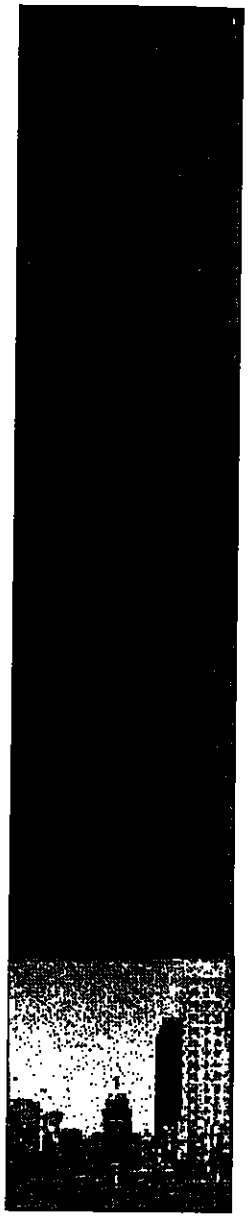
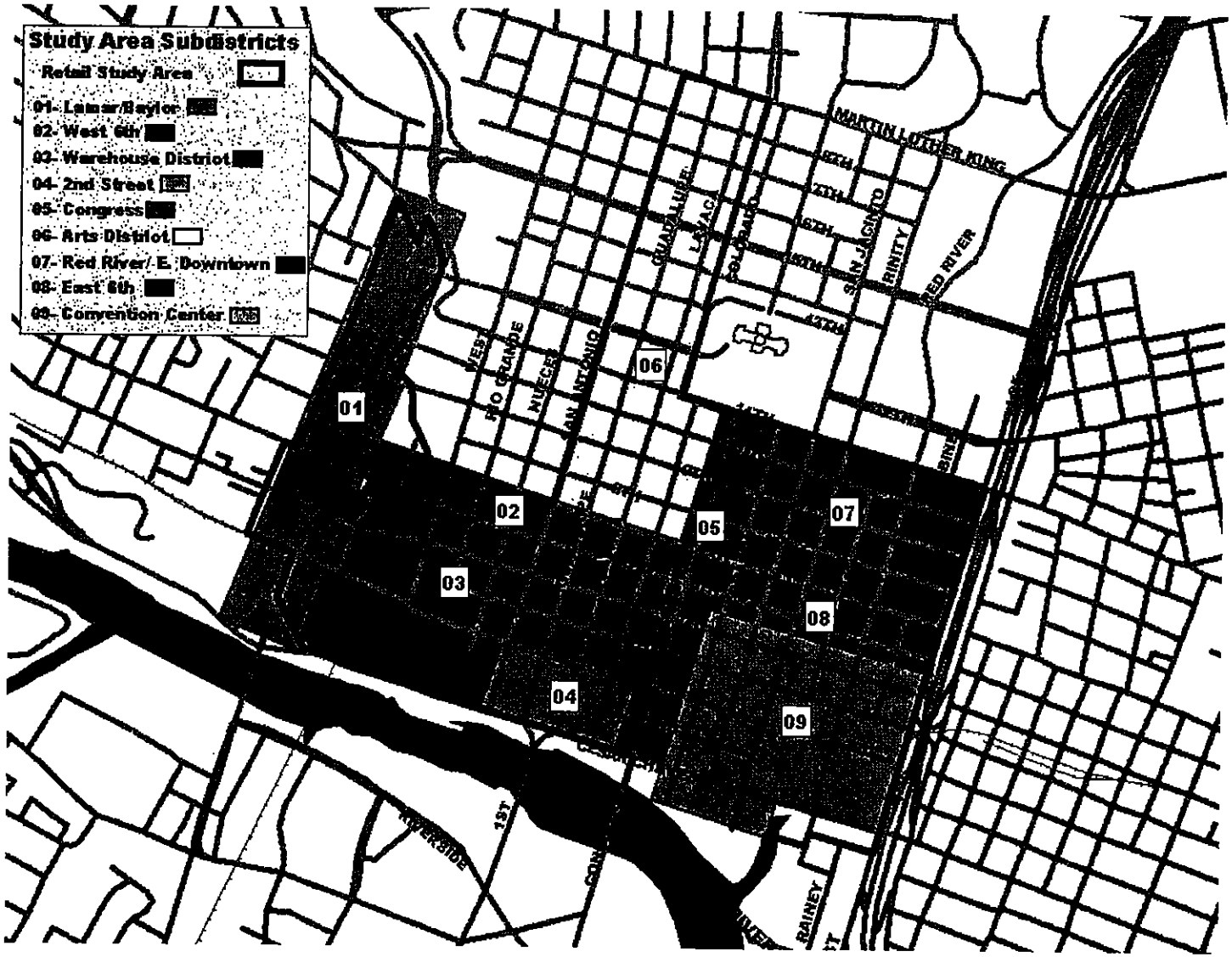
Result of the Study

- ***Austin Wants Downtown Shopping***
- **Market can support almost one million square feet by 2008 (equal to a regional mall)**
- **Need long-term commitment and tools to implement**

ERA

Downtown Austin's Retail Development Vision





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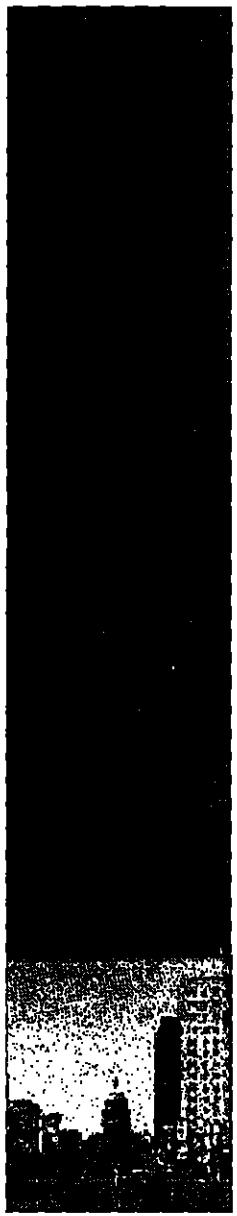
Downtown Infrastructure: The Geography of Capacity



Eight Categories

- *Storm Drainage*
- *Water*
- *Wastewater*
- *Electrical/Energy*
- *Parking*
- *Public Transportation*
- *Streets & Sidewalks*
- *Telecommunications*

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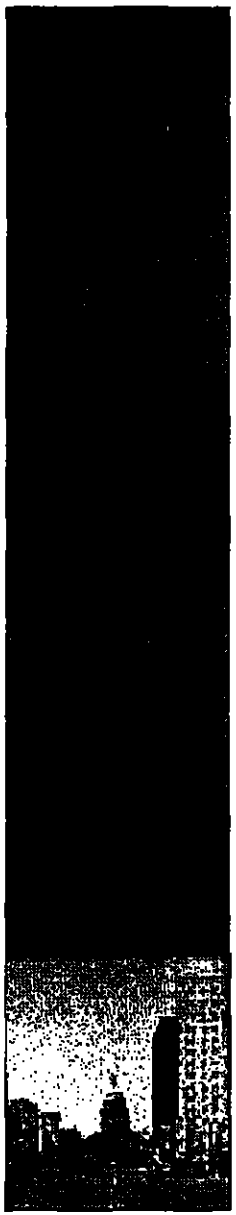
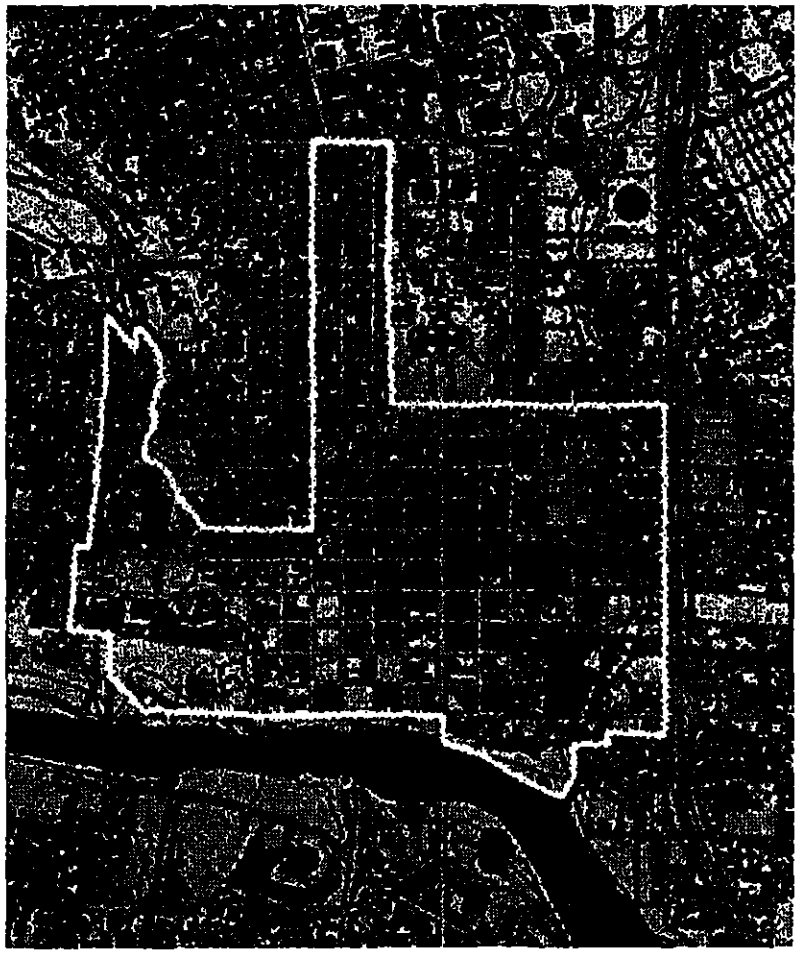
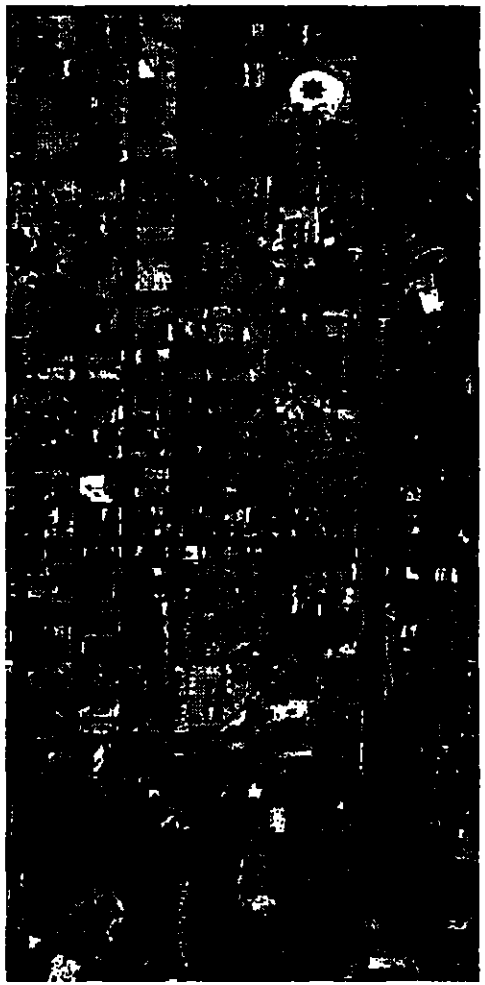
Storm Drainage: Downtown and Waller Creek







