An Economic Benefit Study to Establish an Asheville Downtown Business Improvement District

Submitted to:
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Downtown Master Plan Management Subcommittee
City of Asheville

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Executive Summary

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Definition of a business improvement district

The Municipal Service District Act (G.S. Ch. 160A, Art. 23) is legal under this provision of the NC Constitution and allows for local governments, such as city council, to define a municipal service district for the purpose of levying an additional property tax amount on those properties within the MSD boundary.

According to the International Downtown Association (IDA) 2011 BID census report, all US states except two (North Dakota and Wyoming), including the District of Columbia, have at least one business improvement district, with an average of twenty BIDs per state. The median population size for U.S. cities with a BID is 102,804 people. BIDs exist across four continents and in 16 countries. The IDA report states that the total number of BIDs is 1,002 (see appendix, Table 1), and that North Carolina has 49 BIDs, ranking 6th in the US.

Having a reliable and predictable income year after year is an important success factor for business improvement districts. In most cases, revenue comes from charges on commercial property or directly to businesses only. Sometimes charges are levied on residential or other noncommercial properties as well. Figure 5.1-1 in Chapter 5 shows the frequency of North Carolina MSD tax rates, which range between $0.0 and $0.6680 per $100 of assessed valuation for property within the district boundaries. The average tax rate is $0.1546 per $100. In North Carolina as of August 2010, the average rate was 0.1546, and the median charge was 0.14 per $100 valuation.

The services most commonly provided by BIDs throughout the world include capital improvements (such as street lighting and greenery, sidewalks and curbs, bus shelters, trash bins, wayfinding signage), consumer marketing (including events), economic development (incentives or loans to bring in and help expand business), maintenance (such as street and sidewalk cleaning, landscaping, graffiti removal), policy advocacy (including lobbying government for district commercial interests), security, social services (including job training, homeless services and youth activities) and transportation (including parking). For the purpose of this report, we use fewer and broader service categories, dividing the background research into physical improvements, business services, and supplemental municipal services.

Business improvement districts are usually governed by the city but managed by a private, non-profit organization that is subject to an advisory board or board of directors made up of stakeholders. The municipal government typically collects the revenue and remits to the BID. Advisory and administrative boards are primarily made up of businesspeople and landowners, with some seats reserved for public officials, residents, community board members, and non-profit representatives.

Asheville downtown business survey

In order to gather information about downtown businesses and provide the City of Asheville, Asheville Downtown Association, and the Downtown Master Plan Commission with feedback from business owners and tenants, the Asheville Downtown Business survey was created and disseminated via email to downtown businesses. There were 100 valid responses from June 28 – July 15, 2011.

Survey results indicated that businesses currently located in downtown Asheville are committed to operating in a downtown location. Almost all respondents are satisfied or very satisfied with their current location, and the vast majority has no plans to relocate. Of those who do plan to relocate, almost all plan to relocate within downtown.

Participants were asked to respond to a variety of statements regarding downtown services. Respondents were largely unsatisfied with local municipal services as they are currently provided. Respondents most commonly strongly disagreed or disagreed with statements: 1. sidewalk and street maintenance is outstanding; 2. local services are worth the level of taxation; 3.local waste management service is outstanding; 4. feeling safe, even at night; and 5. local police protection is outstanding. While the City may not like to hear these results, it does provide a snapshot of what the BID could offer in addition to local services in order to better please downtown businesses.

Participants were also asked to respond to a variety of statements designed to glean general opinion about most valued services and improvements. The most important services or improvements to downtown Asheville business respondents were: 1. sidewalk and street cleaning; 2. clearing sidewalks when it snows; 3. additional parking; 4. marketing, business and economic development, and 5. additional security or police. These responses align very closely with the programs most business improvement districts provide to local businesses and property owners. This should help support the effort to implement the Asheville BID, and it is important that these responses be taken into consideration when planning the BID.

Economic benefits analysis

It is expected that implementation of a BID in downtown Asheville would have a positive economic impact on property values and retail sales within the district lines.

To estimate the economic impact of a new MSD in Asheville, an input-output model was constructed. The researchers utilized the IMPLAN (IMpact Analysis for PLANing, Minnesota IMPLAN Group 2007) software input-output model and database to construct a basic input-output model. The input-output model is useful for estimating the economic impact and understanding how the impacts ripple throughout an economy.

It should be noted that there are very few empirical studies focusing on the impact of a business improvement district on property values and retail sales. Most studies and reports on BIDs reiterate this lack of findings and tend to focus on the attitudes of business and property owners and the completed projects as the BID's accomplishments. It is difficult to estimate the economic benefits of a BID before implementation, in part because the magnitude of these benefits depends on the success of the BID and its programs.

In the central business district, which is currently the area of downtown Asheville being considered for the BID, there were a total of 1,392 property tax parcels in 2010-11. Of these, 1,257 properties (90.3%) are non-exempt properties. The total appraised values of real properties from 2010-11 is $1,135,425,387. The total value of tax-exempt property values, however, is $468,865,900. This leaves $666,559,487 (58.7% of all property tax value) in value from non-tax exempt property. If the BID tax rate is $.10 per $100, then estimated tax revenue for the BID is $637,411.69. If personal properties are included, the estimated tax revenue for the BID is $795,438.05. If $.10 is levied and spent in the district, then it is estimated that 16.1 jobs are created and maintained annually.

Given available data and estimates, such as both commercial and residential property values using parcel data in the Asheville CBD and the surrounding 28801 zip code, census tract data, statistical analysis results based on the property values, and statistical estimates from the existing literature, we can expect at least two percentage points positive in property values annually for the next several years with the implementation of the BID.

The Asheville Business Survey indicates that local businesses expect an increase in total sales by 11.3% this year. Trends in retail sales, gathered from NC Department of Commerce, indicates Buncombe County experienced a 7.5% increase in total sales last year. The population in the Asheville's CBD grows about 1.0% annually estimated from the ESRI data, and visitor spending has increased by 1.6% annually for the previous six years according to the Asheville Area Tourism Research published by Buncombe County Tourism Development Authority.

With the implementation of the Asheville BID in the central business district, the estimated average annual growth in retail sales is 5.3% annually in addition to normal growth rates without a BID. As previously stated, property values will increase at least 2% annually on top of growth without a BID.

The expectation for positive impact is due to the uniform nature of municipal services provided by local government, when some areas may demand more than the local municipal services can supply. The positive economic impact, therefore, comes from the additional services the BID provides to meet the excess demand. To reach the maximum potential of economic benefits, the BID should determine the exact needs of business and property owners and follow through on providing these requested services.

