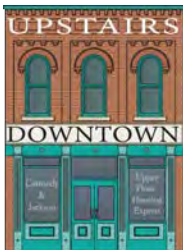


Upstairs Downtown

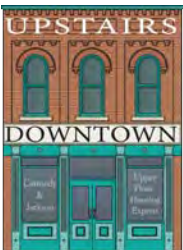
One Story at a Time



Dan Carmody
Carmody Consulting

Upstairs Downtown

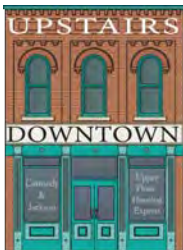
Reclaiming Vitality



Since 2005 23 presentations in 16 states

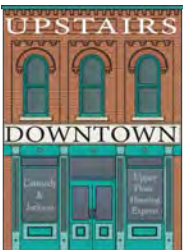
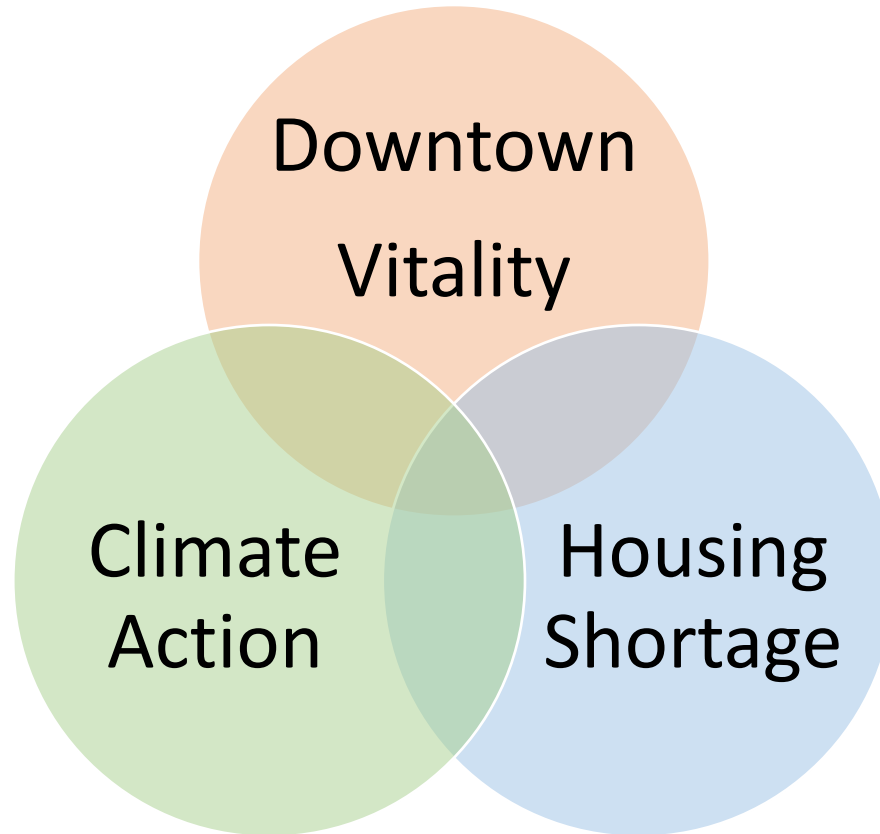
Vacancy rates of 50% or higher

Common in Small to Mid-Sized Communities



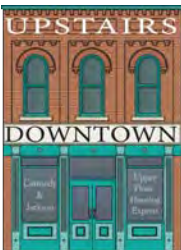
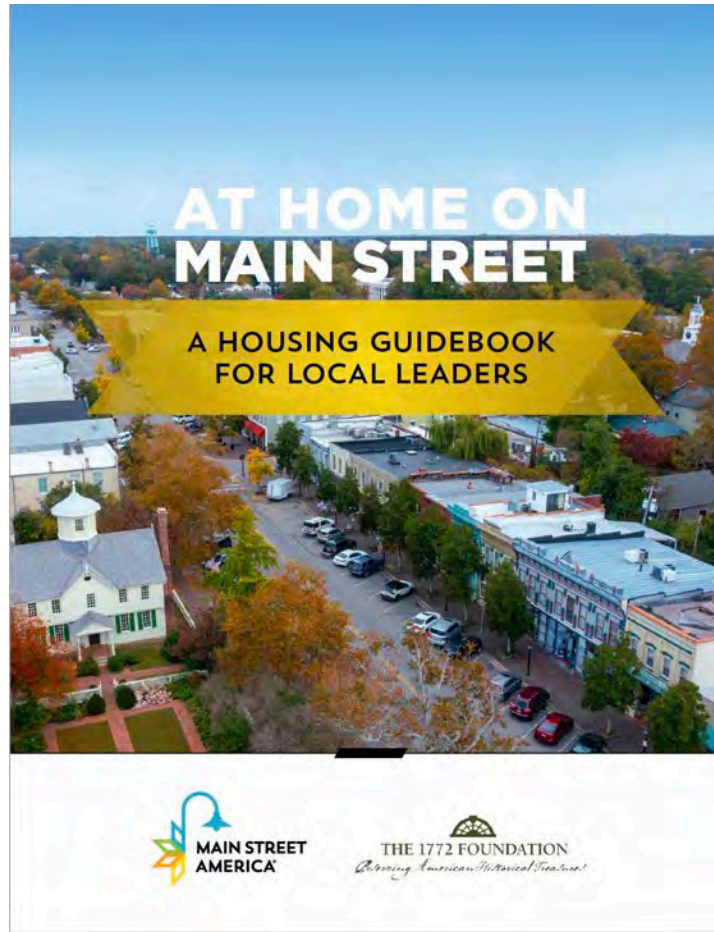
Upstairs Downtown

Addresses Three Key Issues



Upstairs Downtown

Rising Importance of Housing



Upstairs Downtown

Major Focus for Main Street America

ECONOMIC VITALITY

- Residents are natural patrons of local businesses 24/7, downtown housing offers even greater potential for patronage, reciprocal relationships, and building a circular economy.
- Opportunities for live/work arrangements.
- Presents opportunities to create/expand small development opportunities to “nontraditional” actors, such as local entrepreneurs, small businesses, and community-based developers, etc.
- Additional revenue for commercial property owners who have vacant / underutilized upper floors.
- Real estate is a powerful wealth building tool/asset.
- Maximizing use of existing infrastructure with upper stories is an economically sustainable approach to housing for local governments.

DESIGN

- Upper floor units originally built as residences are frequently part of the historic fabric of Main Street districts. This sets the precedent for adding housing in these spaces through both rehabilitation of vacant spaces such as upper floors as well as new construction that combines commercial and residential uses.
- Brings more development in general = more rehabs and infill development, more infrastructure, more people-centered elements into the built landscape.
- 24/7 use of a Main Street area increases the design possibilities of the public space.
- Making space for more full-time residents on major commercial corridors and intersecting streets is a key tenet of Crime Prevention Through Environmental Design (CPTED), supporting greater safety and a more inviting district.



- Housing development work involves cultivating partnerships with stakeholders—residents, community members, governmental agencies, funders, and developers—that can lead to support of a Main Street district in additional ways.
- Attracting/facilitating housing development requires a long-term mindset, visionary approach, and follow-through for what a Main Street can be/offer.
- Participating in local housing dynamics allows Main Street programs to play a larger leadership role in activities that shape their community and build opportunities for deeper community engagement.
- Local residents have a vested interest in the work and success of their Main Street program, and increase the pool of potential volunteers, board/committee members, etc.

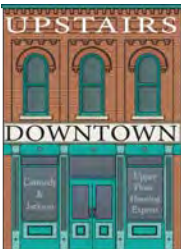
- Downtown / district residents are invested in promoting their own neighborhood assets to others.
- Residents are first to know and spread the word about new businesses, events, etc.
- Having both commercial and housing development in a Main Street area shows a variety of uses and purposes that a district can fulfill, demonstrating its valuable role as the heart of a community.