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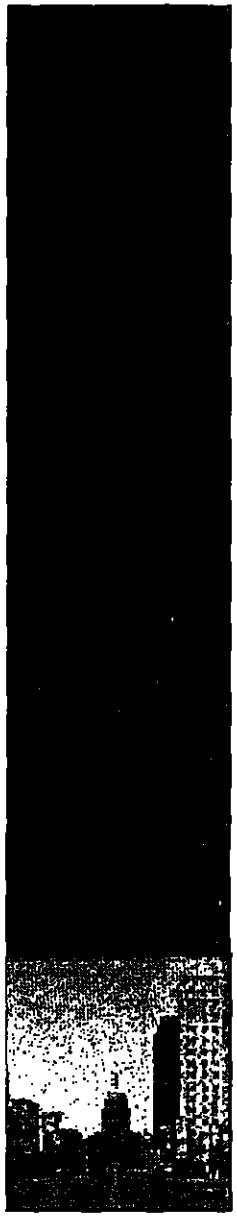
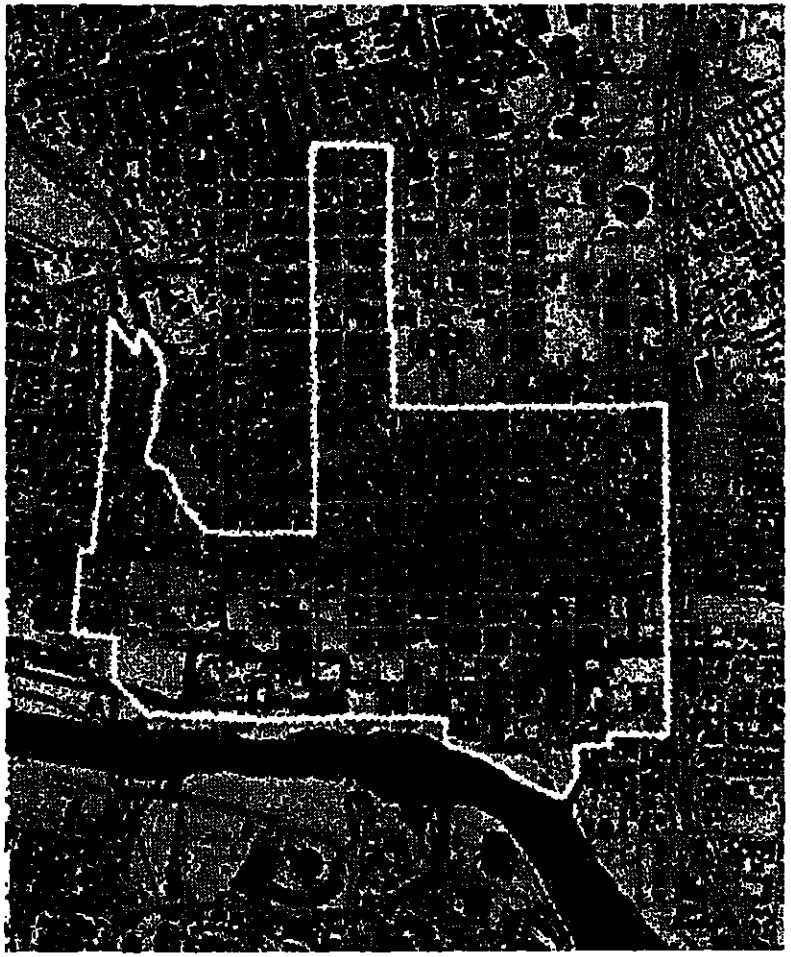
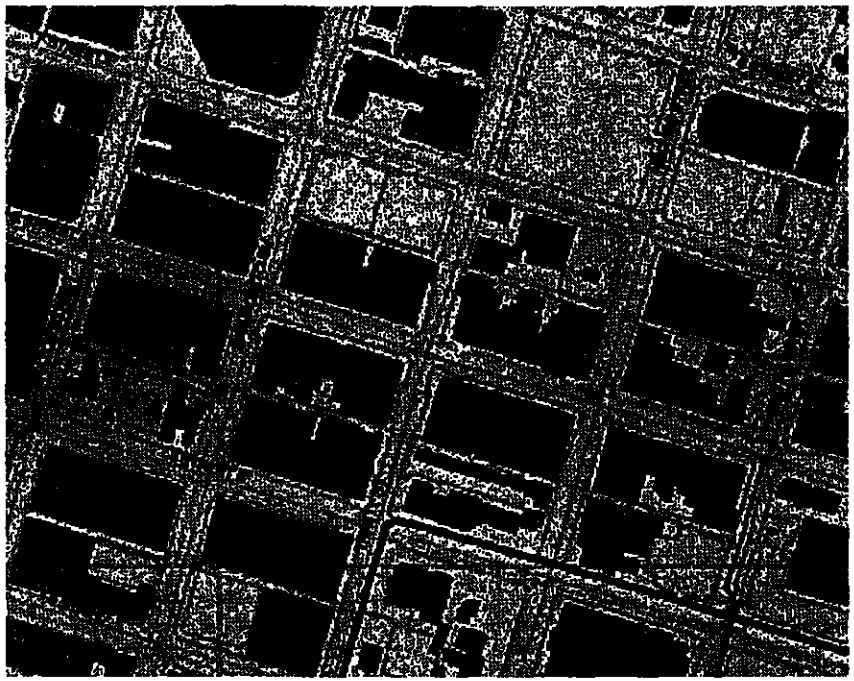
Water: Downtown and 6th & Trinity