Chapter 1: Introduction

I. Introduction

1.1 The purpose of this study

The development of a master plan for downtown Asheville was authorized and funded by Asheville City Council in 2007. On May 12, 2009, the *Asheville Downtown Master Plan*, published by the firm Goody Clancy, was adopted. The Master Plan notes that Downtown Asheville has experienced a period of revitalization since the 1990s, including renovation and redevelopment of many downtown buildings, leading to an increase in residential and commercial tenants as well as increased tourism revenue. Desired goals for Downtown focus on the continued healthy growth and evolution of the central business district, in order to continue increasing the strength of the regional economy. With this goal in mind, the Downtown Asheville Master Plan proposes a Business Improvement District, similar to special districts that exist in many cities around the world.

Citing the success of downtown redevelopment, the Master Plan credits what was then the Downtown Development Office (DDO) for this success from the 1980s through the 1990s. The plan proposes re-forming the DDO in the form of establishing a municipal service district for downtown Asheville, called a 'business improvement district' and similar to BIDs in other locations in North Carolina, the United States and internationally. The BID would be "an independent partner for the City and County as well as nonprofit Downtown support and advocacy groups that would grow out of the initiative of downtown's own stakeholders" (Goody Clancy, 2009). Following this recommendation, the Downtown Commission formed a subcommittee to pursue the formation of such a district.

The Downtown Asheville Master Plan committee staff chose to create a request for proposals to perform an economic benefits study. An economic benefit analysis will serve to demonstrate benefits the proposed BID would provide directly to both residential and commercial property owners and tenants. This study interprets data provided by a variety of government agencies; provides collected information on other municipal service districts across the state and nation, particularly those similar to Asheville, with a focus on business recruitment and retention and on environmentally friendly, safe and clean downtowns; and presents the anticipated benefits to property values, retail sales and other economic indicators.

Downtown Asheville. ***Photo by Catherine Kennedy***

This report also provides definitions of a business improvement district, offers a contextual snapshot of the demographic profile of the Asheville central business district, compares other business improvements districts with similarities to Asheville's CBD, provides the Asheville Downtown Business Survey, and the economic benefits study information and results. Finally, this report offers conclusions and recommendations for the prospective Asheville BID.

1.2 Definition of a BID

1.2.1 NC Legislation

Special tax areas are authorized by Article 5, Section 2(4) of the North Carolina Constitution.

> Article V – **Finance***;* Section 2 – **State and Local Taxation***;* Section 4 states: *Special tax areas*. *Subject to the limitations imposed by Section 4, the General Assembly may enact general laws authorizing the governing body of any county, city, or town to define territorial areas and to levy taxes within those areas, in addition to those levied throughout the county, city, or town, in order to finance, provide, or maintain services, facilities, and functions in addition to or to a greater extent than those financed, provided, or maintained for the entire county, city, or town.*

The *Municipal Service District Act* (G.S. Ch. 160A, Art. 23) is legal under this provision of the NC Constitution and allows for local governments, such as city council, to define a municipal service district for the purpose of levying an additional property tax amount on those properties within the MSD boundary (see Appendix A.1 for full legislation text). There is no limit to the number of MSDs the local government may allow. This money is authorized for use on beach erosion, flood and hurricane protection; projects for downtown and urban area revitalization; transit projects; drainage projects; sewage collection and disposal; lighting on highway ramps; off-street parking lots and decks; and watershed projects (G.S. 160A-536). While this legislation allows for many types of special districts, it is the downtown and urban revitalization oriented districts that are most commonly referred to as Business Improvement Districts (Millonzi, 2010).

Names for business improvement districts vary by location. The International Downtown Association census and survey (Becker, Grossman & Dos Santos, 2011) identifies business improvement districts in the United States as having the following names:

Business Improvement Zone	Municipal Special Service Districts
Community Benefit District	Neighborhood Improvement District
Community Improvement District	Principal Shopping District
District Management Corporation	Property-based Business Improvement District
Downtown Improvement District	Public Improvement District
Economic Improvement District(s)	Self-Supported Municipal Improvement District
Enhanced Municipal Service Districts	Special Assessment Districts
General Improvement District	Special Benefit Assessment District
Improvement Districts for Enhanced Municipal Services	Special Business District
Local Improvement District	Special Community Benefit District
Local Improvement Taxing District	Special Improvement District
Maintenance Assessment District	Special Service Area
Municipal Improvement District	Special Service Taxing District
Municipal Management District	Special Services District
Municipal Service District	Voluntary Business Improvement District

While North Carolina legislation refers to ‘municipal service districts’ or ‘MSDs’, many locations within North Carolina still refer to their special districts as BIDs, which is the most common internationally recognized term. Asheville proponents would like to use ‘Business Improvement District’, or ‘BID’, and embrace not only the active participation of business property owners but also of residents as an important aspect of creating a vibrant, 24 hour living, working, playing combination district.

Downtown Asheville. ***Photo by Catherine Kennedy***

There is not a universal definition for a business improvement district (Becker et al., 2011). This is because the very nature of a BID is to be flexible in order to serve each district as needed and desired by participants (Hoyt, 2005). The property owners involved have a good deal of control over the amount of money collected and the services their money provides to them (Symes & Steele, 2003). In general, a BID consists of two or more business or property owners combining funds and creating programs designed to minimize obstacles to success and improve their profit, property value, and business or area improvement opportunities (Houstoun, 2004).

Therefore, in performing a 2010 census and survey for the International Development Association (IDA), researchers needed to create a set of criteria for defining a BID. The criteria in the IDA survey and census included that the district be authorized by local and state government with a mandatory fee structure, be a public-private partnership where the government collects the tax but a non-profit management entity controls how much is collected and how the money is spent, and the district must perform traditional BID services such as cleaning, security and marketing (Becker et al., 2011).

1.2.2 Where are BIDs located?

According to the International Downtown Association (IDA) census report published in February 2011, all US states except two (North Dakota and Wyoming), including the District of Columbia, have at least one business improvement district. There are 1002 BIDs total. The average number of BIDs per state is 20, with California at the top of the list with 232 and with Kentucky, Mississippi, Nevada, New Hampshire, New Mexico, South Carolina, South Dakota and Utah at the bottom of the list with only one each. North Carolina, according to IDA, has 49 BIDs (see Appendix B, Table B.1).

According to the North Carolina Department of Revenue's Preliminary Report on Property Tax Rates and Latest Year of Revaluation for North Carolina Counties and Municipalities (April 2011), North Carolina has 51 districts where an additional tax is levied. These two additional districts, Hillsborough Street and Raleigh Downtown, seem similar to a business improvement district. Therefore, for the purpose of this study, we consider North Carolina to have 51 BIDs, with five districts in Charlotte, two in Eden, and one

Downtown Hillsborough, NC. ***Photo from http://shophillsboroughnc.files.wordpress.com***

in all other locations (see Appendix B, Table B.2). The average rate per $100 valuation is 0.1546, with the highest being 0.668 (Charlotte MSD #4), and the lowest being 0.000 (Davidson MSD). This spread demonstrates the wide variation in additional taxation, based on the needs and wishes of the participants within the district.