ORGANIZATION

PROMOTION

Upstairs Downtown

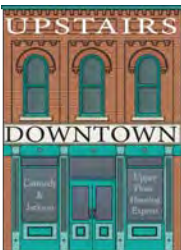
Our Focus is on Small Properties and DIY Developers



Helping communities assemble the multiple skill sets needed by DIY developers

Typical Building on Main Street

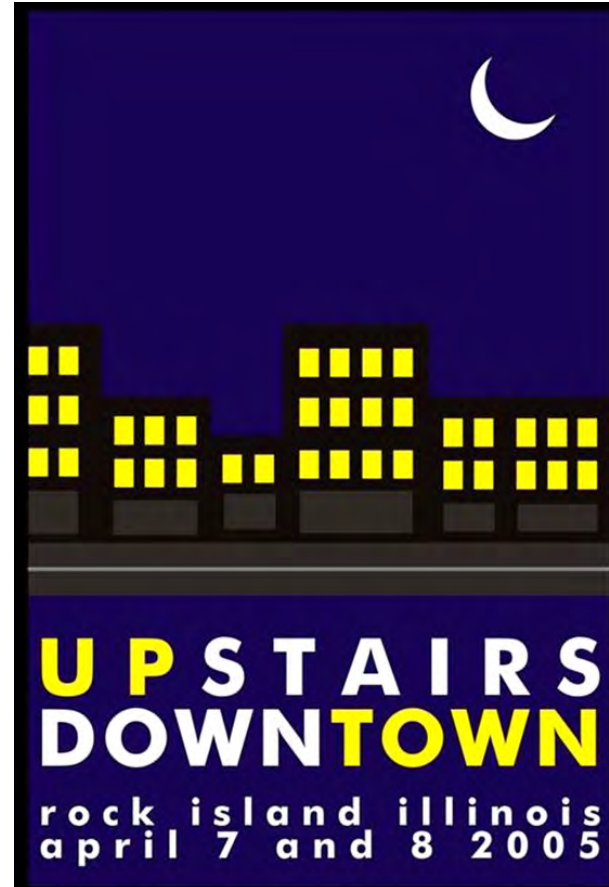
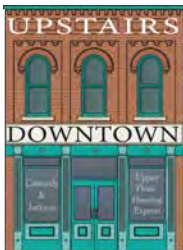
DIY Developers



Two - three stories
Masonry bearing wall structures

Upstairs Downtown

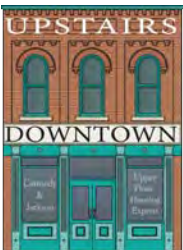
Began in 2005



Dan Carmody was then a local community developer

Upstairs Downtown

Began in 2005



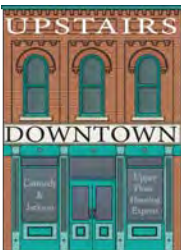
Mike Jackson was then the IL State Architect

Four Part Training Session

For community leaders and non-developers

Today's Agenda

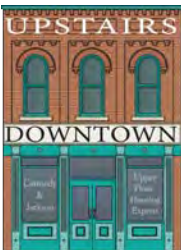
- | | |
|----------------|-----------------------------|
| 2:00 - 2:45 pm | Market Driven Place |
| 2:45 - 3:45 pm | Architectural Assessment |
| 3:45 - 4:15 pm | Understanding the numbers |
| 4:15- 4:45 pm | Case studies and incentives |
| 4:45 - 5:00pm | Q & A |



Market Driven Places

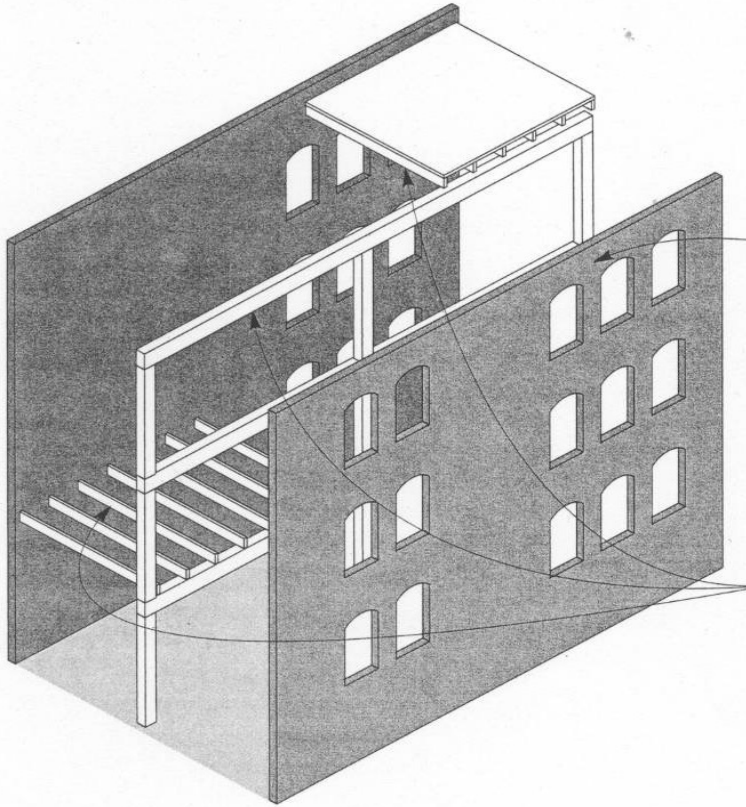
Understanding market dynamics

- ✓ Market trends
- ✓ Reuse scenarios
 - Residential
 - Office
 - Hospitality
- ✓ Building Public Support
- ✓ Building Main Street's capacity



Architectural Assessment

Key to Reduce Barriers to Success



Building Characteristics

- ✓ Create Value
- ✓ Raise/Lower Costs

Code Considerations

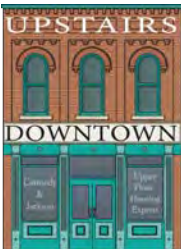
- ✓ Many ways to make safer
- ✓ Innovative & building codes
- ✓ Raise/Lower Costs

Site Characteristics

Environmental Issues

Historic Preservation Issues

Life Cycle Analysis



Understanding the Numbers

Basic Development Financial Literacy



Basic Development Math

- ✓ Sources & Uses

- ✓ Project Pro Forma

Key Terms

- ✓ Net Operating Income (NOI)

- ✓ Debt Coverage Ratio

The Gap

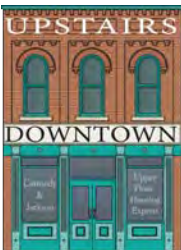
- ✓ Ever present

- ✓ Don't Freak Out

How Others Got Started

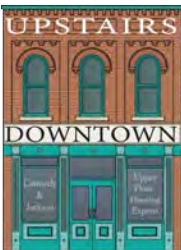
- ✓ Simple to Complex

- ✓ Dual Approach



Case Studies & Incentives

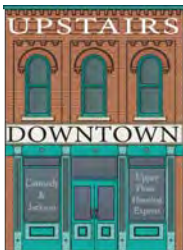
Focus is on simple incentives for DIY Developers



The cost of free money kills small projects

Whose Job Is It?

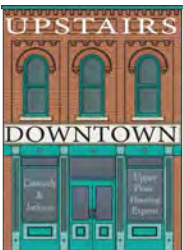
DIY developers aren't real estate experts



Professional real estate developers rarely look for buildings under 30,000 sq. ft.

Development is a Team Sport

Main Street puts the team together

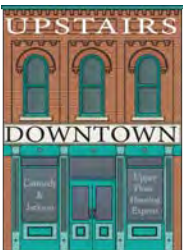


Development is a Team Sport

Scouting for Pioneers

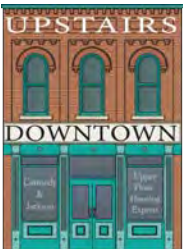
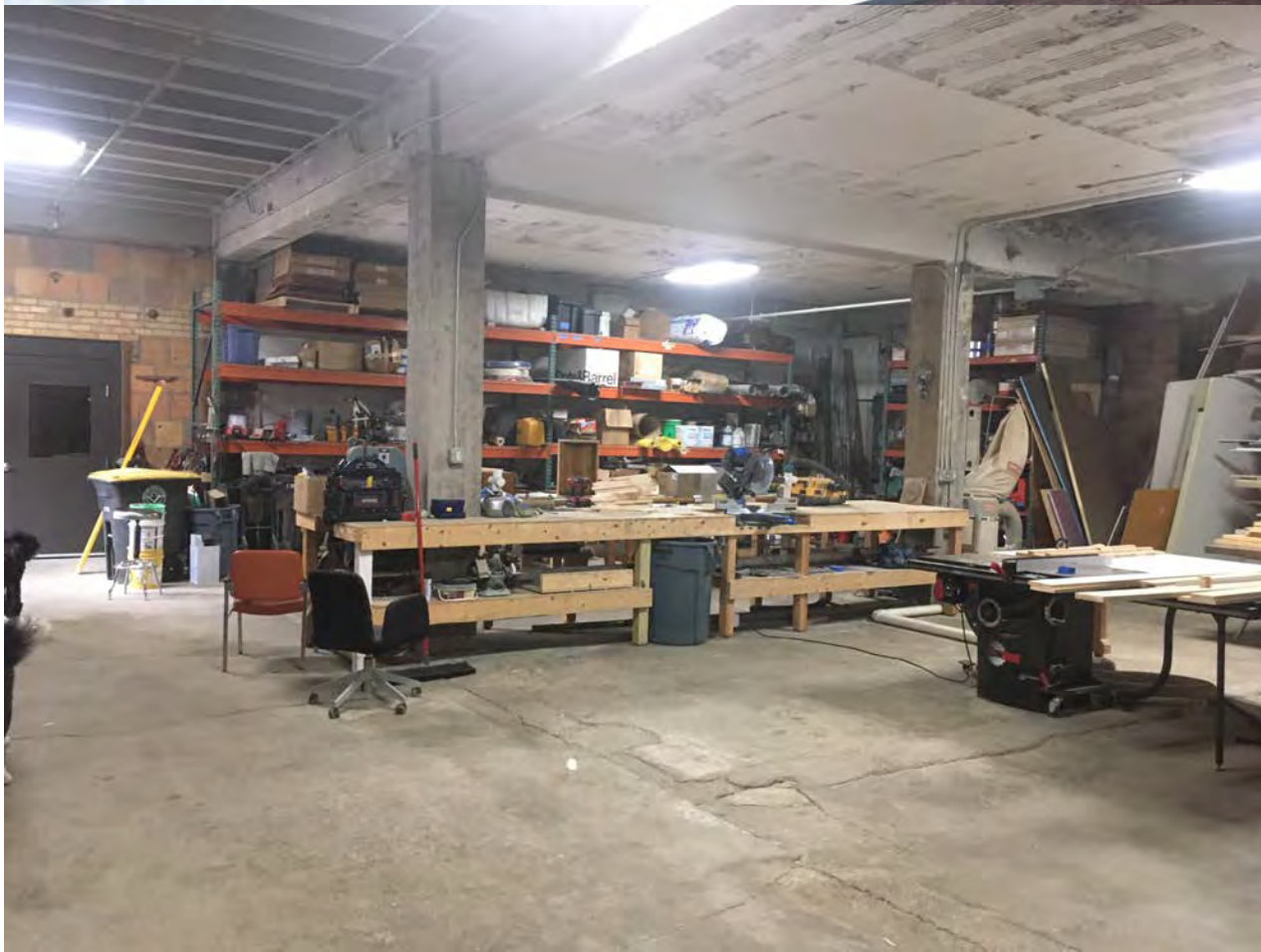
Potential Owners/Developers with capacity to overcome barriers to early projects:

- ✓ Pride
- ✓ Wealth
- ✓ Control Construction Costs
- ✓ Existing Building Owners
- ✓ Boomerangs



Development is a Team Sport

Focus on how to get started



How can you learn more?

Visit www.upstairsdowntown.com

UpstairsDowntown™
Combining downtown and STCRP, at a time.

GET IN TOUCH

Feasibility Studies



Feasibility Study: 3 & 4 Old Capitol, Springfield IL

This project is a combination of two different buildings that have been combined into a single parcel. The first floor of 4 OSC is a separate commercial condominium. The property was converted to office use in the 1980s including all new systems, finishes. A elevator and fire suppression system were also installed at that time. The building was vacant for several years and suffered from serious structural damage to the rear portion of 3 OSC which has been stabilized with new second floor structure.

LEARN MORE



Feasibility Study: 415 E Adams St., Springfield IL

The project will add a total of eight residential units to the second and third floors. There is a fourth and fifth floor on the rear half of this property that has not been included in the real estate Pro forma.

LEARN MORE



Feasibility Study: 300 Adams St., Springfield IL

The proposed project will create nine new residential units including one on the rear of the first floor. The commercial storefront will be maintained as the residential lobby to provide access to the elevator and front means of egress.

LEARN MORE



Feasibility Study: 827 Tenth Ave, Sidney NE

This project recommends taking the two current small apartments and making them into one large (1,100 square foot), one bedroom apartment with a small study or office. The front windows are slated to be replaced back to their original size and the false ceiling removed as this will let a lot more natural light into the living room. The total project costs (hard and soft costs) are estimated at \$94,489.

LEARN MORE



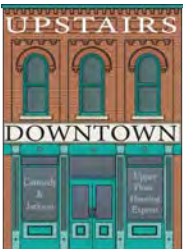
Feasibility Study: 925 Illinois Street, Sidney NE

This project recommends taking the two current small apartments and redoing them. The total project costs (hard and soft costs) are estimated at \$94,489. A factor to consider is that on-site parking is not available but the city lot is across the alley. Downtown property owners are encouraged to work with the city to establish a downtown resident's parking area with cover, an amenity that many of the survey respondents preferred.

LEARN MORE

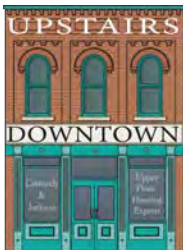
Let's get started

Market Driven Places



Market Driven Places

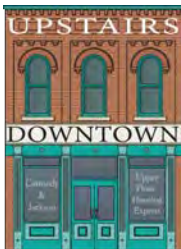
Restoring vitality to cities and towns of all sizes



Filling up vacant and under used spaces

Shifting Local Economics

Asset-based approach to differentiate your place



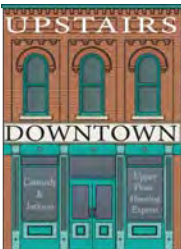
Dead Places

Regardless of Prosperity



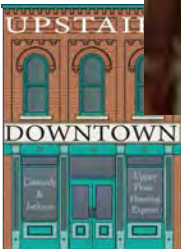
Texarkana, TX-AK

Muscatine, IA



Lively Places

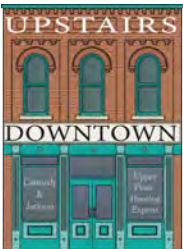
Have strong competitive advantage



Nottingham, UK

Market Driven Forces

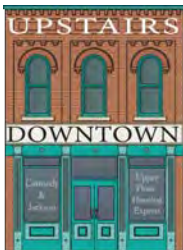
Repopulating Beloved Places



Upper floor development helps bring the people back to Main Street

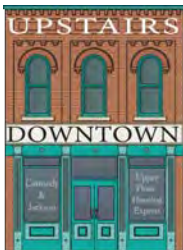
Rich History with Great Stories

Leveraging the past to build a brighter future



Leveraging Assets

Organic Storytelling

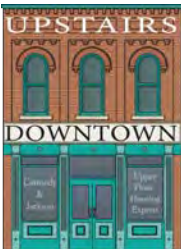


Creating a Downtown Neighborhood

One story at a time



Photo by Greg Kendall-Ball



Abilene Reporter-News

Upstairs Downtown: An introduction

Reporter catches glimpse in new series
By Greg Kendall-Ball

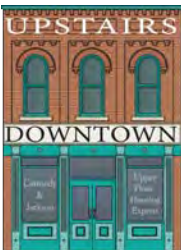
I've lived in Abilene for nearly 10 years, and for most of that decade, the empty windows above McKay's Bakery on Cypress Street have taunted me.

There were a lot of second-story spaces, it turned out, whose siren call could no longer be ignored. And with the cooperation of a few property owners, I was granted access to those spaces and given permission to share a glimpse of what's "Upstairs Downtown."

There are people living and working in these spaces, and some spaces are just waiting to be given new life. As one downtown dweller said, "There's a whole world beyond the curb."

Great Bones

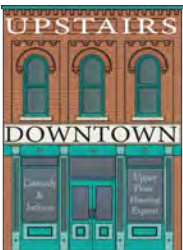
Irreplaceable architecture



One of kind heritage that is at the heart of your town's identity

Infill Development

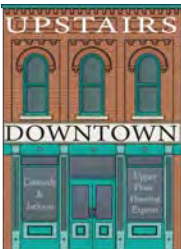
Success is also driven by upper floor success



Filling critical missing teeth is just as important to restoring connectedness and vitality to Main Street.

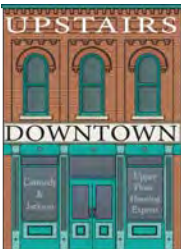
Housing Has Been the Key

To re-densify cores of U.S. towns and cities



Opportunities for Office Use

Co-working spaces fit Main Street



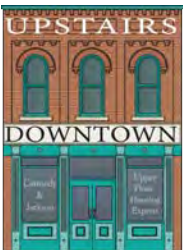
Live/Work Projects

Work at many price points



\$300,000 – 500,000 per unit

\$300 – 500 rent per month

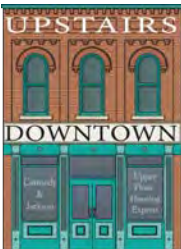


Short Term Stays

Many Options in the Airbnb era

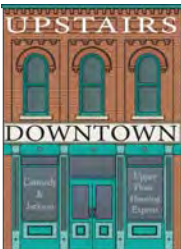


Calumet, MI



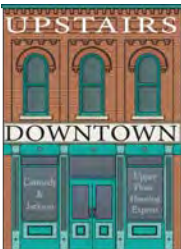
Urban Landscapes Evolve

As demographics and preferences shift



How to Become Lively?

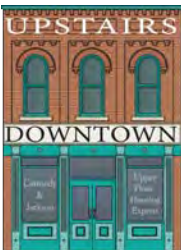
It has to be authentic



Upper floor provides a steady, incremental way to add vigor to your town's economy

First Rule of Authenticity

Protect and amplify your assets!