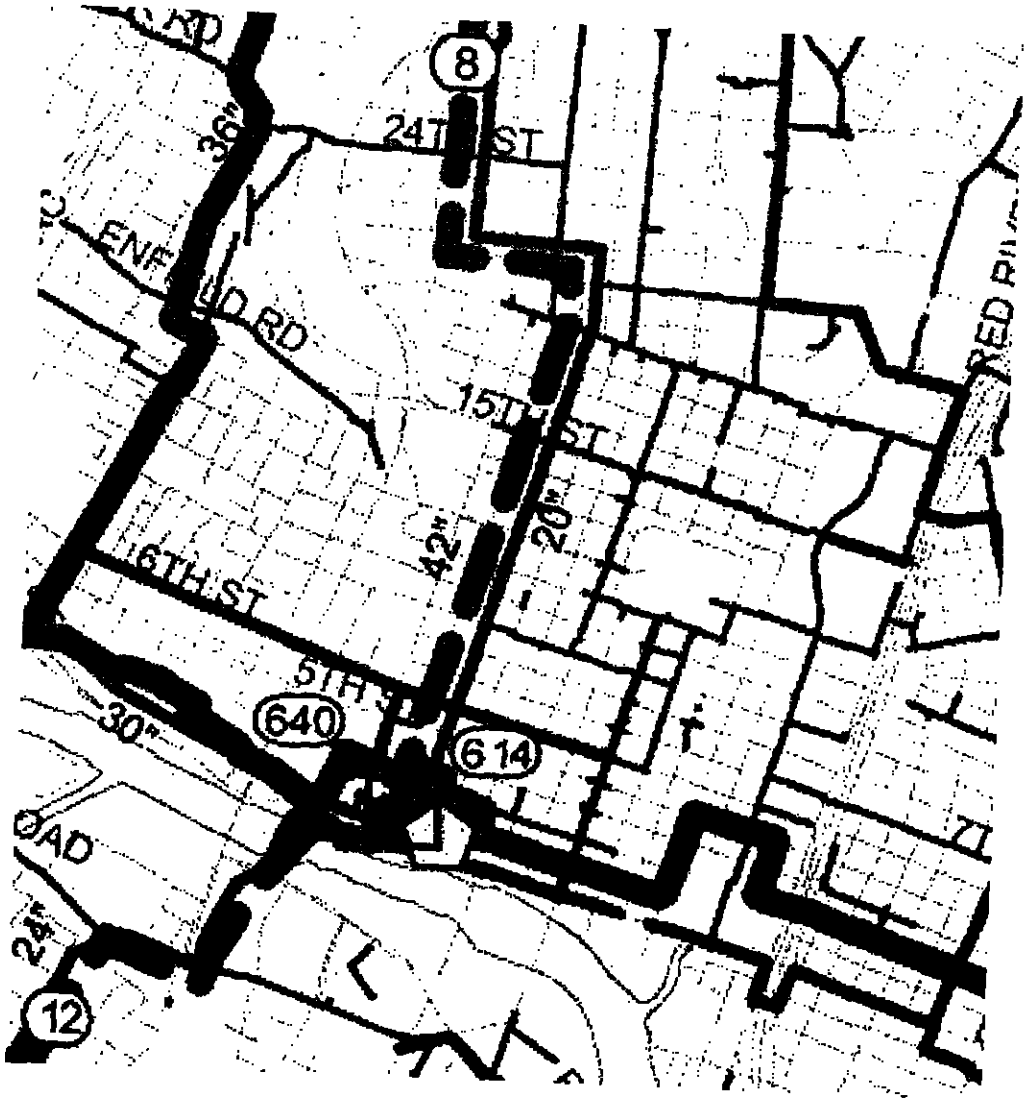






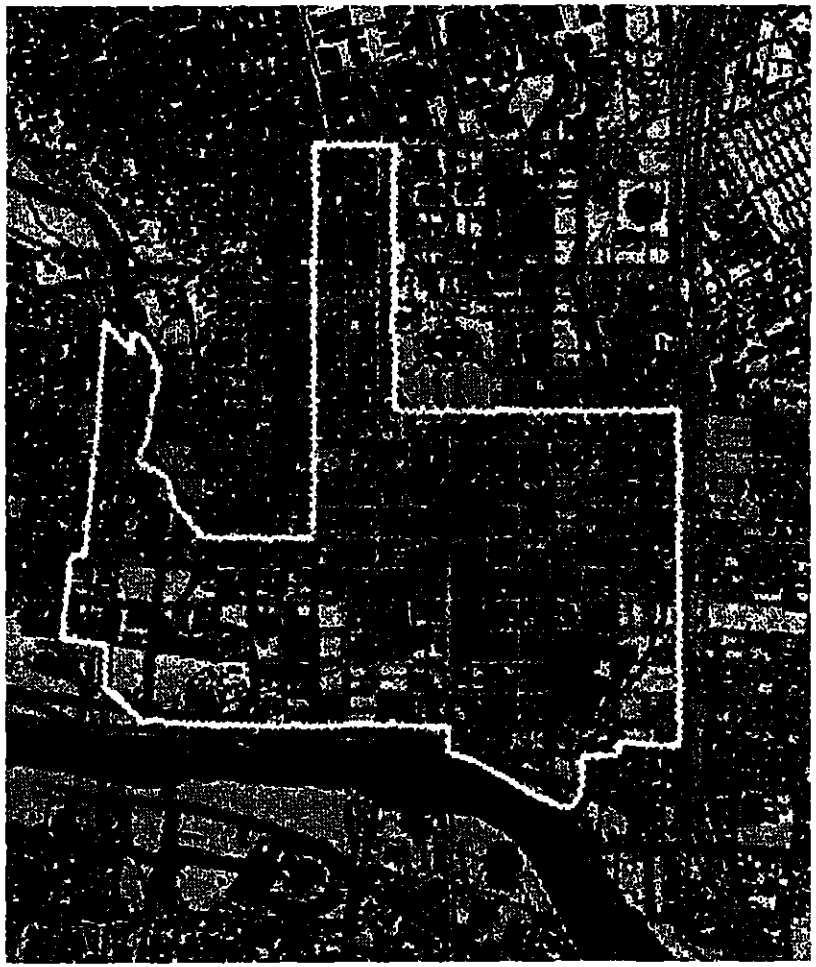
ERA

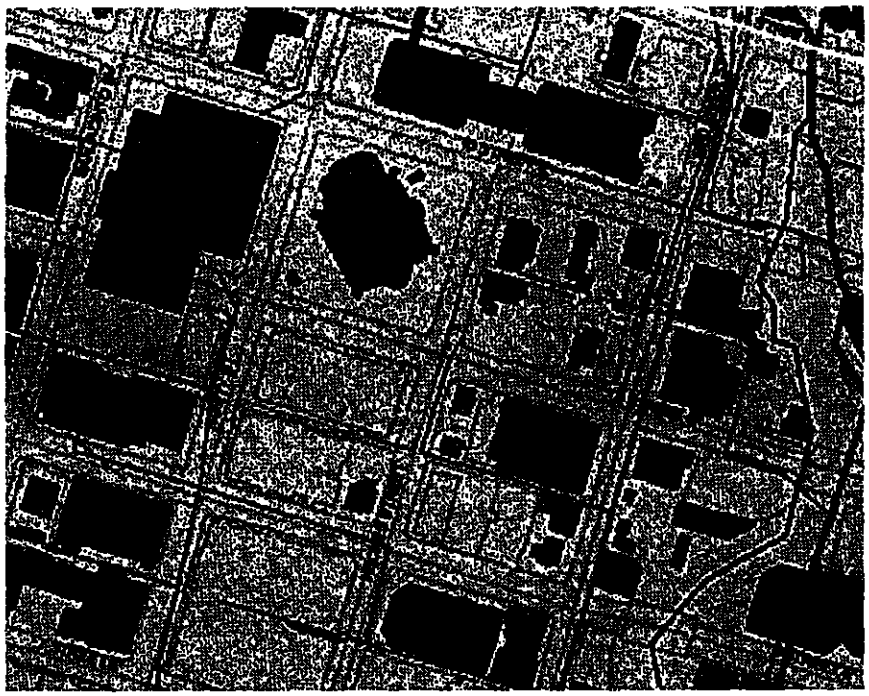
Strategic Water Plan



ERA

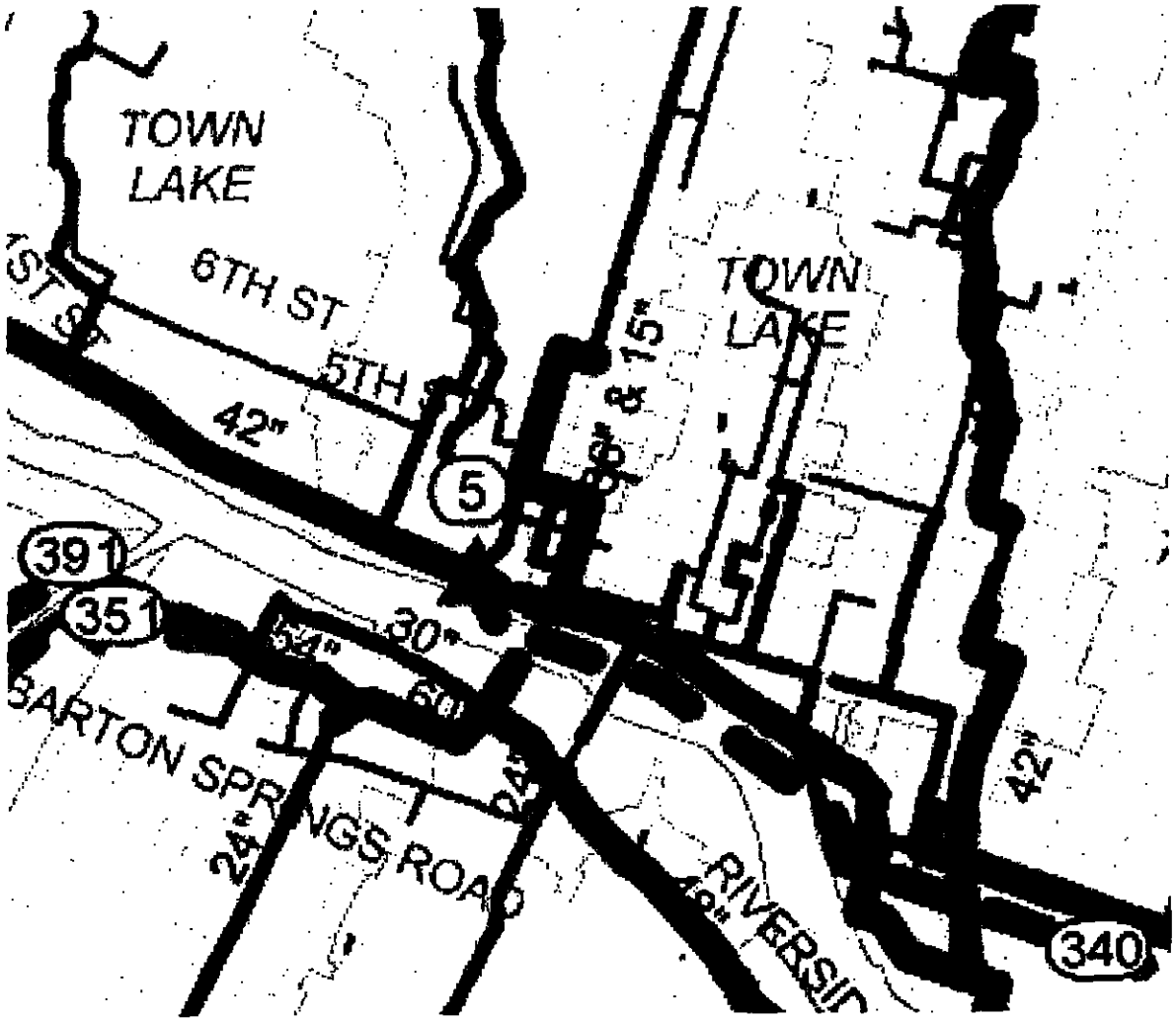
Wastewater: Downtown and 6th & Neches





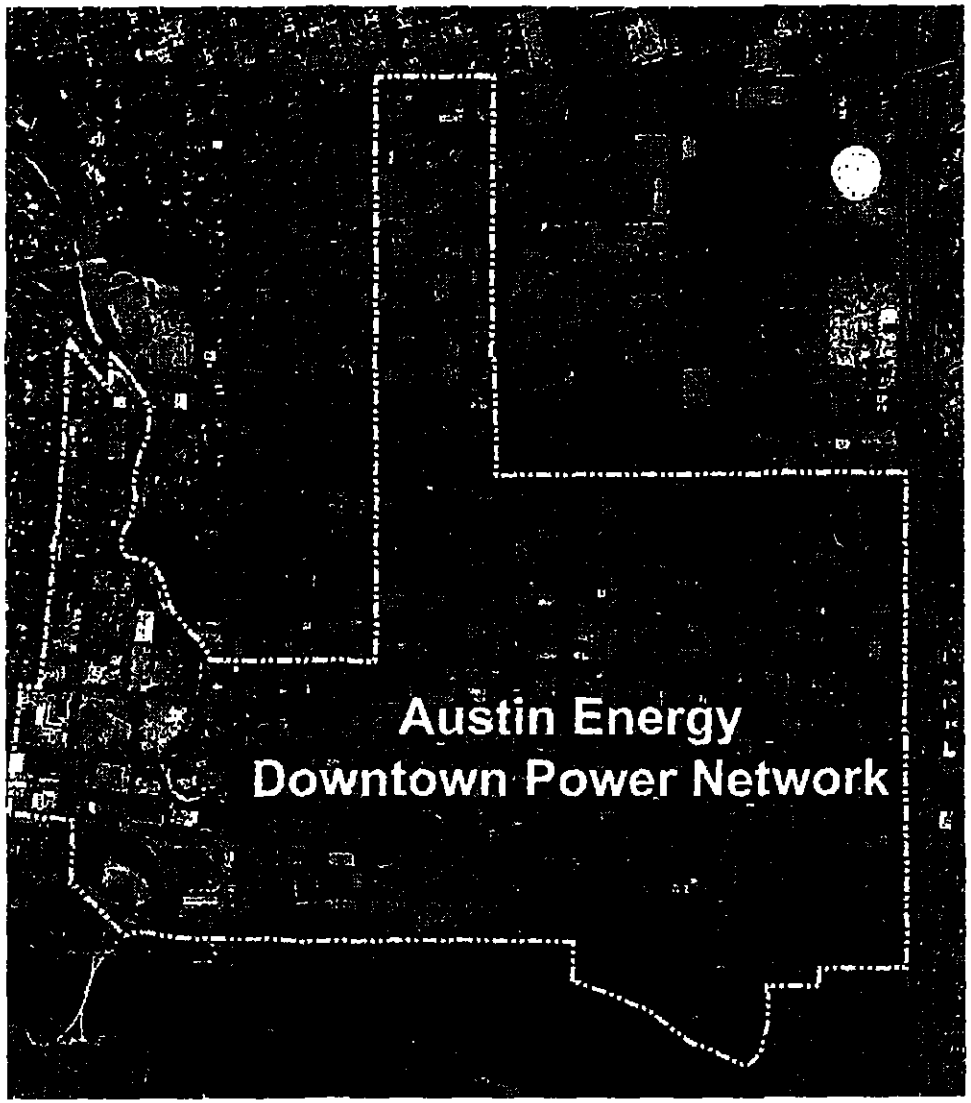