BIDs are located in all kinds of cities of all sizes. 207 BIDs are located in cities with under 25,000 people. 217 BIDs are located in cities with one million to five million people. The median population size for cities with a BID is 102,804 people (Becker et al., 2011).

Toronto, Ontario downtown Business Improvement District.
Photo from www.torontoed.com.

Business improvement districts have existed since the early 1970's. The world's first BID was located in Toronto, Ontario, Canada (Bloor West Village) via enabling legislation by the City of Toronto in 1971 (Hoyt, 2005). The idea has exploded throughout the United States, and has extended to Australia, New Zealand, South Africa, Japan, and throughout Europe (Hoyt, 2005). In the United States, New Orleans led the nation in implementing its BID in 1975. These organizations may be BIDs specifically, or may be 'BID-like' organizations, but combined these organizations exist across four continents and 16 countries (Billings & Leland, 2009).

1.2.3 What does a BID do?

Across the world, a business improvement district is likely to devote itself to the advancement of the BID area's economy; provide services and improvements to boost business and property value; include a management entity to run the BID; and collect revenues through assessment-based, annual mandatory tax on the properties within the BID boundary (Houstoun, Jr, 2005). BIDs seek to bring business into the downtown area instead of suburban shopping malls or retail centers (Symes & Steel, 2003). BIDs focus primarily on creating clean, safe and attractive urban centers with downtown-specific priorities that local governments often are remiss in providing due to financial restrictions. BID funding allows for the development and enhancement of streets, parks and buildings (Briffault, 1999). While street cleaning and maintenance as well as additional security are the principle goals of all BIDs, there is no single approach to a BID and some may go far beyond these basic services. BIDs operate based on the needs and desires of local conditions, community and stakeholders (Symes & Steele, 2003).

Unlike taxes collected by the county, revenues collected from within the BID go directly back into the district for services and projects supported by the property owners themselves (Briffault, 1999). The money collected from the BID property serves to provide supplemental services on top of that of local municipalities. Trash collection, for example, should continue as typically done by the local government. Services provided by the BID go above and beyond to produce greater results faster than those provided by local government through general taxation (Houstoun, Jr, 2005).

Funding

True to form, funding procedures are not the same for every business improvement district. However, in general, BID revenue comes from an assessment on property values within the district boundary, in addition to the property taxes paid to local government (Briffault, 1999).

In the International Downtown Association's 2010 census and survey (published in 2011), 95.9% of respondents stated that they obtained at least a portion of their revenue through property assessments (by definition of this survey, BIDs counted were special assessments districts allowed by state and local legislation). Other revenue sources were member dues (36.1%), contracts (41.2%), sponsorships (48.5%), development fees (21.6%), and funding from city general revenues (38.1%). 56.2% responded that they had "other" methods of producing revenue, which include event revenue and vendor fees, alcohol sales at events, trust funds, sponsorships, charitable contributions, business license fees, grants, earned interest, participation fees, rental income, parking fees, transportation fees, and more. About half (55.9%) of respondents calculated their assessments based on value of real estate as calculated for tax purposes, 1.8% based assessments on sales tax, 12.2% on square footage, 4.5% on linear front footage, and 25.7% on "other" bases (Becker, et al., 2011). (See Appendix B.4 and B.5 for more information.)

In most circumstances, the charges levied to BID property owners are treated like taxes in that failure to pay results in legal action such as a fine, a lien against the property, or a delinquency sale. These legal implications indicate the role government plays in controlling BID financing. For this reason, BIDs almost always count on local government tax collection services to bill the property owner and collect the BID's revenue (Briffault, 1999). Although most revenue comes from these levied fees, BIDs are not limited to this sole source of income.

Some BIDs do receive other financial support in addition to the revenue from assessments on property value. Tax-exempt property owners including government, non-profit and religious organizations operating within the district may provide voluntary funding to the BID. BIDs are eligible for economic development grants from federal and state agencies. They are also able to collect interest income and proceeds from bonds backed by revenue from the district. Revenue may come from fees or charges for use of district facilities, or managing publicly owned facilities (Briffault, 1999). In Austria, the BID of Salzburg Altstadt is financed through a tax on hotel stays and matching funds from the government (Houstoun, Jr, 2005). Like most other aspects of business improvement districts, primary or additional BID revenue can be flexible to suit the location and its stakeholders.

In most cases, revenue comes from charges on commercial property or directly to businesses only. Sometimes charges are levied on residential or other noncommercial properties as well. The charges to these entities may be lower than the charges to commercial entities and property (Briffault, 1999). In Britain's Heart of London BID, there is an assessment waiver available for small businesses, but this is at least rare if not altogether nonexistent in the United States. However, charges in the United States tend to be much lower than in other countries. Common charges here may be 15 percent of property tax, coming out to as little as 50 cents per day, or 10-15 cents per square foot (Houstoun, Jr, 2005). Other studies show assessments in the United States are often below 10 percent of property tax. A 1995

Pittsburgh Downtown Partnership study of twenty-three BIDs showed charges ran from six to eight cents per square foot and a more recent study showed charges to be 10 to 12 cents per square foot (Briffault, 1999). This also rings true in North Carolina where, as of August 2010, the most common rate was 0.10, the average rate was 0.146, and the median charge was 0.14 per $100 valuation (NC DOR, 2010).

Having a reliable and predictable income year after year is an important success factor for business improvement districts. This is the advantage of the compulsory tax model. BIDs in the United States who raised their revenue primarily through voluntary contributions spent up to half of their management time fundraising instead of using that time to provide services and programs for long term success (Lloyd, McCarthy, McGreal, Berry, 2003). Funding models where the BID relied most heavily, if not only, on voluntary funding models have been shown to fail. Typically, only a small number of businesses or individuals will contribute. With only a few carrying the cost for all, the non-contributors have no incentive to participate and those who do contribute eventually become fatigued of supporting the entire district (Houstoun, Jr, 2005).

Compulsory assessment provides long range, stable, and secure funding for the BID to maintain its services and programs (Briffault, 1999). This background research strongly indicates that BIDs are most successful when operating with a for-profit, non-voluntary payment attitude and structure. This enables BID management to produce positive results, ultimately resulting in the approval of local property owners and tenants.

Services

The exact services provided vary by BID based on the priorities of the stakeholders in the district. In a 2005 study titled *The Business Improvement District: An Internationally Diffused Approach to Revitalization* performed by Lorlene M. Hoyt, Ph.D., Hoyt categorizes the services most commonly provided by BIDs throughout the world. These include capital improvements (such as street lighting and greenery, sidewalks and curbs, bus shelters, trash bins, wayfinding signage), consumer marketing (including events), economic development (incentives or loans to bring in and help expand business), maintenance (such as street and sidewalk cleaning, landscaping, graffiti removal), policy advocacy (including lobbying government for district commercial interests), security, social services (including job training, homeless services and youth activities) and transportation (including parking). Most, if not all, BID services could likely be put into one of these categories.