Demographics

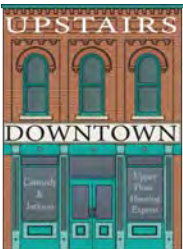
Drives demand for new housing forms

The most common household type found in 2010 US Census?

Couples with no kids

Second Place?

The Single Person

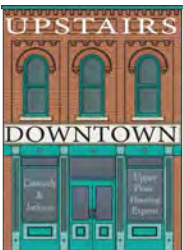


Only 21% of US households have school-age children

Household Formation

Long term trends + Great Recession + COVID 19

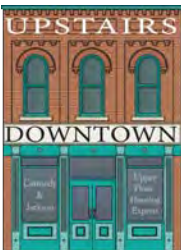
- ✓ Average household size continues to decline
- ✓ The rate of household formation plunged after the Great Recession but has recovered some.
- ✓ More kids moving in with parents and more parents moving in with kids
- ✓ Childcare issues exacerbated by COVID 19



Household Mobility

Long term trends

- ✓ In the 1980s, nearly one in five Americans moved every year.
- ✓ About one in ten Americans moved between 2018 and 2019.
- ✓ Residential mobility rates have been falling for decades, representing a cross-generational shift, with declines particularly steep among young adults and for local moves.
- ✓ The reasons behind this long-term decline are unclear but have been linked to various factors, including demographic change, housing affordability, and labor



Are Americans Stuck in Place?

Declining Residential Mobility in the US, MAY 2020 | RIORDAN
FROST

Shifting Consumer Preferences



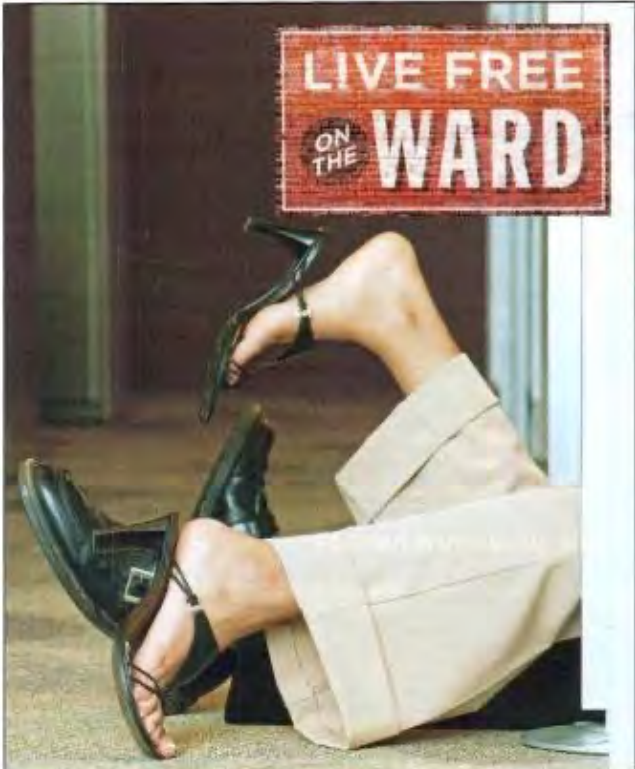
What's a "household" ?

What We Desire Changes

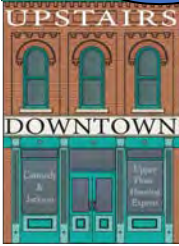
Variety of urban amenities as we age



Oh my. . .

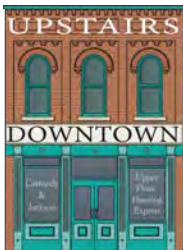


Gaslight Lofts
New Construction
Luxury Loft Apartments
425 East Menomonee
Historic Third Ward
414-276-LOFT
One Address Brings You Home™ www.mandelgroup.com



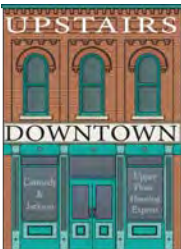
What We Desire Changes

Urban amenities start inside the unit



What We Desire Changes

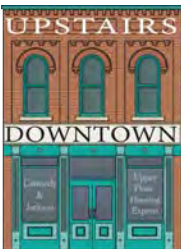
Urban amenities stretch down the street



The rise of craft breweries and coffee shops

Main Street Amenities

Strong competitive advantage over suburbs



Influence of Automobiles Waning

Mobility isn't what it was

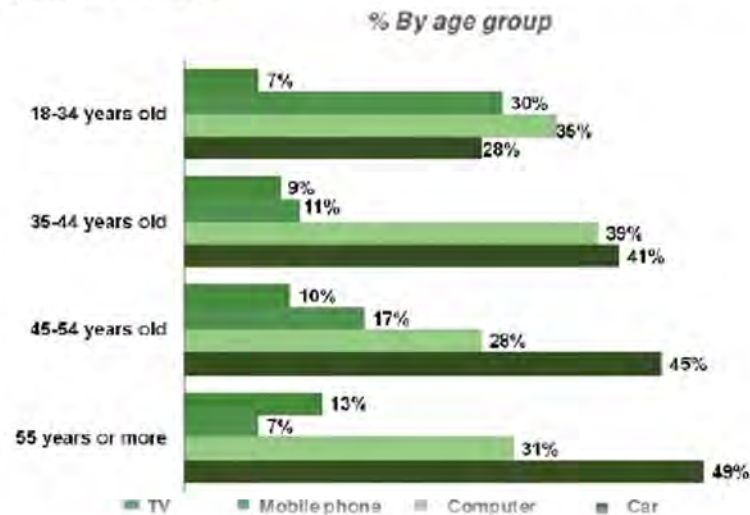
Millennials Say They'd Give Up Their Cars Before Their Computers or Cell Phones

EMILY BADGER FEB 28, 2013 COMMENTS

Once a week or so we come across yet another sign that Millennials care much less about car ownership than previous generations. They're *less likely to drive* than their parents. They've got *less debt* tied up in cars. They'd rather hang out with their friends on Twitter than *get in a car to go see them*.

And here's yet another: Ask Millennials which piece of technology they could least live without, and it turns out they'd more happily part with their cars than their computers or cell phones. That question, graphed below, comes from the *third installment* of Zipcar's annual Millennial survey.

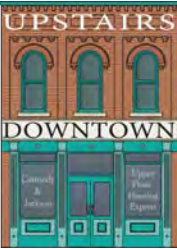
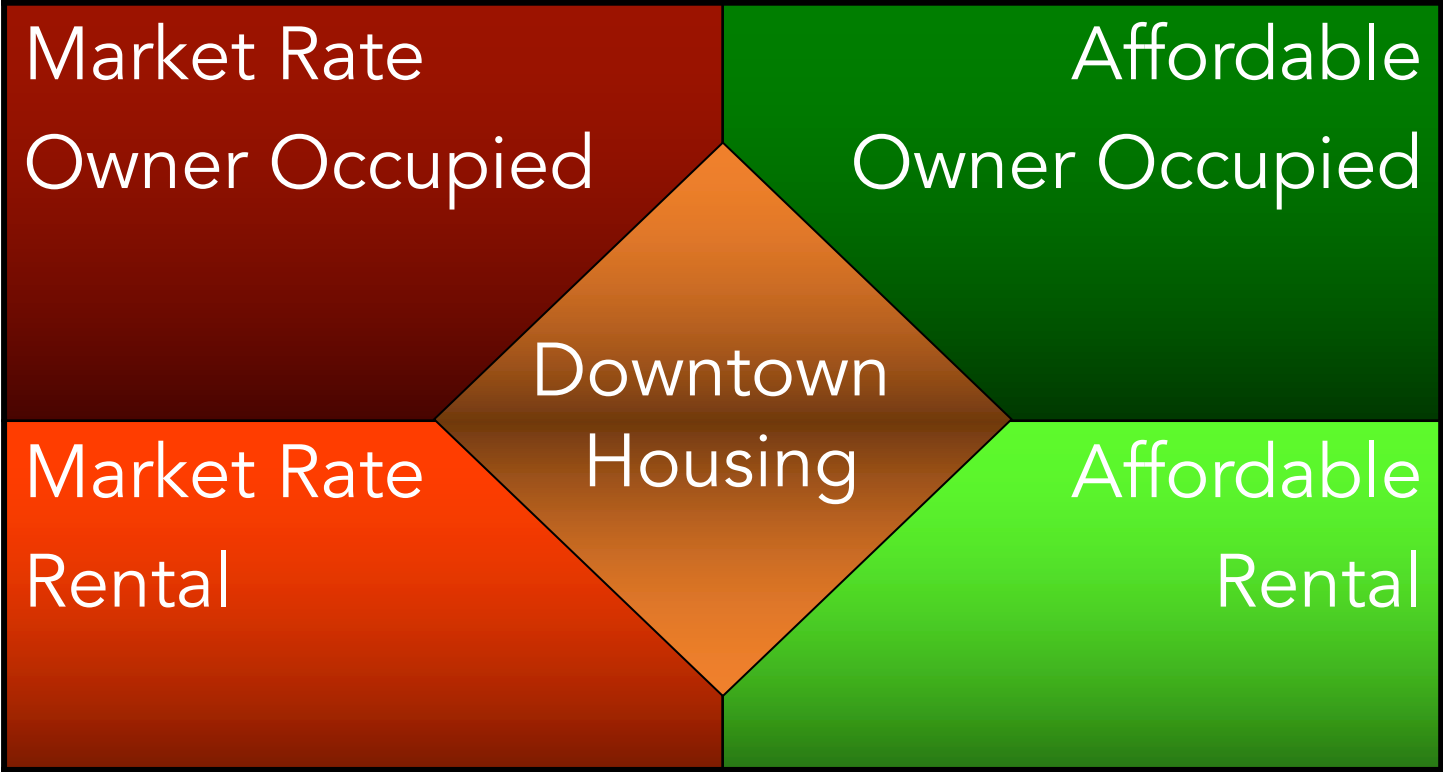
In your daily routine, losing which piece of technology would have the greatest negative impact on you?