ERA

Strategic Wastewater Plan



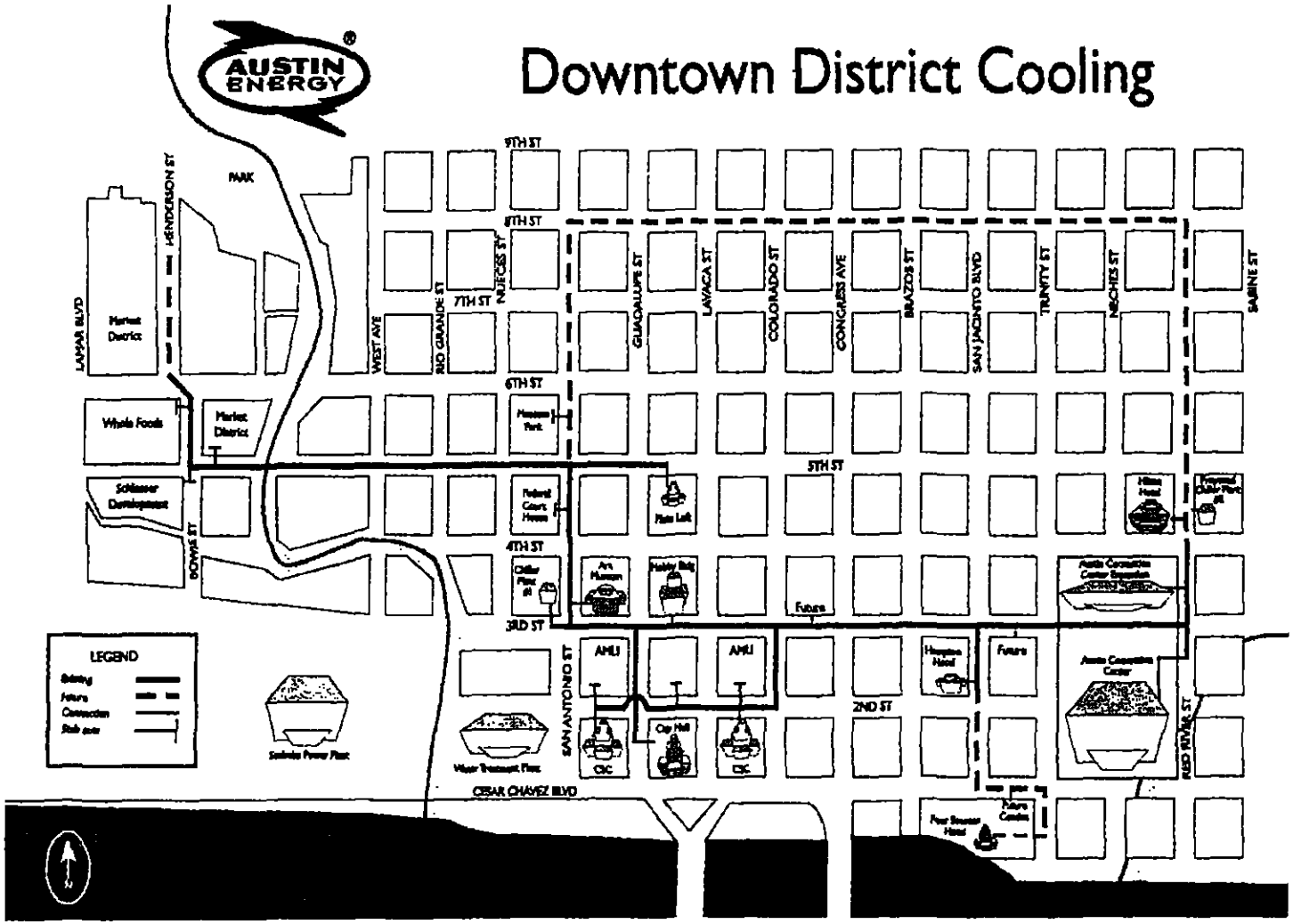
ERA

Electric: Austin Energy Downtown Power Network



ERA

Downtown Cooling Loop



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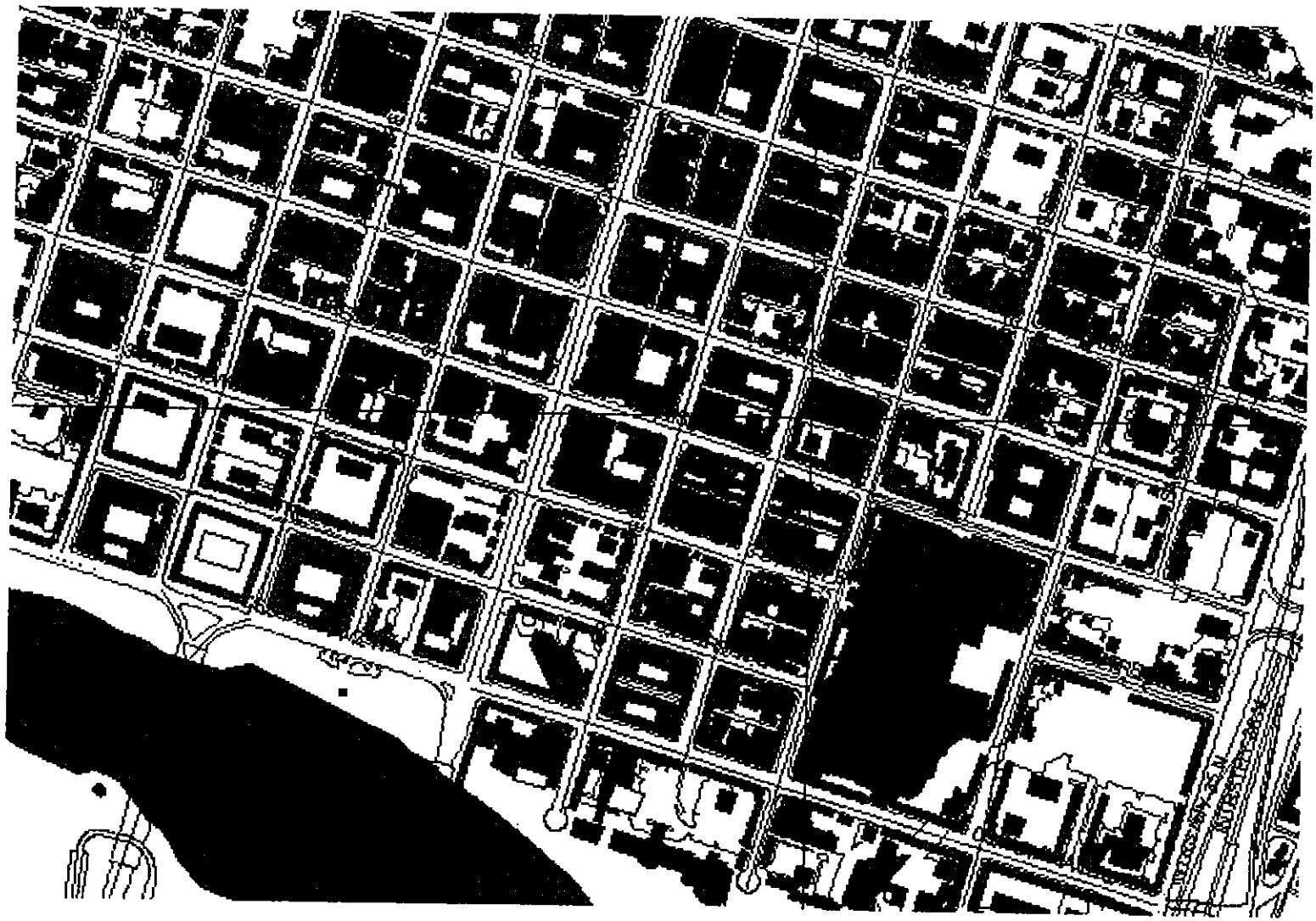
Downtown Parking Analysis