Downtown LED & Holiday Lighting in Ann Arbor's Business Improvement District. ***Photo from http://farm3.static.flickr.com/2722/4167465781_8a6ede2dc5.jpg***

BIDs have also been found to provide residential, commercial and employment search services. The

BID may offer a web listing of available property or a way to put interested buyers in touch with available sellers. In Denver, Colorado, the BID works to provide affordable downtown housing for those who work downtown in service or entry level job positions (Symes & Steel, 2003). In Croydon, UK, local businesses were asked to highlight their primary areas of concern. These included safety and security, perception and image, cleanliness and attractiveness, and accessibility. The BID management company was tasked with monitoring the Croydon Council to ensure that standards expected by business are met and that BID services serve to supplement and not replace Council services (Croydon, 2008). In the Heart of London BID in London, UK, a pre-BID research study showed that the number one complaint of pedestrians in the district was chewing gum (Houstoun, Jr, 2005). By surveying business owners, residents, and visitors (both locals and tourists alike), BIDs are better able to provide the services and programs that will lead to the most positive outcome for stakeholders.

For the purpose of this report, we use fewer and broader service categories, dividing the background research into physical improvements, business services, and supplemental municipal services.

Physical Improvements

Physical improvements to the BID, also considered capital improvement projects, include long term projects and any major improvement project varying from street repair or paving, sidewalk or curb repair or creation, landscaping including new trees, flowers and plants, and street furniture such as benches, shelters, kiosks, lamps and hydrants (Briffault, 1999). In some states, BIDs are able to finance capital improvements by floating bonds, using their own income to help leverage state and local funds (Houstoun, Jr, 2005). These items are typically big projects that the city government may not be able to afford on their own but the district can help pay for and benefit from.

In Philadelphia, for example, BID business and property owners advocated and matched funding for infrastructure improvements. This has included improved signage and street widening to accommodate large delivery trucks. The BID matched up to 75 percent of Philadelphia city funds, and ultimately saw $1 million worth of physical improvements to the area (Houstoun, Jr, 2004). For the most part, however, funding physical improvements is a small percentage of the services BIDs provide. In 2010, only 10% of business improvement districts in the United States were providing funding for capital improvements (Becker, et al., 2011).

When BIDs pay for the repair of streets and sidewalks or replacement of dead trees, broken or vandalized benches or lamps, they are improving the overall impression of the district. They also improve safety and appearance of the area for anyone who spends time in the downtown area, furthering encouraging people to shop and reside there. These projects also can serve to make the district distinctive from other nearby areas by selecting a design or common element so the new project stands out and demonstrates an accomplishment by the BID (Briffault, 1999).

Downtown Boulder BID. ***Photo from http://photos.igougo.com/images/p117806-Boulder-Pearl_Street_Mall.jpg***

Supplemental Services

Most BIDs seek to primarily boost and go beyond the municipal services provided by the government. This includes sanitation, security and maintenance (Briffault, 1999). Speaking to the fear that a BID may replace or reduce government provided services, it is important to point out that BIDs do not provide the same services as the municipality. Marketing is one example (Houstoun Jr., 2005). Additional sanitation or security services even serve a marketing and promotion purpose when BID workers dressed in uniforms to highlight and promote the efforts of the BID (Briffault, 1999).

Portland Downtown Security. ***Photo from http://www.portlandpatrol.com/images/image01.png***

BIDs enhance security by providing additional services such as removing graffiti and training business owners and employees in crime prevention and personal safety techniques. The BID may encourage local merchants and residents to pay attention and consistently alert the police department to vandalism, graffiti, petty theft, peddling and ticket scalping. BIDs may even hire unarmed security officers to monitor the streets of the district and alert police to any illegal activities (Briffault, 1999). For example, the Croydon, UK BID partnered with police to fund a unit specifically for protection of the district (Croydon, 2008).

The Croydon Economic Development Council's Beacon case study (2008) details Croydon BID safety programs. These included a Safer Passage Patrol to provide uniformed officers in highly visible locations all over the district, particularly focusing on alleys, underpasses, car parking lots and decks, and those areas not monitored by security cameras. The BID also created a program to reduce unlicensed cab services and improving awareness of cab services. The cab service was re-branded and a marketing campaign deployed.

BID ambassadors provide marketing and promotion, informational services, and a level of security to the area. Ambassadors, sometimes known as representatives, public safety guides, or hospitality officers, are uniformed and trained to assist visitors and tourists in giving directions and promoting events. They also take note of repairs or maintenance needed and they report criminal activity to the police (Briffault, 1999). Ambassadors in Denver, CO counted 264,000 visitor contacts and 14,300 responses to tourist questions in 2009, in addition to referring individuals to homeless services, issuing warnings to panhandlers, and responding to disorderly conduct calls (*Downtown Denver*, 2009). These programs all serve to go above and beyond the services a municipality provides, and serve as an example of the ways BID programs can be customized to successfully satisfy the wishes of commercial and residential property owners, tenants and visitors.

Social Services

While not very common among business improvement districts, social services are highlighted here due to the demographic profile of downtown Asheville and the Asheville community's involvement and commitment to providing such services. When a BID does provide social services, they are often a small portion of their programs and typically involve the homeless. These include shelter, food, employment and training opportunities, or referral services. In most cases, these programs come from a desire to maintain public order and the appearances of the district (Briffault, 1999).

New York City's first BID, Union Square Park, undertook a major social service program to help the homeless, resulting in the creation of permanent residences for 94 families. The BID then reached out to Washington Irving Public High School, where 70 percent of students came from low-income families, there were no productive after-school activities, and the students had low expectations for themselves and few opportunities to pursue personal development. The Washington High School Business Advisory Council worked to bridge the business community and the school, providing a mentoring and tutoring program, summer jobs for students, linking area professionals and experts with students interested in areas such as journalism and art. The program successfully showed students the opportunities available to them within their own community and demonstrated to business owners the value in upholding the mission of the school (Walsh, 2006).

BIDs may also help by partnering with social services organizations and encouraging property and business owners in the BID to donate money. The Downtown Center District in Los Angeles, CA does this, while also providing referrals to medical and counseling services (Lloyd et al., 2003). The Portland Business Alliance in Portland, OR collects change via decommissioned parking meters donated by the city government. The change through this *Real Change, not Spare Change* program is given to Transition Projects, New Avenues for Youth and Outside In (Portland Business Alliance [PBA], 2011h). The Asheville Downtown Association already has a *Spare Change for Real Change* program which could be a small but effective portion of the BID's budget used for service programs like free meals and counseling, or could be turned over to local organizations that help provide social services.

Asheville's Spare Change for Real Change program. ***Photo by Catherine Kennedy.***

In Denver, Colorado, the BID funds homeless outreach initiatives in partnership with the St. Francis Center Homeless Outreach Program. This program assists with critical services and shelter for those in need. The BID and St. Francis outreach workers worked with 20 chronically homeless individuals in 2009, and boasts accomplishments such as making contact with 6,500 homeless individuals, securing long-term housing for five chronically homeless individuals, and making over 500 contacts with businesses regarding the services provided (*Downtown Denver*, 2009).