Fac

Inclusive Nature of Main Street Housing

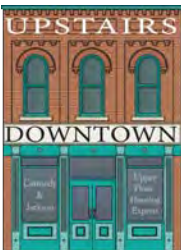
It's everyone's neighborhood



Main Street Are Strong Competitors

In markets that value urban amenities & sustainability

- ✓ Greater emphasis on aesthetics
- ✓ Access to cultural amenities
- ✓ Access to independent businesses
- ✓ Proximity to adult learning
- ✓ Reduced auto dependency
- ✓ Energy efficiency



The Future of Work

50% of the workforce will be consultants by 2025



Home

Who We Are

What We Do

How We Work

What We Are Learning

News

Contact

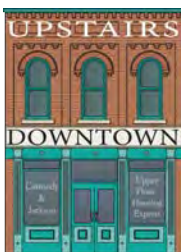
Let's work together to build a
National Learning Economy.

Access Applied Research Network

National Network of Business
and Industry Associations

Moving Mind to Market

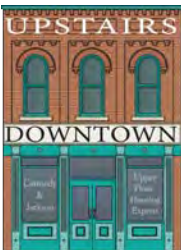
Activating Working Learners



Changing Dynamics of Live / Work

Where will people work?

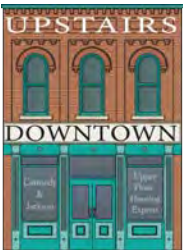
- ✓ A recent [McKinsey study](#) estimated that 29% of work in the United States could be done remotely with no productivity loss, and an additional 10% could be done remotely if needed
- ✓ Those with a college degree were over four times more likely than those with a high school degree or less (60% to 13%) to work from home.
- ✓ Remote work was also more common for women. About 40% of women vs. 30% of men worked from home in May due to COVID-19.



Great Recession / Pandemic Impacts

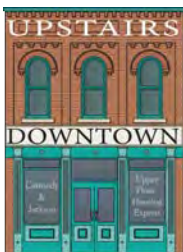
Regarding household mobility

- ✓ Rising housing costs in large cities combined with the surge in remote working gives smaller towns and cities a chance to regain lost population



Even Less Demand for Retail Space

Pandemic Spurred Online Sales



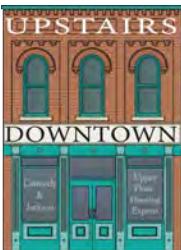
Independent businesses are precious

Economic Diversity

We've Been Bad at Small and Medium Enterprise

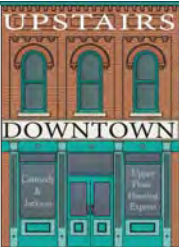
Country	Small / Medium Businesses Per 1,000	Rank
Indonesia	195,27	1
Italy (2003)	77.68	10
Greece (2003)	69.94	17
Brazil (2002)	27.41	58
USA (2004)	19.98	69

- ✓ Based on Detroit's city population, we would host another 35,000 SME's if we emulated Greek rather than US SME creation rates.



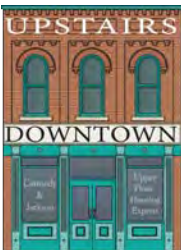
Even Less Demand for Retail Space

First Floor residential



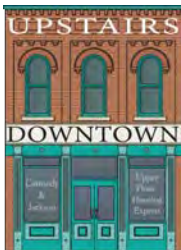
Proving Demand

When there is no supply



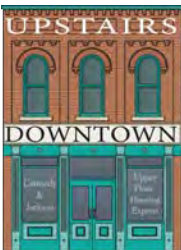
Proving Demand

When there is dated inventory



Traditional Market Studies

Market absorption of currently available product

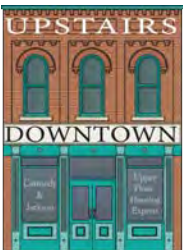


The focus on comparative sales analysis feeds an insulated spiral that reduces choice and variety of housing product.

Housing Market Potential Studies

New data to estimate demand for urban housing

- ✓ Study Migration patterns of households that moved in recent years now (30-50% of the total)
- ✓ IRS data much more current to determine where people move from in order to better understand draw areas.
- ✓ Market segmentation data helps assess which new residents will have an interest in urban housing.

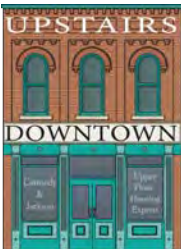


Proprietary Housing Potential analysis developed by:
Zimmerman / Volk Associates, Inc. / Clinton, New Jersey

Segmentation Analysis

You are known by your expenditure pattern

- ✓ Systems classify of all US neighborhoods into segments. (i.e. 65 for Tapestry* or 66 for PRIZM**)
- ✓ Household buying patterns from credit card data helps identify segments likely to be interested in urban housing product.



*ESRI, Business Information Systems

**Claritas

Segmentation Analysis

You are known by your expenditure pattern

- ✓ “Urban chic residents travel extensively, maintain luxury cars, and embrace city living by visiting museums, attending dance performances, participating in civic activities, such as working for political parties, and shopping at upscale establishments.

09 Urban Chic

Segment Code.....09
Segment Name.....Urban Chic
Lifestyle Group.....L2 Upscale Avenues
Urbanization Group.....U3 Metro Cities I



Demographic

Urban Chic residents are professional couples who live an urban, exclusive lifestyle. More than half of the households are married couples, similar to the United States population. Less than half of them have children. Unlike the United States, there are fewer single-parent families and more single-person households. The population is also slightly older, with a median age of 41 years. Diversity is slightly below average compared to the United States diversity.

Socioeconomic

A median household income of more than \$47,000 and a median net worth of \$238,000 enable a stylish lifestyle for the Urban Chic segment. From a well-educated base, more than half hold a bachelor's or graduate degree; they are pursuing a variety of occupations, from self-employment through professional and technical jobs. More than half of the households also receive additional income from investments.

Residential

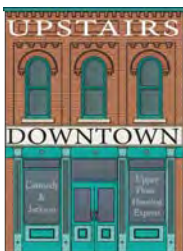
Urban Chic neighborhoods also parallel U.S. housing type and ownership: the setting is urban, and houses range from prewar to post-2000, high-rise to single-family. Approximately 62 percent live in single-family homes, 30 percent live in multi-unit structures, two-thirds own their homes, and 33 percent rent. But the preference for urban living is also evident. Median home value is \$472,000, more than three times the U.S. median home value. Urban Chic residents clearly prefer expensive townhouses or high-rises in the city. Major concentrations of Urban Chic households are found on the coasts of Northern and Southern California and along the East Coast.

Preferences

Urban Chic residents attend to lifestyle more than ambience. Residents travel extensively, maintain luxury cars, and embrace city life by visiting museums, attending dinner performances, participating in civic activities such as working for political parties, and shopping at upscale establishments. They are more inclined to buy dress clothes than casual wear, but they purchase apparel for every pursuit—running, hiking, golf, skiing, and yoga.

The busy, computer savvy Urban Chic residents are connected. They not only use PCs extensively, but they also read the e-mails. To keep in touch and track their busy schedules, they frequently use handheld PDAs and cell phones. They access the Internet to arrange travel plans, buy books or tickets for concerts and sporting events, check their investment portfolios, and trade stocks. Urban Chic residents own \$75,000 or more in stocks, use stock rating services, and keep money market accounts.

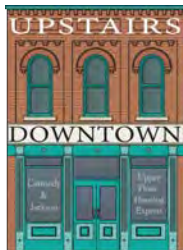
To connect with Urban Chic residents, consider their favorite media. This is one of the top markets for all news/talk/public radio. They also read multiple newspapers and magazines, especially *V* and *Fashion*, *Wired*, and sports magazines. TV viewing is not as predominant in this market, but they have their favorites including channels such as Bravo, ABC, CNN, and MSNBC plus popular series such as *The X-Files* and *Wings*.