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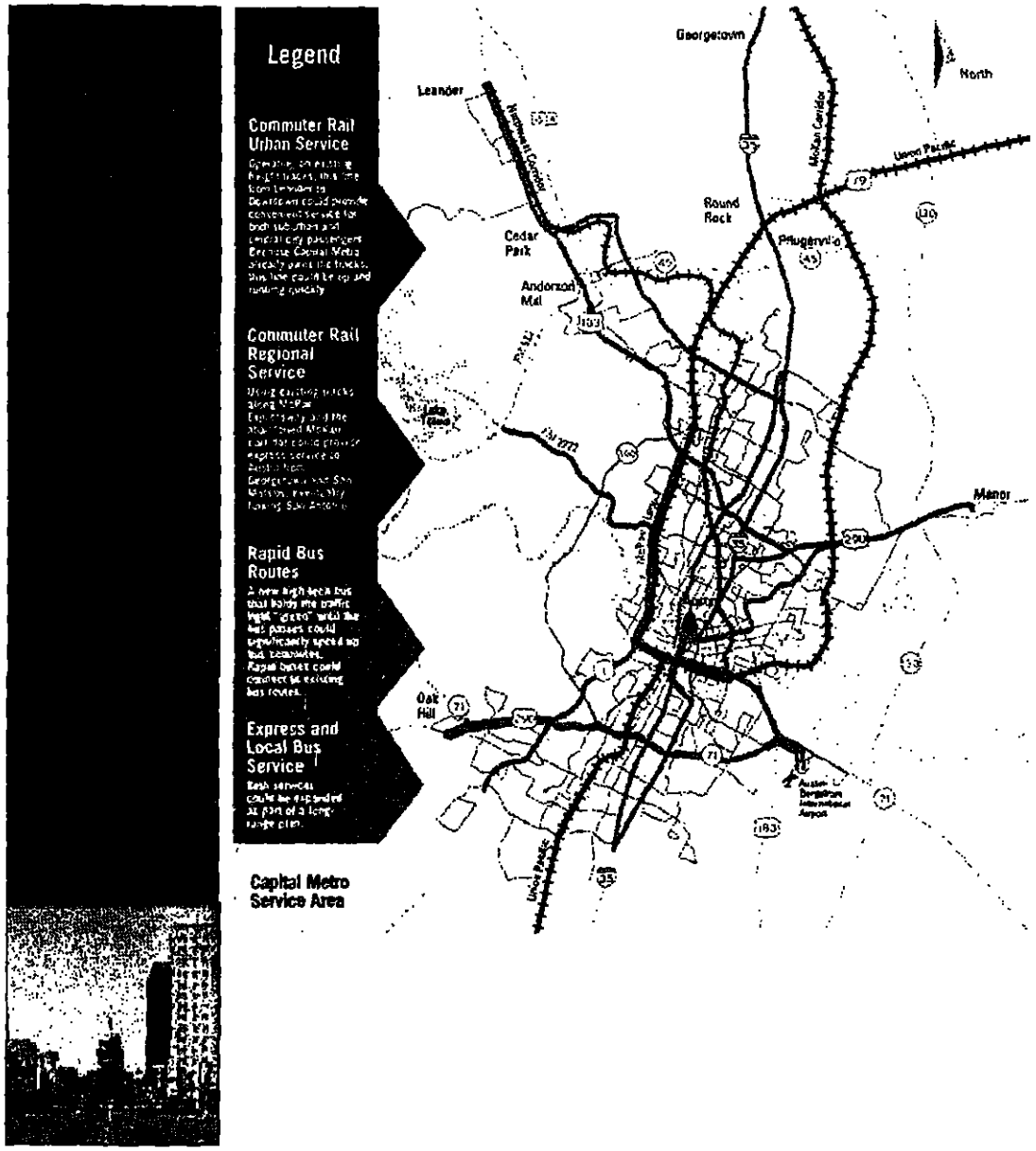
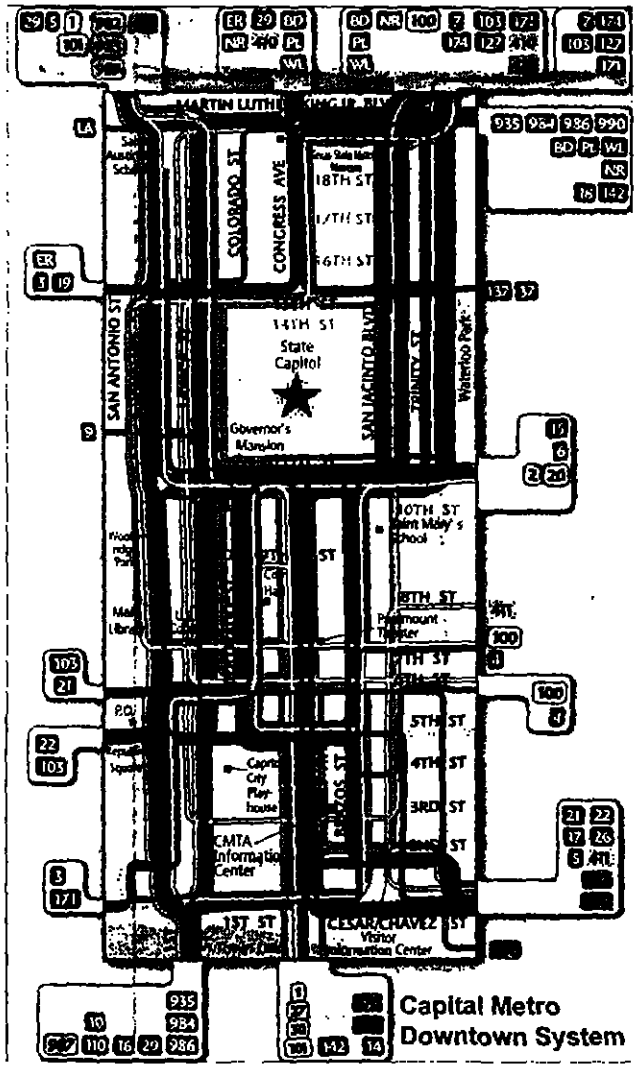
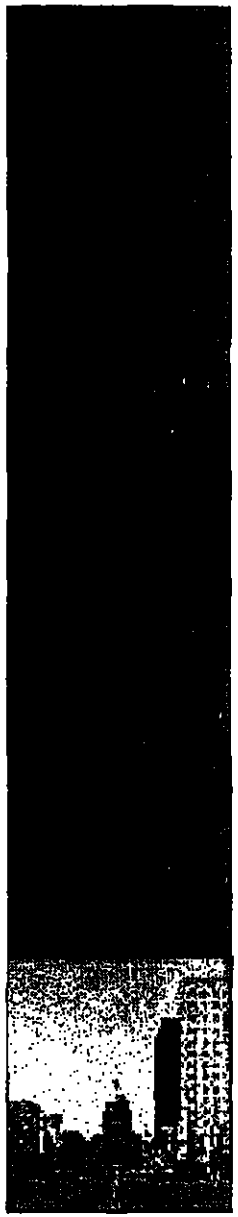
Public Transportation: "All Systems Go" Plan and Downtown Bus Routes