Portland also partners with the county and the state to offer a Community Court system, where offenders of crimes such as petty theft and vandalism can be prosecuted in a way that alleviates pressure on the justice system and provides assistance to the community affected by the crime. Offenders are sentenced to perform community service within a week of their sentencing, to work on painting or projects like removal of leaves, litter and syringes, and boxing food for emergency food services – services valued at over $450,000. Community Court also provides orientation to social services to help offer individual offenders assistance in addressing the real causes behind their behavior.

First time shoplifters who are found be living below the poverty line are often sentenced to a Theft Accountability Class, where they are given orientation to social services and are taught the ways theft negatively impacts the community. Over half of those attending the class (1,268 total) voluntarily chose to pursue social services assistance, and a study of more than 400 participants showed that 93% had not been arrested for a second offense (PBA, 2011b).

Business Services

The services provided and programs implemented by a business improvement district are all intended to boost the business within the district. BIDs may assist with finding renters for unoccupied space or buyers for buildings for sale, financing for a new business, recruiting new businesses or helping balance the business mix within the district. Some may provide grants or loans to help businesses improve the façade of their building (Briffault, 1999). Façade assistance is an initiative offered through Greensboro, NC's BID.

Those services specifically targeted to business include promoting and marketing products and services provided by businesses within the district, recruiting and retention of businesses in the district, and attracting visitors, consumers and tourists to the district. Tools to achieve this include information kiosks (sometimes interactive) such as those seen in shopping malls or a central information center with ambassadors and computerized lists of retail shops and restaurants, a web site, a calendar of events, and providing consulting services to district businesses (Briffault, 1999).

In addition, recruiting businesses into the BID may be an essential part of the BID's services, depending on the priorities determined by the stakeholders in the area. A great way for BIDs to strengthen current business and recruit new business is by partnering with economic development agencies – including those focused on broader areas such as the city, county, region or state (Houstoun Jr., 2004). This is another example of the public-private partnership so essential to business improvement districts.

The Portland Business Alliance performs market research on the downtown Portland area. Their annual research involves a report of completed, planned or underway development projects a census and survey of all businesses, government agencies and non-profit organizations. They also provide custom demographic analysis and pedestrian and vehicular counts. In addition, an inventory of all available downtown commercial space is available (PBA, 2011). This kind of research would be valuable to the central business district in Asheville, which currently has little to no available data on the area slated to become the BID.

Smart Growth

Numerous BIDs across the United States have adopted a Smart Growth plan, with mixed use development and pedestrian friendly goals in mind that promote recreation and culture, as well as unify the vision for the city. Boulder, Colorado was the first city in the nation to proactively advocate fundraising for the purchase of green space in areas surrounding the city, and began addressing traffic concerns many years ago (Benfield, Terris & Vorsanger, 2001). Looking at a BID closer to home, the Downtown Business Association in Boone, NC has recently adopted and begun to implement their own Smart Growth plan, which includes renovation of crosswalks with improved signage to improve pedestrian safety, pedestrian scale lighting of pathways, and a bus system that is free to residents and students that allows access to downtown by outlying areas. These improvements were identified during community "walkability surveys" that involved the public in the planning process and successfully incorporated their input into the plan for the city (Town of Boone, 2009).

Historic preservation is essential to maintaining the unique sense of place that is found within all vivacious downtown communities. Both Boone and Charlotte, NC BIDs have historic preservation committees, with emphasis placed in various areas. Boone's downtown master plan seeks to fund façade improvements, while Charlotte's committee includes fundraising duties, design review, and renovation permit approvals.

Management Structure

The management structure for a business improvement district is an example of the public-private nature of BIDs. Business improvement districts are usually governed by the city but managed by a private, non-profit organization that is subject to an advisory board or board of directors made up of stakeholders. The governance structure usually specifies specific formal roles for the city and the property owners. It is this advisory board and administrative body that is referred to as "The BID", since the board and administrative organization make recommendations and carry out the services and programs performed (Briffault, 1999). One study found that residents and government agencies contributed to the formation of a BID but that once established, programs and services efforts were typically led by commercial property and business owners (Hoyt, 2005).

Just like with initial formation of the BID, approval by municipal government (the ultimate governing body for the BID) is required for a change in boundary, assessment fees, or bonded debt for capital projects. However, in general, the BID management association and the board typically see little interference or control exerted from the municipality (Briffault, 1999). The municipal government typically collects the revenue and remits to the BID. Even though the association serves as a management entity and not the governing authority (this, again, is the city), it is still the management association that is usually considered responsible for policy and fiduciary day-to-day functions. The management association is then likely to contract out the services the BID chooses to undertake, such as administrative, security, sanitation and landscaping or maintenance services. This is especially true for BIDs with smaller budgets and smaller management associations. Often, the contracted service provider was a proponent of the BID before formation (Briffault, 1999).

The managing body may also be created by the city itself, or the initial sponsors behind the formation of the BID. This is usually provided for by the legislation forming the BID and can be required or authorized (Briffault, 1999). For example, in Croydon, the managing entity is BID Company. BID Company is a subsidiary of Croydon Business, part of the Croydon Economic Development Company. Croydon Business is a private sector agency providing support to area businesses, and initiated the proposal to create a BID.

Briffault found that advisory and administrative boards were primarily made up of businesspeople and landowners, with some seats reserved for public officials, residents, community board members, and non-profit representatives. Boards are either appointed by the government or elected by the district stakeholders – but appointment is much more common (1999). The board members may also be appointed by the management association, rather than the government directly. This is true in the University City district in Charlotte, NC, where the director of University City Partners seeks out representatives from area businesses who are interested, active and provide a diverse group of board members (Mary Hopper, Director of University City Partners, Charlotte, NC. Personal interview April 18, 2011).

In Boone, NC, the municipal service district task force recommended using the already existing Downtown Boone Development Association as the management entity for the new district. This required the establishment of a non-profit entity with one administrator and a 12 member board, with six members appointed by the Town Council through an application process and six members selected by the BID membership (including assessment paying business and property owners, as well as business tenants) through voting (Downtown Boone, 2011).

In the Croydon, UK BID, there are around 580 businesses valued at £40,000 or more, with 17 of these businesses holding spots on the board and representing retail, property, telecommunications, and leisure and entertainment organizations. In addition to these businesses, the advisory board also has places for public and non-profit representatives such as the police, the YMCA, Border & Immigration Agency, and the Croydon Council (2008).