Segmentation Analysis

You are known by your expenditure pattern

- ✓ “Laptop and Lattes lives in multistory apartment buildings with more than 20 units, the neighborhoods are older, and virtually untouched by urban renewal.”



08 Laptops and Lattes



Segment Code 08
Segment Name Laptops and Lattes
LifeMode Group L4 Solo-Acts
Urbanization Group U1 Principal Urban Centers I

Demographic

Laptops and Lattes residents enjoy the single life. Single persons living alone or with a roommate represent the majority of all households in this segment. Average household size remains constant at 1.8. Although the market is increasing in size very slowly, it is maturing and diversifying more quickly. The median age of the population is 38 years, two years older than the U.S. median age. The Diversity Index, which measures the likelihood that any two people from this segment represent different racial or ethnic origins, has increased by six points since 2006—twice as fast as the U.S. index. Most of the population is white, but the faster growth of the black, Asian, Hispanic, and multiracial populations is increasing diversity in the Laptops and Lattes segment.

Socioeconomic

With a median income of more than \$80,000, these singles are affluent. Their median net worth is \$262,000, despite the minority of homeowners here. The labor force of Laptops and Lattes is elite. They are extremely well educated, 77 percent hold bachelor's degrees, and 32 percent have earned graduate degrees. Two-thirds holds professional or management positions, especially in the information, finance and insurance, or scientific and technology industries. More than half of the households also earn income from their investments.

Residential

Laptops and Lattes residents love city life and prefer to live in the major metropolitan areas of New York, Boston, Washington, D.C., Chicago, Los Angeles, or San Francisco. By virtue of their lifestyle or locale, these householders are more likely to rent than own their homes. Less than 40 percent are homeowners. Most of the population in Laptops and Lattes lives in multistory apartment buildings with more than 20 units. The neighborhoods are older and virtually untouched by urban renewal. Forty percent of the housing were built before 1940; only 5 percent of the housing inventory were added in the past 10 years. However, these are not inexpensive districts. Average rent is more than \$1,200 monthly, and median home value is \$629,000. Being typical city dwellers, many residents in Laptops and Lattes do not own a car.

Preferences

Laptops and Lattes residents are both cosmopolitan and connected. This is the top market for notebook PCs and PDAs. They use the Internet daily to trade stocks, purchase everything from apparel to peripherals, or arrange travel plans. While residents are not overly concerned with local transportation, they are well traveled, especially abroad.

In the city, they shop at upscale establishments and spend their leisure time at concerts, sporting events, shows, and museums. They show out frequently and take adult education courses. In other words, they enjoy metropolitan amenities. They are health conscious and physically fit; they ski, sail, and participate regularly in an exercise program at the gym. Regular diners, Laptops and Lattes residents represent the top market for organic or natural foods and select vitamin supplements. They frequently participate in environmental groups and consider themselves liberal. They listen to classical, old-news, and public radio and read online, travel, and women's fashion magazines.

Market Assessment

Using segmentation analysis

ERA

✓ Each market is a different collection of segments.

Table 7. Educational Attainment, 2005 (Population 25+)

Segment	United States		Grand Traverse County		Micropolitan Area	
	States	Michigan	County	Area	Area	Area
No HS Diploma	15.2%	12.9%	8.6%	10.5%	10.5%	10.5%
HS Diploma	29.6%	31.4%	27.2%	30.5%	30.5%	30.5%
Some College	20.1%	22.9%	31.4%	22.6%	22.6%	22.6%
Associate	7.8%	8.0%	8.5%	7.9%	7.9%	7.9%
Bachelor	17.2%	15.1%	20.2%	18.5%	18.5%	18.5%
Post-Graduate	9.9%	9.9%	11.4%	9.9%	9.9%	9.9%

Source: ERA, U.S. Census

Tapestry Analysis

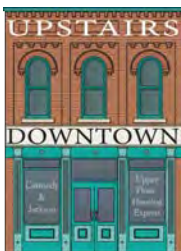
To further understand the demographic, economic, and cultural characteristics of Traverse City and the region, ERA utilized an analysis tool called Community Tapestry, developed by Environmental Systems Research Institute (ESRI). Tapestry is a tool that divides households into 65 categories or segments based on several key factors, including a variety of demographic characteristics of households and geographic characteristics of their neighborhoods. These segments correspond to certain age groups, income brackets, and education levels, as well as lifestyle choices, neighborhood housing preferences, and consumer spending habits. The following table highlights relevant concentrations of defined segments in the five-county area and Grand Traverse County.

Table 8. Tapestry Segments in the 5-County Area and Grand Traverse County

Segment	Households	% in 5-County Area		% in Grand Traverse County		% in Michigan		% in U.S.	
		Households	Area	Households	Area	Households	Area	Households	Area
Rural Resort Dwellers	16,444	23.75%	5.98%	2.51%	1.60%	1.60%	1.60%	1.60%	1.60%
Midland Crown	10,336	14.83%	16.27%	3.12%	3.63%	3.12%	3.63%	3.12%	3.63%
Green Farms	7,851	11.29%	16.48%	6.81%	8.11%	6.81%	8.11%	6.81%	8.11%
Scenic Rural	4,095	5.91%	-	1.80%	2.05%	1.80%	2.05%	1.80%	2.05%
Up and Coming Families	3,929	5.67%	8.73%	1.77%	3.21%	1.77%	3.21%	1.77%	3.21%
Middle Junction	3,676	5.31%	8.15%	2.25%	2.50%	2.25%	2.50%	2.25%	2.50%
Suncoast Seekers	2,891	4.14%	4.38%	1.18%	1.78%	1.18%	1.78%	1.18%	1.78%
Old and Newcomers	2,499	3.57%	7.28%	1.32%	1.92%	1.32%	1.92%	1.32%	1.92%
Silver and Gold	2,373	3.41%	1.33%	0.25%	0.92%	0.25%	0.92%	0.25%	0.92%
in-Style	2,099	3.03%	6.11%	2.56%	2.48%	2.56%	2.48%	2.56%	2.48%
Metropolitan	1,943	2.81%	5.66%	1.49%	1.93%	1.49%	1.93%	1.49%	1.93%
Southern Suburbs	1,681	2.44%	1.57%	2.76%	2.76%	1.57%	2.76%	1.57%	2.76%
Crossroads	1,366	1.97%	3.96%	2.67%	1.48%	2.67%	1.48%	2.67%	1.48%
Milk and Cakes	1,167	1.69%	3.40%	1.36%	1.90%	1.36%	1.90%	1.36%	1.90%
Suburbs	1,086	1.57%	1.50%	2.33%	2.45%	1.50%	2.33%	1.50%	2.33%
Sub of the Earth	985	1.42%	5.57%	5.57%	2.77%	5.57%	2.77%	5.57%	2.77%
Rustbelt Traditions	855	1.24%	1.19%	1.01%	2.87%	1.01%	2.87%	1.01%	2.87%
Simple Living	880	1.27%	2.56%	1.26%	1.45%	1.26%	1.45%	1.26%	1.45%
Home Town	871	1.26%	1.78%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Communities	777	1.12%	2.26%	0.38%	1.40%	0.38%	1.40%	0.38%	1.40%
Prosperous Empty Nesters	758	1.09%	2.20%	1.67%	1.84%	1.67%	1.84%	1.67%	1.84%
Core and Commutable	586	0.84%	1.07%	7.54%	2.84%	7.54%	2.84%	7.54%	2.84%
Retirement Communities	313	0.45%	0.81%	1.94%	1.49%	1.94%	1.49%	1.94%	1.49%
Total	69,216	100%	100%	62.14%	49.00%	62.14%	49.00%	62.14%	49.00%