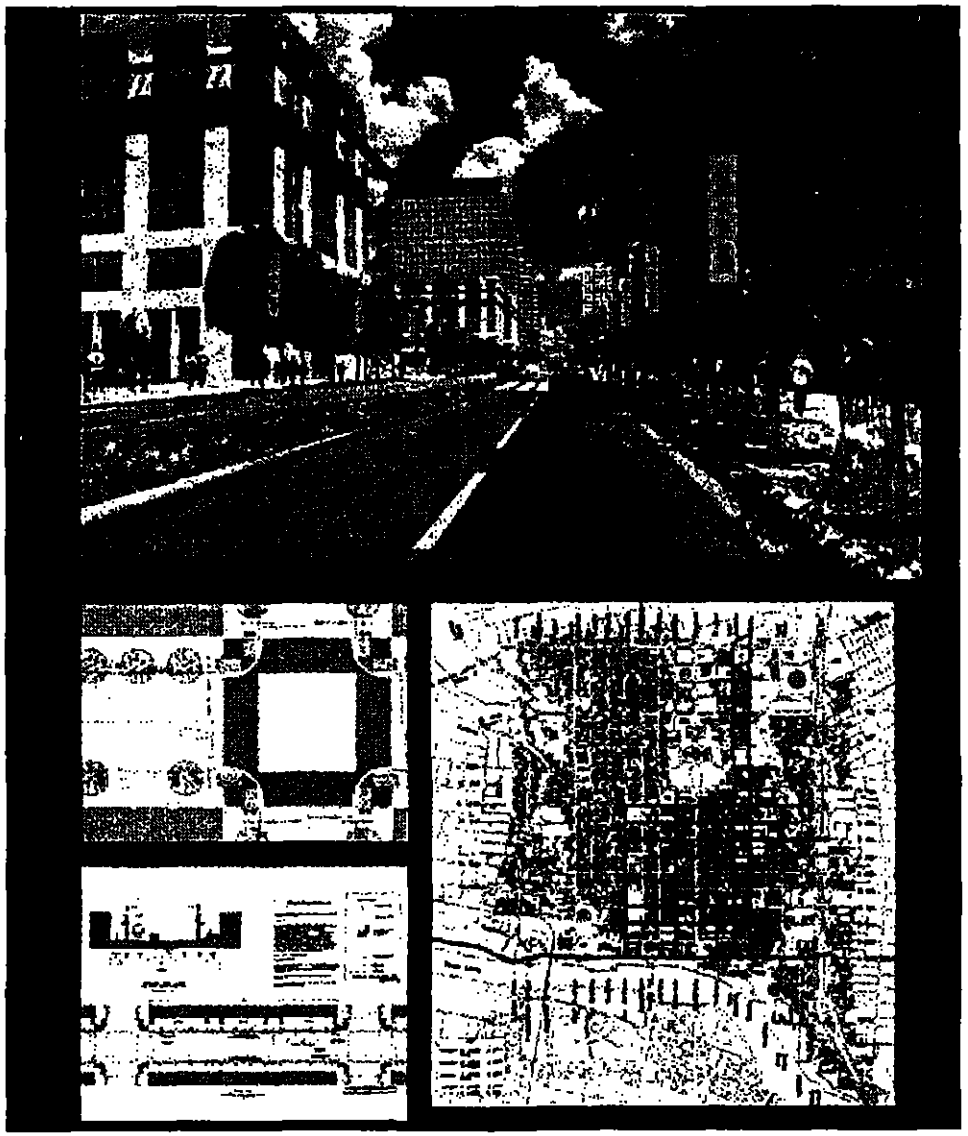




ERA

Streets and Sidewalks: Great Streets Master Plan





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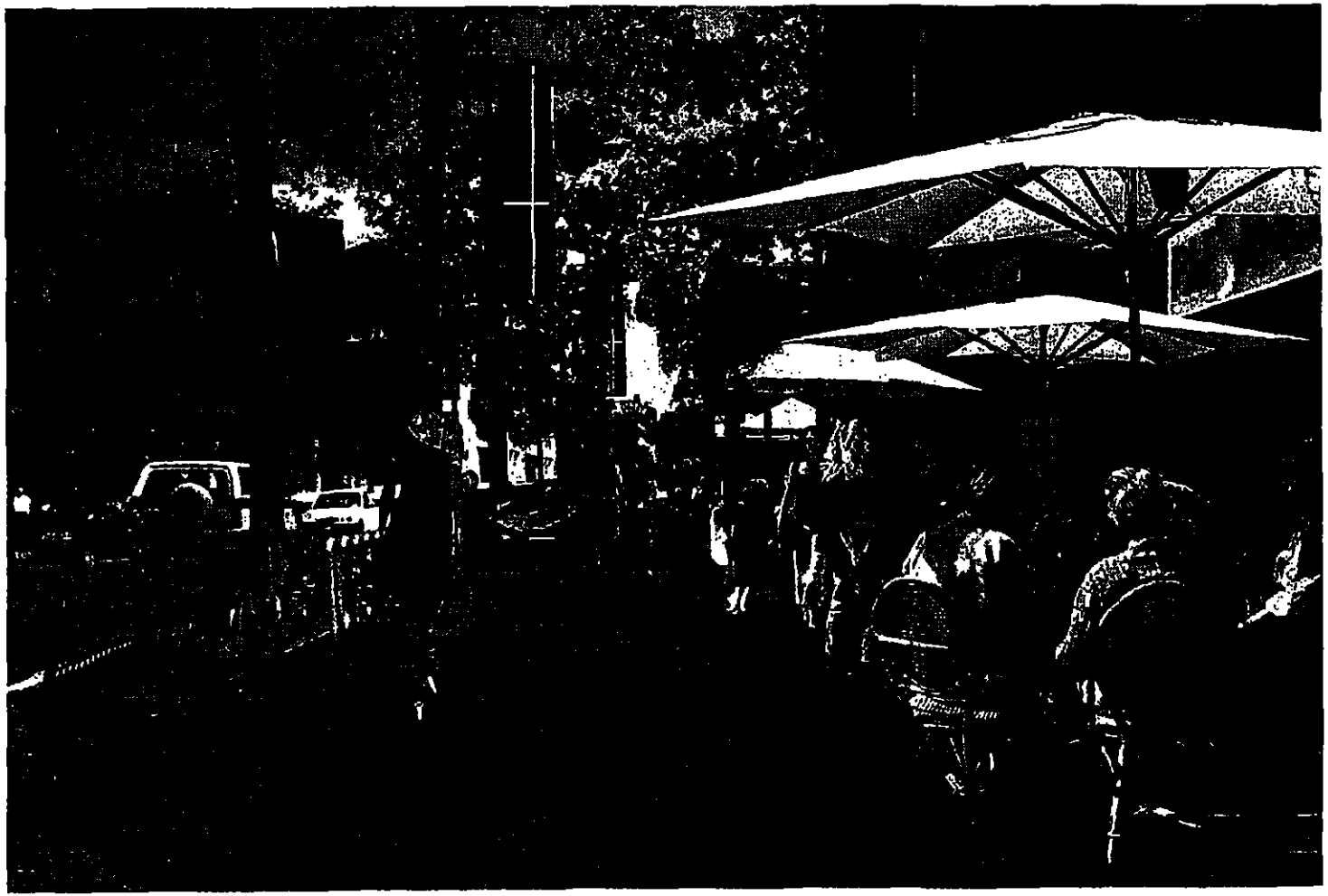
Streets and Sidewalks: Great Streets Pedestrian Zones



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Telecommunications

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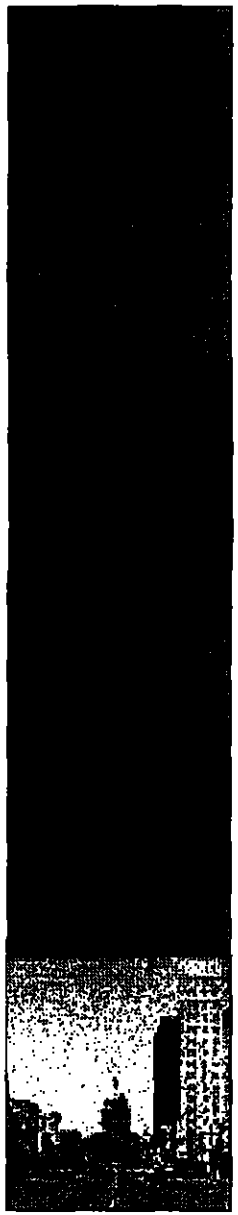
Critical Infrastructure Findings



• ***Storm Drainage:***	***Capacity limits future development***
• ***Water:***	***Fire flow limitations***
• ***Wastewater:***	***System capacity and aging***
• ***Parking:***	***Capacity and strategy***
• ***Public Transportation:***	***Connectors, routes and locations***
• ***Streets and Sidewalks:***	***Retail pedestrian experience***

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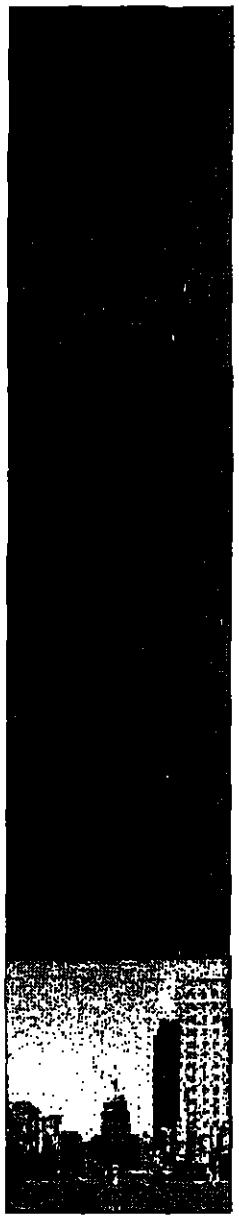
Market Summary

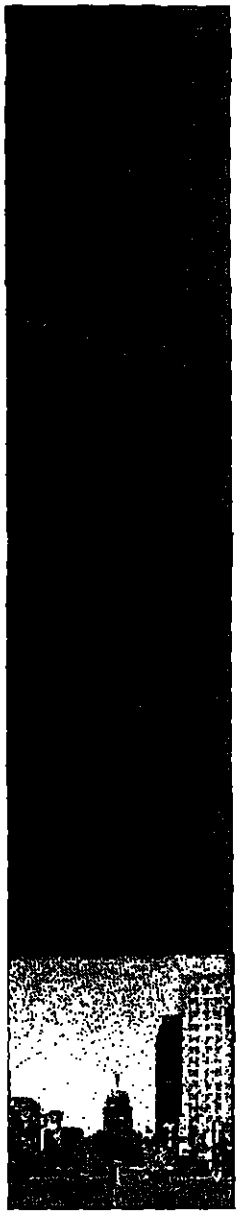


Demand for downtown retail driven by:

- **Residents (downtown & other zip codes)**
- **Downtown office workers**
- **Convention/leisure visitors**
- **University students**

ERA

Consumer Market: Residents



- Downtown housing totals 2900 units today/5000+ residents
- 1600 additional units planned/under construction (55% increase)
- Close-in Residential neighborhoods (13 additional zip code areas, east and west sides)
- Primary resident market totals 363,000 people

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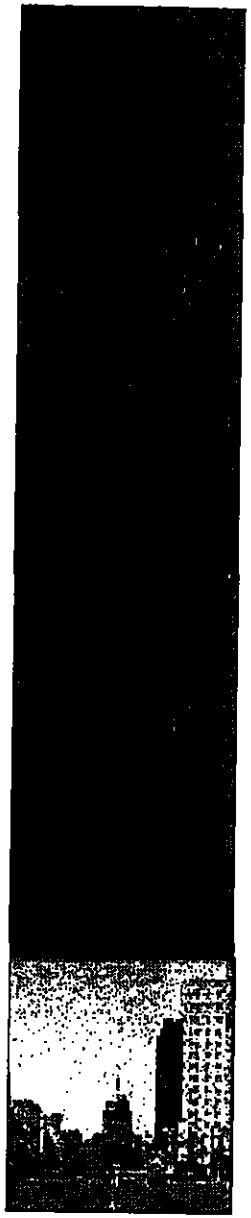
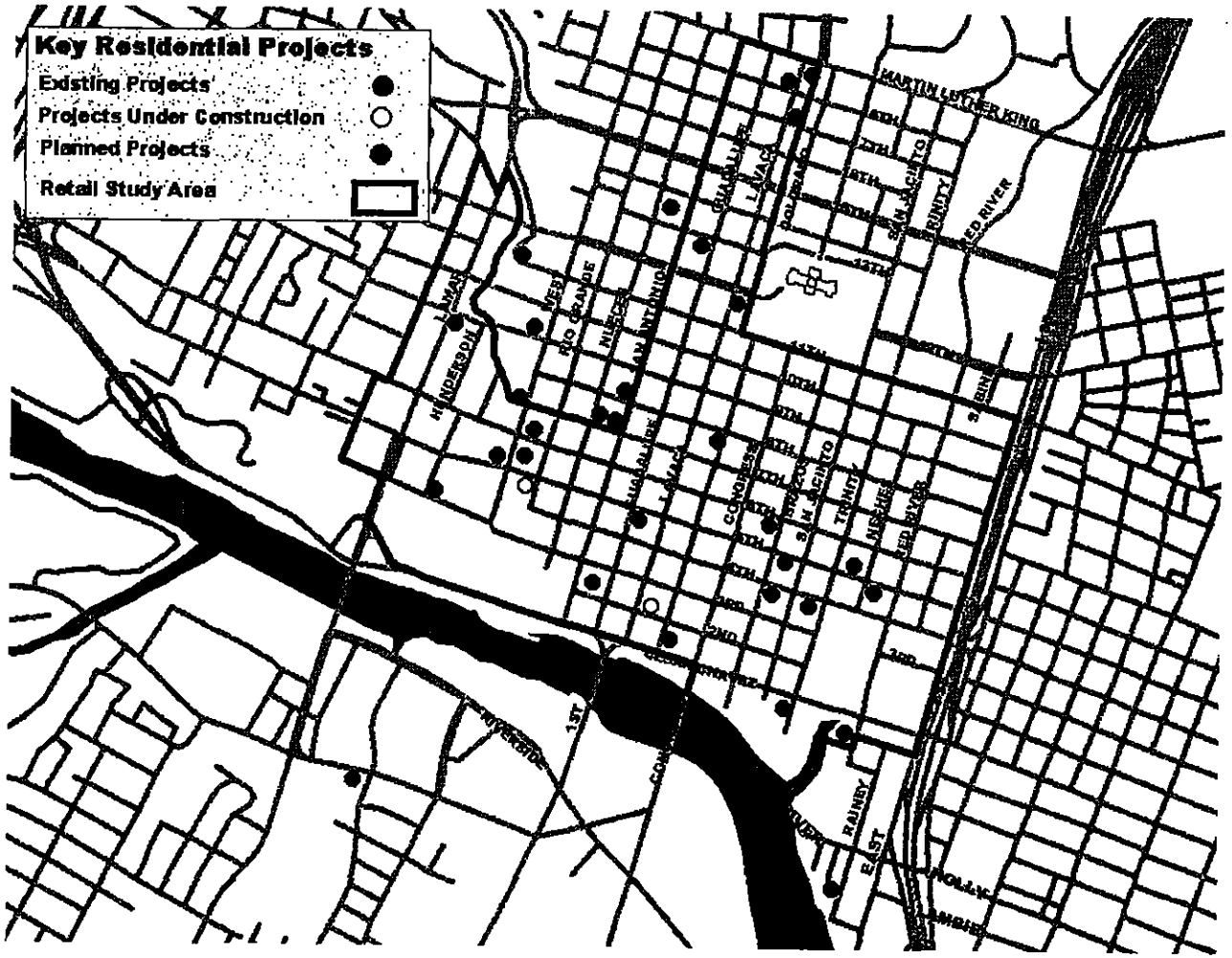
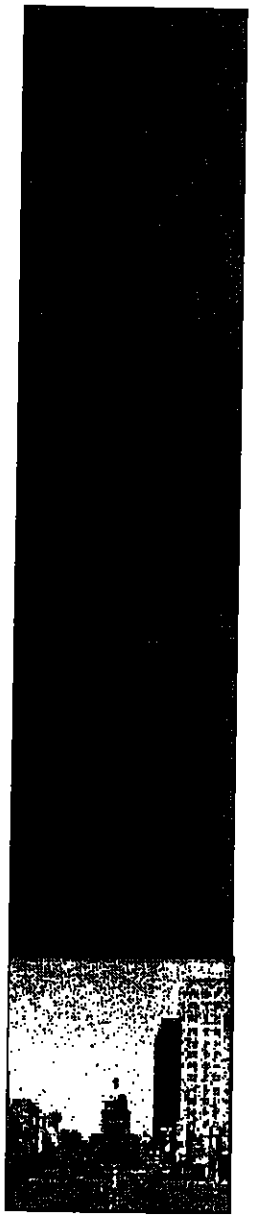
Consumer Market: Residents