Chapter 2: Background of Central Business District

2. Background of CBD

This study uses data from the 2000 Census, the American Community Survey, and ESRI to create a portrait of the demographic background of the central business district in Asheville. Census data at the census tract level provides information on residents inside the central business district. It is important to note that the census tract is 35% smaller in area than the central business district (see Appendix C, Map C.1). Therefore, ESRI was used to create a custom polygon of the central business district to show the differences between the census tract and the CBD. ESRI reports also provide projected demographic information for 2010 and 2015, based on the 2000 Census, including quarterly information on population and households from January 2009 to October 2010, a market profile, and expenditures information from 2000 and projected to 2015 (see Appendix C, Figures C.1 and C.2).

2.1 Demographic profile

2.1.1 Comparison between Census Tract and Central Business District

Some demographic information may be compared between the smaller census tract and the larger central business district. (All of these comparisons, some of which are noted below, may be found in table format in Appendix B, Table B.6.) Data from the 2000 Census shows that the census tract has 1,351 people in 594 households, with 54 families. The ESRI report shows the central business district has 1,796 people in 654 households, with 83 families. Average household size in the census tract is 1.28; it is similar in the CBD at 1.22. The census tract has 594 occupied housing units, with 37 owner-occupied and 557 renter-occupied units. The CBD has 654 occupied housing units, with 58 owner-occupied and 596 renter-occupied units.

Both the census tract and the larger CBD are predominately white, although the census tract is even more so, with 958 (70.9%) identifying as white alone in the census tract and 1,111 (61.8%) identifying as white alone in the CBD. In the census tract there are 325 (24.1%) identifying as black or African American alone, and 598 (33.3%) in the central business district.

In the census tract, the greatest number of people in one age bracket is the 35-44 bracket (270), with the second greatest number in the 25-34 age bracket (255). This is similar in the central business district, although there is almost the same number of people in the 35-44 bracket (364), as in the 25-34 age bracket (361). The median age is 39.1 in the census tract and 39.4 in the central business district.

2.1.2 Census Tract Data

The remaining demographic information available is limited to the smaller census tract (see Appendix B, Tables B.7 – B.10). The census tract is 61.5% male, 38.5% female. 78.6% of the population (1,064 people) is between the ages of 18 and 64, with the greatest number concentrated between the ages of 25 and 44 (579, 42.9% of the population), most of whom are male (415, 49.9%).

The 594 households are primarily nonfamily households – 540 households, 90.9% of the population. Families (54 total) make up only 9.1% of households in the census tract. Individuals living alone (487) make up 82% of the nonfamily households, and 219 (39.9%) of the 487 individuals living alone are over the age of 65. Most people in the census tract rent their homes – 557 households, 93.8% of the household population. Owner-occupied homes account for just 6.2% of households, a total of 37 households. In 2000, there were 73 vacant housing units, with 9 (1.3%) of these designated as seasonal, recreational, or occasional use.

The census tract and the central business district have both seen a number of changes since 2000. These changes are difficult to quantify due to lack of available data from the 2010 census. We must assume for the purposes of this study that the demographic data has largely remained the same, although there are a number of redeveloped or newly built condominium units that may change some of the data. If most of those units are not primary residences, however, then the data may remain very similar.

2.1.3 ESRI Data Projections

ESRI demographic and income profile predictions for the central business district (see Appendix C, Figures C.1 and C.2) use the following rates of annual growth to forecast data for 2010 and 2015, demonstrating how the central business district compares to the state and national growth trends in these demographic categories (see table below). The central business district is predicted to grow at rates below North Carolina but above the United States as a whole.

Table 2.1-1: ESRI Projected Growth 2010-2015

2010-2015 Annual Rate	Area	NC	US
Population	0.99%	1.61%	0.76%
Households	1.67%	1.69%	0.78%
Families	1.05%	1.52%	0.64%
Owner Households	1.43%	1.72%	0.82%

Source: ESRI Demographic And Income Profile.pdf

To provide some perspective on the demographic profile of the census tract and the central business district, it is helpful to now compare the census tract to the city of Asheville, Buncombe County, North Carolina and the United States.

Chapter 3: Comparison of Similar Business Improvement Districts

3. Comparison of similar BIDs

Taking a look at locations with characters similar to Asheville that also have municipal service districts, or business improvement districts, has value in demonstrating what these BIDs do to support the area they serve. Asheville may want to take into consideration the services, management structure and funding structure of these cities. Unfortunately, up-to-date, useful quantitative information is very limited among municipalities, and this is especially true among those with small populations and tax revenues. Asheville, although a small city in terms of population, boasts a number of characteristics considered common among larger cities. The commitment to arts and culture, historical preservation, a focus on livability for residents, the high number of retirees, active outdoor lifestyles and tourism draws, and the scenic mountain region were all taken into account when seeking BID cities for comparison.

After selecting cities with these similar characteristics, determining the services they provide was considered. Those with a focus on supporting the arts and local culture, historical preservation and smart growth practices, clean, green, and safety oriented programs, and business services were prioritized for comparison. The narrowed down list did not include any BID cities or towns in North Carolina, primarily because Asheville is unique within the state and many North Carolina BIDs are either in the largest cities or smallest historic downtown thoroughfares, making comparison more difficult. Comparison between Asheville and the following selected locations, as well as recommendations for success as taken from these BIDs, is a difficult task since the research among BIDs across the United States is limited. The largest BIDs, including some of those selected for this chapter, do collect data on a regular basis such as pedestrian counts, crime reports and patterns, real estate prices and occupancy rates, business information, and employment numbers. Most BIDs are quite small, however, and BIDs of smaller size are less likely to keep this kind of information (Houston Jr., 2005). This kind of data is also only suggestive of the role the BID may have played in the changes from year to year (Symes & Steel, 2003).

Given that BIDs are small sections of a city or town, and do not tend to collect their data, it can be difficult to determine the changes that have occurred as a result of the start of a BID and its programs. In addition, the variables involved with the data – even when collected within the BID – make it difficult to determine to what extent the BID itself is responsible for any changes, whether positive or negative. Some BIDs, however, publish data involving improvement in local conditions such as a decrease in crime and increase in property values and suggest the BID alone is to thank for the positive changes (Houston Jr 21). While research into BIDs has helped clarify what causes them to fail, it is not nearly as easy to determine causes of success. Most BIDs have no benchmarks for performance or success and there is no form of assessment standardized across the different BIDs in the United States. This makes comparison and determination of success all the more difficult (Symes & Steel, 2003).

3.1 Define Categories

In order to determine the categories for comparison, the requests stated in the RFP and goals iterated in Asheville's Master Plan were taken into consideration. Asheville is often considered 'unique' by those who live and are active within the city, and Downtown Asheville is where much of this opinion centers.

Asheville has a booming and highly supported variety of arts and culture, a growing demographic of retirees and second home owners, a commitment to an environmentally friendly lifestyle with an interest in "Clean and Green" initiatives, a strong tourism base with annual scheduled events and festivals that draw millions of visitors each year, recent residential developments that attempt to adhere to mixed use designs, and unusually well-preserved historic art-deco architecture. Asheville is often praised for having the downtown amenities of a much bigger city in a small city location, particularly where the performing and visual arts and food culture are concerned.