Source: ERA, ESRI Business Analyst

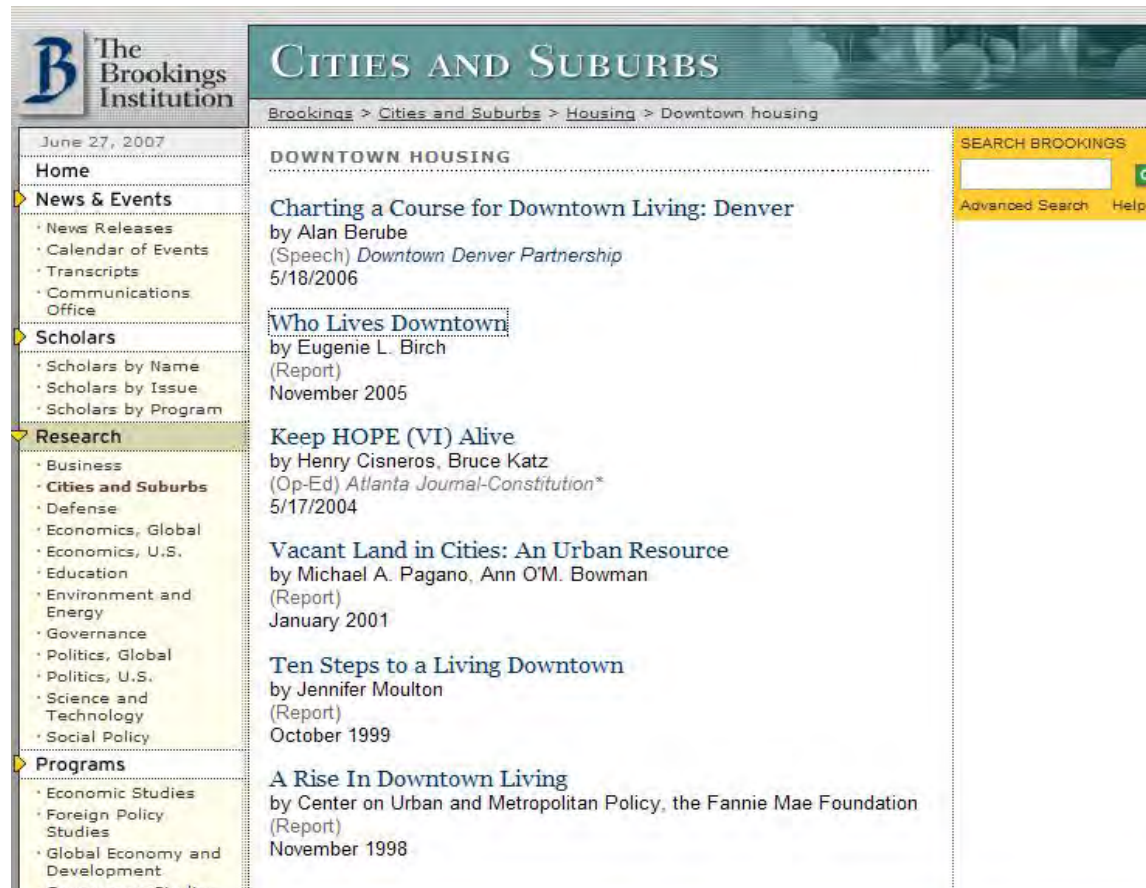
Of the 65 Tapestry segments, 23 are represented in the five-county area and identified in the above table. Slightly fewer, 19 segments, are represented in Grand Traverse County. The above table lists the number of households in each segment in the region. As the table shows, the "Rural Resort Dwellers" segment is



Urban Marketing Collaborative
 MJB Consulting, NY, NY
 Economic Research Associates (ERA)

More Recent Market Research

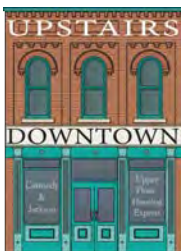
To identify current housing demand



The screenshot shows the Brookings Institution website. The main header is 'CITIES AND SUBURBS'. Below it is a breadcrumb trail: 'Brookings > Cities and Suburbs > Housing > Downtown housing'. The date 'June 27, 2007' is displayed. A left sidebar contains a navigation menu with categories: Home, News & Events (with sub-items: News Releases, Calendar of Events, Transcripts, Communications Office), Scholars (with sub-items: Scholars by Name, Scholars by Issue, Scholars by Program), Research (with sub-items: Business, Cities and Suburbs, Defense, Economics, Global, Economics, U.S., Education, Environment and Energy, Governance, Politics, Global, Politics, U.S., Science and Technology, Social Policy), and Programs (with sub-items: Economic Studies, Foreign Policy Studies, Global Economy and Development, Governance Studies). The main content area is titled 'DOWNTOWN HOUSING' and lists several articles:

- Charting a Course for Downtown Living: Denver**
by Alan Berube
(Speech) *Downtown Denver Partnership*
5/18/2006
- Who Lives Downtown**
by Eugenie L. Birch
(Report)
November 2005
- Keep HOPE (VI) Alive**
by Henry Cisneros, Bruce Katz
(Op-Ed) *Atlanta Journal-Constitution**
5/17/2004
- Vacant Land in Cities: An Urban Resource**
by Michael A. Pagano, Ann O'M. Bowman
(Report)
January 2001
- Ten Steps to a Living Downtown**
by Jennifer Moulton
(Report)
October 1999
- A Rise In Downtown Living**
by Center on Urban and Metropolitan Policy, the Fannie Mae Foundation
(Report)
November 1998

On the right side of the page, there is a search box labeled 'SEARCH BROOKINGS' with a 'GO' button and links for 'Advanced Search' and 'Help'.

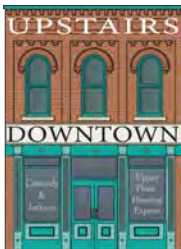


DIY Market Research

To provide empirical evidence for demand

The screenshot shows a web browser window with the address bar displaying http://downtownforwayne.com/housing_survey.php?cet=3. The page features a header with a cityscape image and the text "DOWNTOWN improvement district". Below the header is a navigation menu with links: Home, Downtown Fort Wayne, Visiting Downtown, Living Downtown, Teens Dig Fort Wayne, Summer Events, and Downtown Events. The main content area is titled "DOWNTOWN HOUSING SURVEY" and includes the following text: "Help the DID make Downtown a better place to live by telling us what you would want out of Downtown Housing. We know this survey is long, but it will be immensely helpful in allowing us to determine the best course of action is for Downtown housing improvements." The survey form contains the following fields and options:

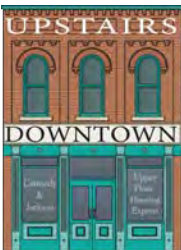
Name:	<input type="text"/>
Age:	<input type="text"/>
Sex:	<input type="radio"/> Male <input type="radio"/> Female
Your Current Residence:	<input type="radio"/> Own <input type="radio"/> Rent
Your Living Situation:	<input type="radio"/> Live by yourself <input type="radio"/> Live with other members of your family <input type="radio"/> Live with other unrelated individuals <input type="radio"/> Other



Public Investment in Upper Floors

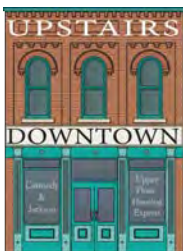
Why it's a prudent investment

- ✓ Helps activate the most authentic place in town
- ✓ Creates housing that enables talent to be attracted to key employers
- ✓ Supports independent small businesses



Leverages Previous Investment

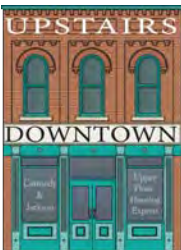
Streetscapes, utilities, and other infrastructure



Residents Spend Money

Housing Improves the Business Climate

	Mason City, IA (Low Estimate)	Mason City, IA (High Estimate)	Boston, MA (Low Estimate)	Boston, MA (High Estimate)
Rent / shelter	\$600	\$1,000	\$1,500	\$2,750
Food at home	\$304	\$506	\$450	\$825
Food outside the home	\$163	\$271	\$281	\$516
Household furnishings and equipment	\$148	\$247	\$244	\$447
Personal care products and services	\$40	\$66	\$75	\$138
Entertainment	\$199	\$331	\$325	\$596
Total Monthly Economic Impact of a New Household on Downtown Businesses	\$1,453	\$2,422	\$2,875	\$5,271
Total Annual Economic Impact of a New Household on Downtown Businesses	\$17,436	\$29,060	\$34,500	\$63,250

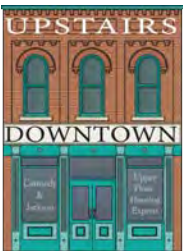


Generating \$17.5k to \$63.2k in spending for each new resident
[U.S. Bureau of Labor Statistics' Consumer Expenditure Surveys](#)
 From the At Home on Main Street

Main Street Housing Needs Less Subsidy

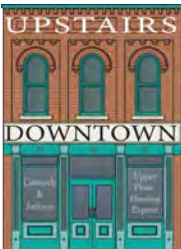
No need to extend infrastructure

- ✓ Green field sites long benefited from communities' desire to grow. Cities invested in costly extension of public infrastructure and services.
- ✓ Downtown housing takes advantage of existing infrastructure and services that require far less public investment.



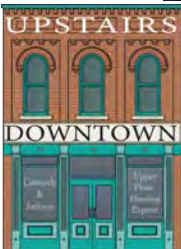
Downtown Living History

Since 1977



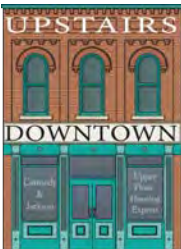
Market Research

1983 model unit



Incremental Approach

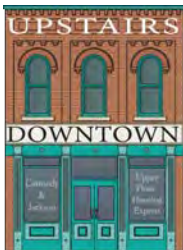
Started with a simple home renovation grant



\$500,000 – 2-year grant from the Community Foundation

Learned from Partners

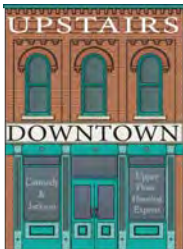
Mixed-use, mixed-income projects



Project began with just the commercial space on the ground floor

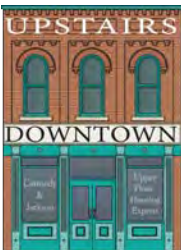
Built Organizational Capacity

By working from simple to complex



Infill New Construction

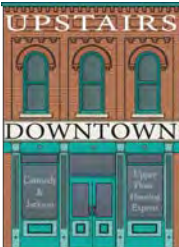
Fills in the missing teeth



Connecting urban fabric is now as important as preserving building stock.