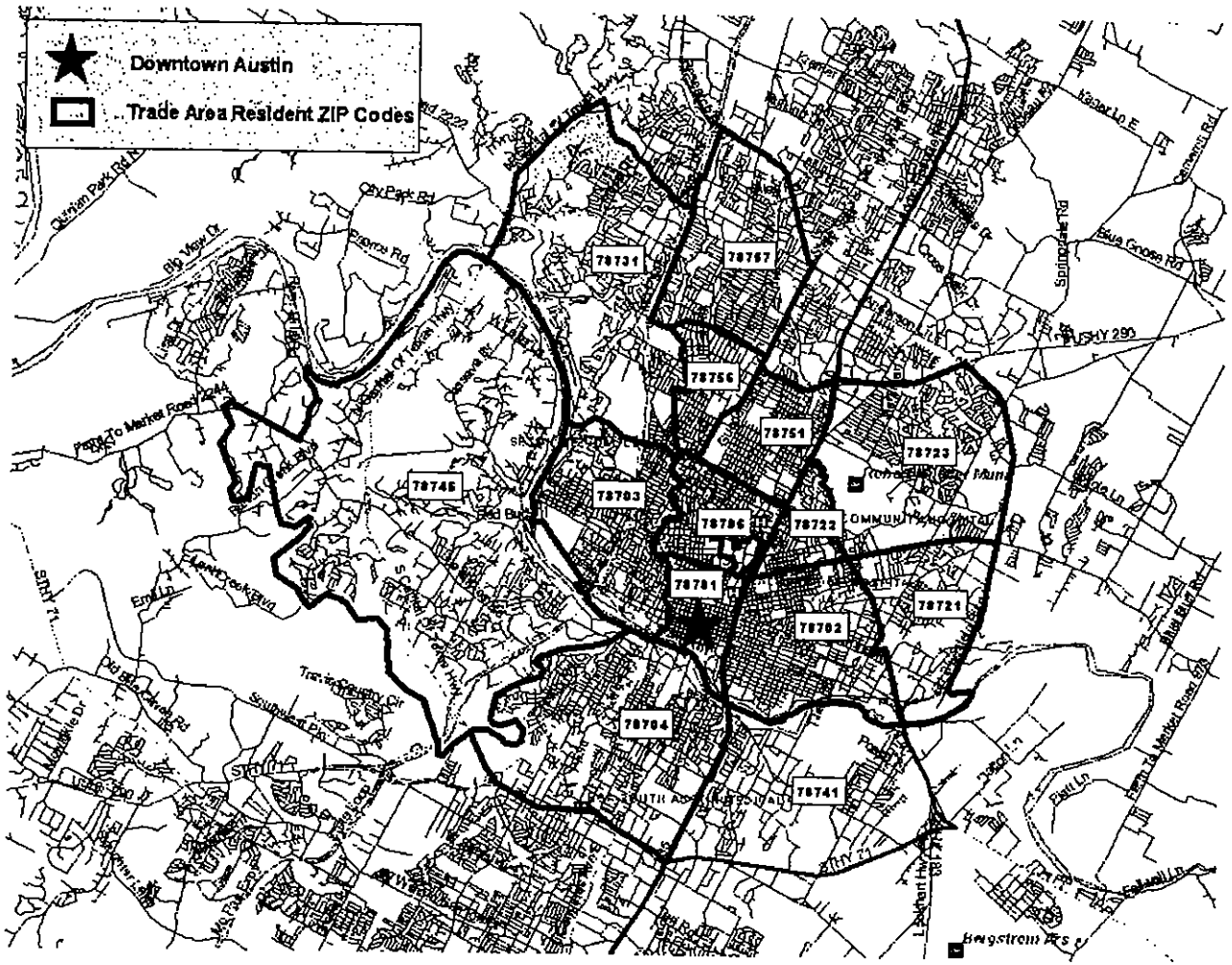




ERA

Consumer Market: Residents





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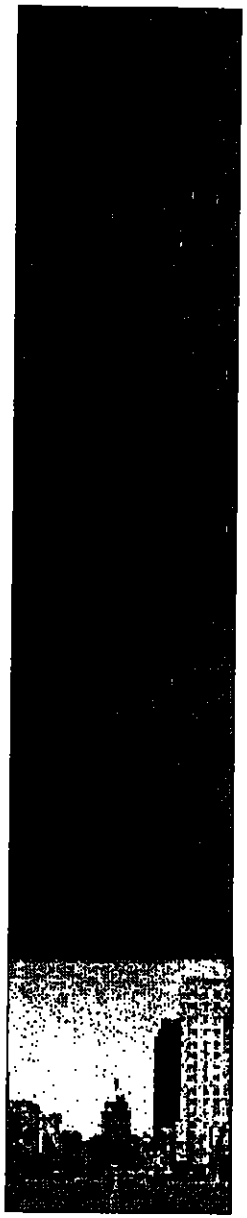
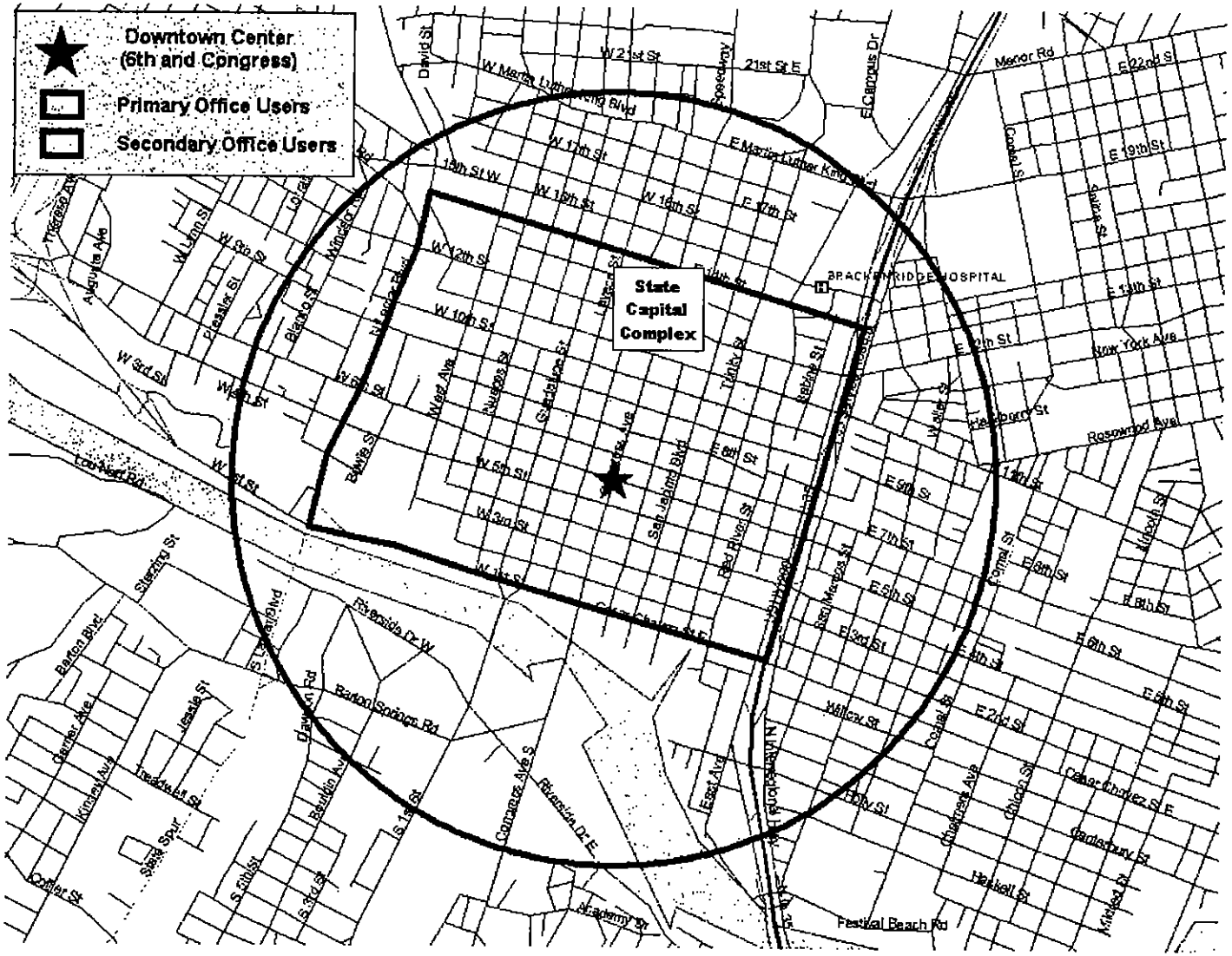
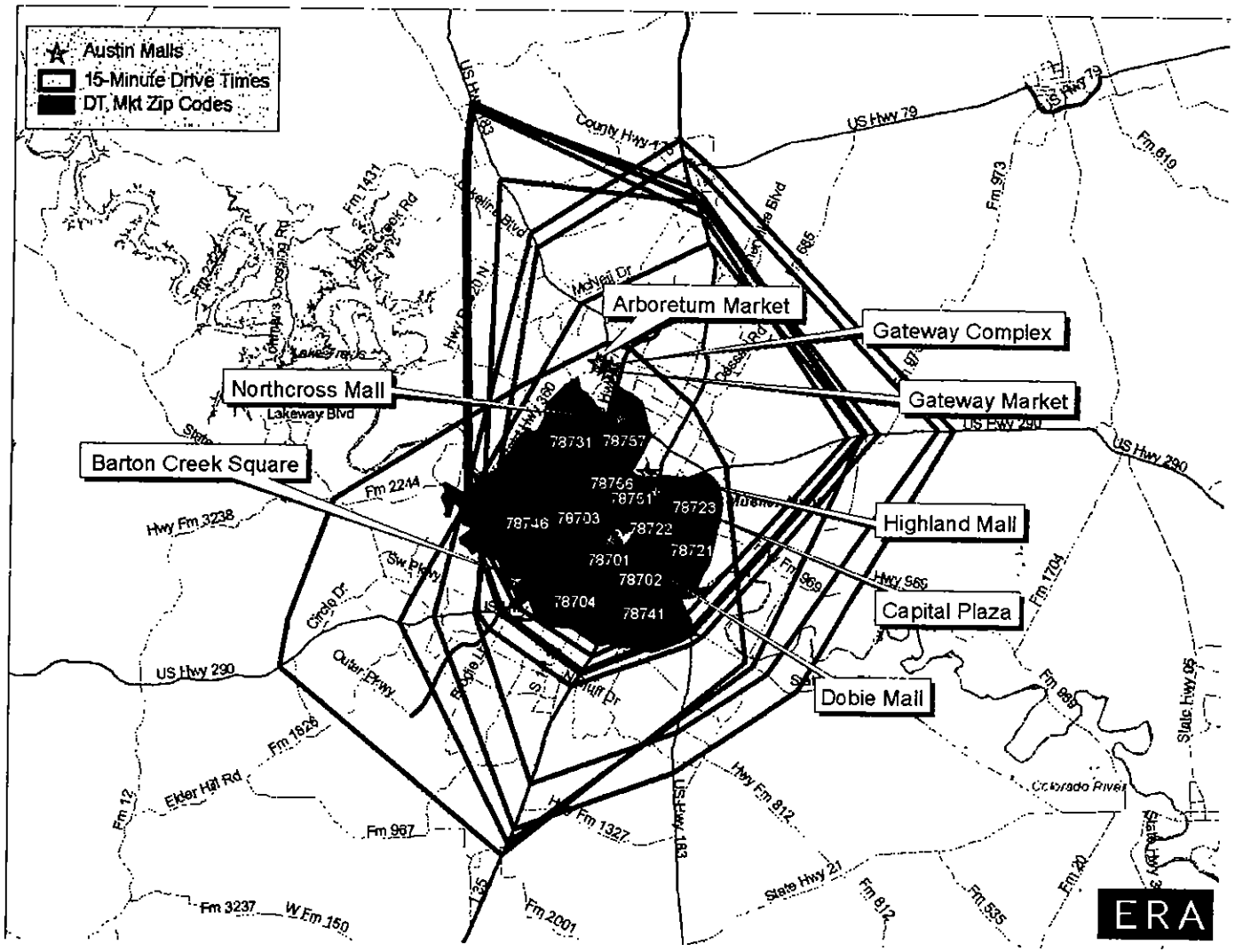
Office Employment Market