Despite the vibrancy and all-hours lifestyle of downtown, crime – particularly property crime – is still a concern, especially in the areas adjacent to the historic heart of downtown. For this reason, there is interest in the services provided by and initiatives of other BIDs to decrease crime rates. The desire to further beautify and maintain downtown beyond what city services are able to provide is another component in looking at other comparable BIDs and their cleaning and beautification initiatives and programs, including those with environmental friendly practices.

By considering the defining characteristics of Asheville and the downtown area a BID would serve, then looking at cities across the country with similar characteristics that also have BIDs, the final list of comparison cities and their BIDs includes Bozeman, Montana; Portland, Oregon; Boulder, Colorado; Ann Arbor, Michigan; and Madison, Wisconsin. While all of these cities are larger than Asheville, they share many characteristics and their BIDs pursue goals of interest to downtown Asheville. The comparison characteristics considered include demographic information, arts and culture, and retirees. After defining the characteristics considered based on Asheville, we look at each location individually focusing on the similarities to Asheville and then discussing the programs and initiatives Asheville may be interested in considering based on the desire for a cleaner, safer and greener downtown area, as well as smart development (often known as "smart growth"), improved parking, and historic preservation.

3.1.1 Demographics in Asheville

Although demographics have already been looked at in order to provide a demographic context for the census tract, for the purpose of this chapter we will use the U.S. Census Bureau's QuickFacts demographics sheets for an easy-to-compare snapshot of each city. Refer to Appendix B, Table B.9 for a brief overview of Asheville, NC.

3.1.2 Arts and Culture in Asheville

Asheville is long-renowned as an artist haven, and as such contains numerous art galleries that highlight fine and folk art, with a general emphasis placed on local artists. The River Arts District provides community support for resident artists, and conducts regular Studio Strolls that encourage visitors to visit the studios for sales and demonstrations. The Asheville Art Museum supplements its permanent 20th and 21st century American art collections with an extensive schedule of public programs, educational programs, and exhibitions.

Asheville is home to many arts and cultural programs. The Asheville Urban Walking Tour is a trail that guides visitors through downtown Asheville. Over the course of two hours, this self-guided tour moves participants through 30 stations containing either artwork or informative bronze plaques with five eras that highlight architecture, history, and the people of the city. There is also a program called Easel Rider, a mobile art lab that supports a variety of art programs by providing needed tools and supplies (Asheville Parks, 2011).

Major cultural venues within the city include Pack Place – holding the Asheville Art Museum and Diana Wortham Theatre, the Civic Center, Thomas Wolfe Auditorium, the Orange Peel Social Aid and Pleasure Club, the Grey Eagle, Magnetic Field, the North Carolina Arboretum and the Botanical Gardens at University North Carolina Asheville. There is a large local music scene in Asheville, and the city also draws well-known national bands to the Civic Center, Thomas Wolfe Auditorium and the Orange Peel. These venues unite visitors and residents alike by providing live music concerts and festivals, live theatre performances, public art works, educational exhibits like the Health Adventure, and workshops on a wide variety of activities. Other theatre, dance, and music groups perform in numerous venues throughout the downtown area, and are a major draw for visitors and residents.

Downtown Asheville. ***Photo from www.romanticasheville.com.***

In the past few years Asheville has also become known for its beer culture. Examiner.com's unscientific polling in honor of American Craft Brewery Week, which is intended to measure the country's interest in beer culture, has resulted in Asheville's duel with Portland, Oregon for 'BeerCity USA' (Papzian, 2011). In 2009, the two cities tied in voting. In 2010, Asheville was a closer winner, but in 2011 Asheville won by a landslide vote (Forbes, 2011). The now nationally well-known Highland Brewing Company started the local brew trend in Asheville in 1994, followed by Green Man, Asheville Brewing Company, French Broad, Pisgah, the Wedge, OysterHouse, Craggie, and Lexington Avenue Breweries. Asheville boasts one of the best beer retailers in the world (by RateBeer 2010 and Imbibe Magazine), Brusin' Ales, as well as several large tap bars, including a Belgium beer bar. There are five festivals in Asheville based on beer tasting – Oktoberfest, Beer City Festival, Winter Warmer, Baseball and Beers, and Brewgrass – as well as smaller beer-focused events throughout the year (Buncombe, 2011a).

The City of Asheville sponsors several festivals annually. Bele Chere is the biggest street festival of its kind in the region, and attracts approximately 167,000 people to the heart of downtown each summer.

Steve Ha with Sandra Grunwell estimated the 2005 economic impact of the festival to be in the range of $12.4 million (unpublished study for the City of Asheville). The city also sponsors an annual film festival and seasonal celebrations.

Downtown Asheville Fireworks Celebration. ***Photo from www.exploreasheville.com.***

3.1.3 Recreation and Retirement in Asheville

The 2011 Forbes Retirement Guide lists favorable climate, healthcare access, little traffic congestion, and varied recreational options as ideal retirement destination guidelines. Continuing education classes and interest groups, social gatherings, and volunteer opportunities are also highlighted by many of the ranking systems used. According to AdvantageWest, North Carolina is third in the country as a retirement destination (AdvantageWest, 2011a). The advent of America's surplus of income in the early 2000s resulted in a booming market for second home buyers. This demographic, combined with the growing number of baby-boomers who are retiring or on the brink of retirement, has created a trend among regions such as Asheville. Areas rich in natural resource preservation and open space, a university presence, and a vibrant downtown attract these individuals and families. Asheville's cost of living, relatively affordable compared to many other places across the country, drew in more retirees and second home buyers.

Asheville is consistently ranked among the top ten retirement and recreation destinations nationally by many organizations each year. Active seniors are often attracted to the North Carolina Center for Creative Retirement at UNC Asheville, which offers a variety of college courses for seniors. Asheville also houses hundreds of organizations with the need for volunteers, which provide retirees with a chance to give back to their communities, get involved, stay active, and be social.

There is a large and growing healthcare sector including the Mission Hospital and affiliates system, with an additional local focus on providing complementary and alternative medicine. Asheville's medical availability is among the best in the country for seniors. An informational booklet compiled by Beverly-Hanks real estate company states that Asheville contains more doctors per capita than anywhere in the world. The VA medical center and Mission Hospital are among the top employers in the region (see Appendix B, Table B.10), and the "private educational and health services" industry sector saw a 43% increase in employment over the past ten years (see Appendix B, Table B.11), according to the Asheville Chamber of Commerce & U.S. Bureau of Labor Statistics.