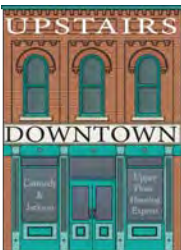
Incremental Approach

11 projects over 10 years



Building the Team

Simple Incentives for DIY Developers

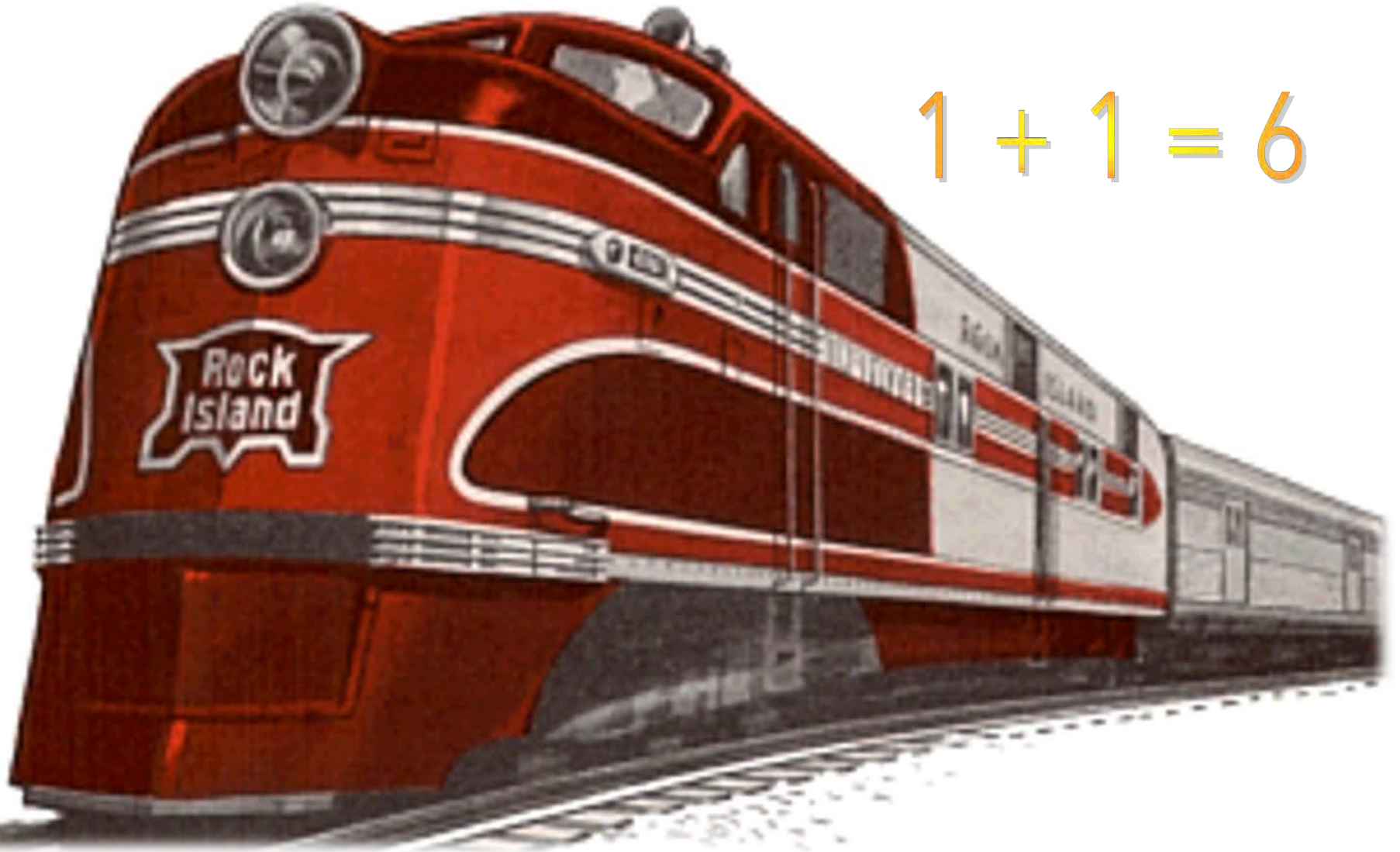


City of Rock Island provided a simple incentive for projects with less than six units

Main Street Programs

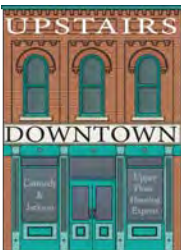
Teamwork Drives Success for DIY Developers

$$1 + 1 = 6$$



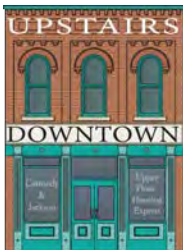
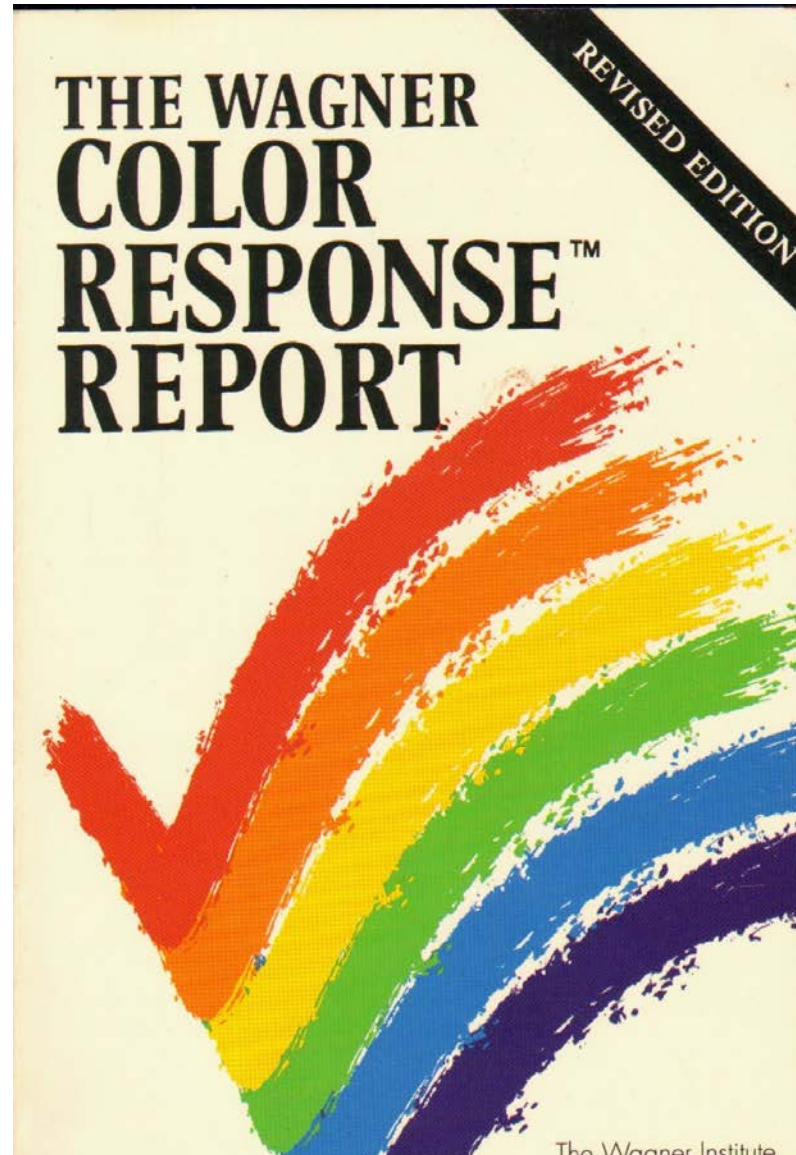
Know Thy Building Stock

To reduce barriers and increase chances for success



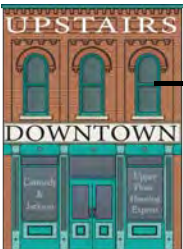
Authenticity Includes Everyone

Diversity is good for business



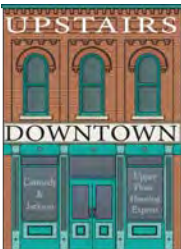
MARKET FORCES

- One, One+ or Two-Bedroom Units
- Large open floor plan (800-1,200+ sq. ft.)
- Washer and dryer in units
- One+ Large bedroom and study
- All new electrical and HVAC systems
- Amenities
 - Outdoor balcony or deck
 - Study and storage space
 - Enclosed parking
 - Elevator



Upstairs Downtown

One Story at a Time



Dan Carmody, Carmody Consulting
Mike Jackson, FAIA