Downtown Center
(6th and Congress)
Primary Office Users
Secondary Office Users
State Capital Complex
BRACKENRIDGE HOSPITAL
W 21st St
21st St E
W Martin Luther King Blvd
E Martin Luther King Blvd
W 17th St
W 16th St
W 15th St
W 12th St
W 10th St
W 6th St
W 3rd St
W 1st St
E 19th St
E 13th St
E 12th St
E 9th St
E 7th St
E 5th St
E 3rd St
E 6th St
E 8th St
E 22nd St
Meador Rd
New York Ave
Rosewood Ave
Festival Beach Rd
Barton Springs Rd
Riverside Dr W
Riverside Dr E
Congress Ave S
Lamar Blvd
San Jacinto Blvd
Red River St
Trinity St
Rabb St
Navarro St
Guadalupe St
West Ave
Pleasant St
Blanco St
Nueces St
Sterling St
Barton Blvd
Treadwell St
Lou Neff Rd
Cesar Chavez St E
Gardenia St
Haskell St
Willow St
Holly St
Chicon St
Comal St
Navarro St
Red River St
Trinity St
Rabb St
Congress Ave
Lamar Blvd
Guadalupe St
West Ave
Nueces St
Pleasant St
Blanco

Drive Times to Existing Retail



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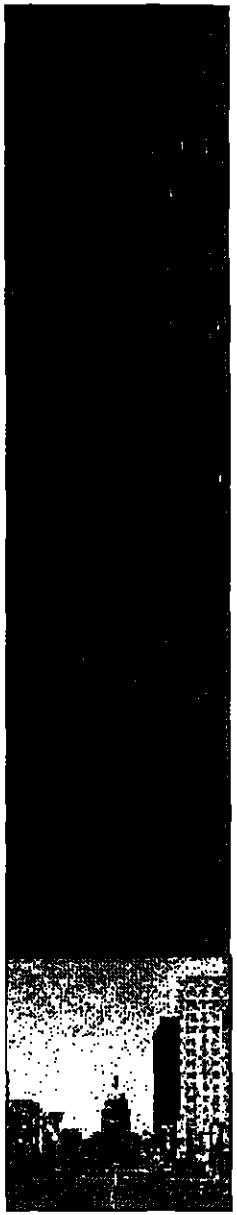
Consumer Surveys



Conducted by M.Crane & Associates

- Austin Residents *want* to shop Downtown
- Reason they don't shop downtown now?
  - It is Not parking, traffic or lack of income
  - *It is* ***"NOT ENOUGH STORES"***

ERA

Downtown Inventory and Mix

- **Approximately 350,000 sf of downtown retail space**
- **Heavy concentration of restaurants and bars**
- **Whole Foods flagship store**
- **Significantly undersupplied in:**
  - **Apparel for men and women**
  - **Shoes and accessories**
  - **Gifts and furnishings**
  - **Resident-and office-oriented service businesses**

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Supportable Retail Square Footage

Net Supportable Retail		
2008	Baseline	Optimistic
Total Supportable	723,000	990,000
Less AMLI Project	220,000	220,000
New Increment	**503,000**	**770,000**
Source: ERA, 2004		

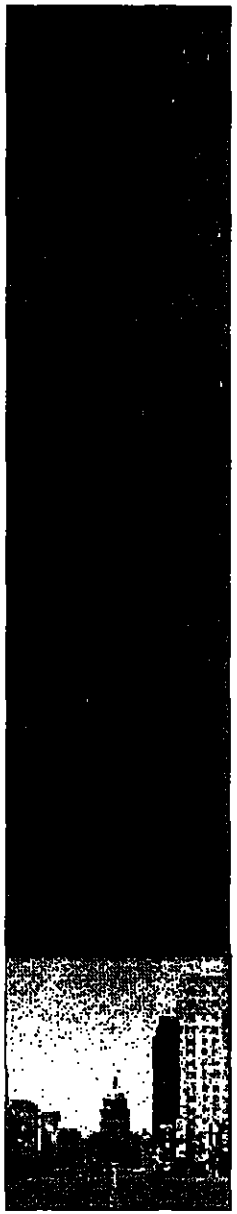
ERA

Market Strategy & Priority Retail Zones

- **Congress Avenue** (Upper and Lower)
- **East Sixth Street**
- **West Sixth Street**
- **Second Street/Market District**

ERA

Barriers to Entry



IDA Panel and Other Interviews

- Not enough successful retail offerings
- Retail industry does not recognize downtown Austin's potential
- Impact of transportation
- Better pedestrian environment needed
- City of Austin perceived as part of problem, not given much credit for solutions
- Regulatory/code issues

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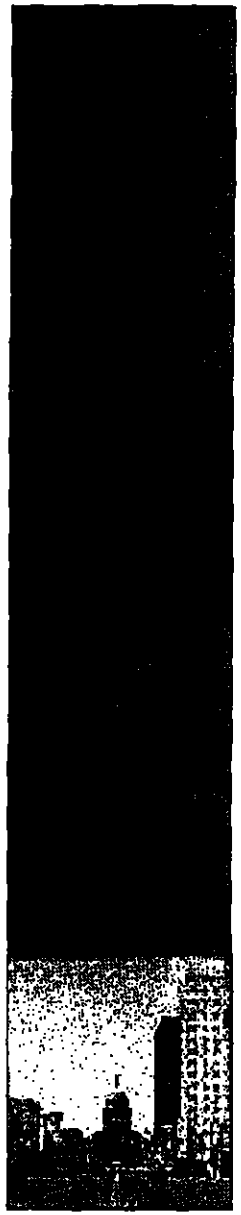
Recommendations



1. **Create a downtown retail coordination program**
   - Jointly funded by City and DAA, others
   - Program budget: $125,000-$150,000 per year
   - Located within Downtown Austin Alliance
   - Single point of contact:
     - recruit retailers consistent with merchandise plan
     - market downtown
     - work with property owners and brokers

2. **Commit to a pro-downtown development policy and address needed code, zoning and licensing revisions**

3. **Develop tools and incentives (performance-based and appropriate for Austin)**

ERA

Conclusion

- ***Downtown Austin is in a fortunate position; recognized nationally as a downtown music and entertainment destination***

- ***Through City leadership***:
  - Downtown housing is thriving
  - Expanded convention centers and downtown hotels
  - Entertainment and dining concentration is the envy of other downtown areas in Texas and nationally
  - City-owned sites being leveraged to create mixed-use and cultural/civic destinations

The missing element – DOWNTOWN RETAIL

ERA

Questions and Discussion

Austin Wants Downtown Shopping –

It is the right time

ERA