Characteristics ideal for recreation and active seniors include a generally moderate climate with four distinct seasons, with temperatures ranging from 27-84 degrees Farenheight annually, as well as spring and summer flora and fauna, autumn foliage, and occasional glimmering winter snowscapes that inspire visitors and second homeowners to spend time in Asheville year-round. Asheville is also within close proximity to two national park systems and numerous national forests. The Blue Ridge Parkway brings in thousands of individuals each season, and the Great Smoky Mountains National Park is considered to be the most visited national park in the nation. National forest lands surround the city, and the French Broad River offers its own set of recreational opportunities, as do the thousands of streams and waterways that slice their paths through western North Carolina. Asheville hosts 14 golf courses and several tennis courts, and the Parks and Recreation Department provides extensive opportunities for leisure activities, from neighborhood parks to downtown waterscapes. Employment in the leisure and hospitality industry has risen regionally by 18% from 2000-2010, according to the Asheville Chamber of Commerce & U.S. Bureau of Labor Statistics (see Appendix B, Table B.21 for an Asheville Chamber Economic Development Commission custom report).

3.1.4 Environmental Consciousness

Asheville hosts several environmental organizations committed to ecological preservation. Asheville is recognized as a "Tree City, USA" which means that it must adhere to designations established by the Arbor Day Foundation and the National Association of State Foresters (Asheville GreenWorks, 2011). Boone, NC & Ann Arbor, MI share this designation, and both won awards last year for growth within this program (Arbor Day, 2011). Asheville has at least 15 local produce markets, and the WNC regional Farmer's Market, promoting local farming and the eating local movement (Buncombe, 2011b).

AdvantageWest and the Appalachian Regional Committee have identified Western North Carolina and the city of Asheville as regions that support green technology industry and advancement (AdvantageWest, 2011b). The push for scientific research and development of green technologies has found an oasis in the mountains of western North Carolina where thousands of environmentally conscious individuals have settled and dedicated their lives to the preservation of natural resources, not only on a local level but on a global one as well. The economic benefits of this industry trickle out into the downtown area of Asheville, where professionals go to relax, dine, and shop.

Photo of Blue Ridge Parkway from www.romanticasheville.com. Other photos by Catherine Kennedy.

Many restaurants, including the Green Sage, Tupelo Honey Café, and many others in downtown Asheville have actively embraced green energy sources, purchasing meat and ingredients from local farmers, installing solar alternative energy-capturing panels, and recycling and composting waste. Many vegetarians reside in Asheville, and restaurants typically offer at least one vegetarian option, with options for vegans as well. The Asheville BID might do well to encourage green initiatives as part of its structure, as do many of the BIDs surveyed for the purposes of this study.

3.2 Comparison Case Study — Bozeman, Montana

3.2.1 Demographics

Appendix B, Table B.12 contains the U.S. Census Bureau 2010 QuickFacts sheet comparing Asheville, NC and Bozeman, MT. Overall, Bozeman has a smaller, younger, slightly more educated, and less diverse population than Asheville. However, there are some interesting similarities. The median household income is also nearly identical between Asheville ($32,772) and Bozeman ($32,156). There are only a few percentage points of difference in several demographic categories and in many cases the comparison from city to state is similar between Asheville and North Carolina, and Bozeman and Montana. One example of this is the rate of individuals with higher level degrees:

Table 3.2-1: Higher Education Comparison- Asheville, NC and Bozeman, MT

People QuickFacts	Asheville	NC	Bozeman	MT
Bachelor's degree or higher, pct of persons age 25+, 2000	30.4%	22.5%	49.5%	24.4%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

Both Asheville and Bozeman are home to public universities. The University of North Carolina-Asheville is a liberal arts undergraduate focused institution, with around 3,700 students[1]. Montana State University – Bozeman is a research-focused institution, with both undergraduate and graduate-level programs, and 13,559 students enrolled during fall 2010[2]. While MSU-Bozeman is larger than UNC-Asheville, both universities seem to hold a similar standard of academic rigor. Over half of UNC-Asheville's students participate in undergraduate research before graduating, and all students must complete senior competency exams, a senior thesis, or both[1]. At MSU-Bozeman, all students must complete a research project in their area of study before graduation[3]. UNC-Asheville's middle 50% of incoming students scored between 1110 and 1290 on the Standardized Aptitude Test (SAT) required for university admissions[1], while MSU-Bozeman had a median score of 1112[3].

The setting is similar in these two locations – nestled in valleys and surrounded by mountains that hold famous national parks, with downtown cultures surprisingly big for the area of the city and size of the population, and home to university campuses located outside of downtown but still exerting some influence on the community both culturally and economically.

[1] http://www.unca.edu/about/facts-and-figures
[2] http://www.montana.edu/opa/facts/quick.html#Full
[3] http://www.montana.edu/about/

3.2.2 Arts and Culture

Bozeman, Montana has several venues that support local art, artists, and performers. The Emerson Center for the Arts and Culture hosts exceptional art exhibitions, educational classes, and performances throughout the year. Downtown Bozeman is peppered with live theatre and music venues. Several art galleries grace the streets of downtown. Bozeman Sculpture Park, on the grounds of the Bozeman Public Library, seeks to provide community unification through public art**.** Numerous dance and theatre troupes provide entertainment in the downtown area, along with several non-profit organizations whose proceeds are donated to their cause. Fine arts including symphony and opera performances are well entrenched in Bozeman, and several museums grace the downtown area.

The Bozeman BID hosts Music on Main, which consists of weekly, family-oriented live music performances. Vendors sell food, and downtown shops are provided with an opportunity to stay open later to benefit from additional foot traffic. Non-profit organizations are also permitted to set up their booths, gathering support for their causes through the support of the BID. Those familiar with Asheville will note that Music on Main sounds very much like the City of Asheville's Downtown After 5. Other festivals include a film festival (another similarity to Asheville), an ice climbing festival, and the non-profit and volunteer organized Sweet Pea festival.

Bozeman's downtown association also sponsors monthly art walks that feature complimentary hors d'oeuvers and refreshments, similar to Asheville's River Arts District studio strolls. Another event sponsored by the BID and DBA is Downtown Bozeman Crazy Days, where over 250 merchants participate in an annual summertime sidewalk sale. Seasonal activities such as trick-or-treating are also sponsored by the downtown Bozeman organizations.

3.2.3 Recreation and Retirement

While Bozeman may not have the large hospital system Asheville has, the county (Gallatin) reportedly has a wide variety of health services, with a focus on traditional medicine. There is an acute-care hospital and there are a number of clinics. Overall there are about 100 physicians, 35 dentists and 20 optometrists/ophthalmologists (Absaroka, *Local Health,* 2010).

Bozeman Public Art. ***Photo from http://www.bozemansculpturepark.org.***

The climate in Bozeman is similar to Asheville due to its valley location, although a bit cooler in general. There are four distinct seasons, although autumn is shorter and spring comes later in Bozeman. During summer, high temperatures generally range in the 70s-80s with lows ranging from the mid 40s to low 50s. There is considerably more snow in Bozeman, averaging 73 inches, and low humidity makes winter sports ideal. The average high temperatures in winter are in the 30s, with average lows in the teens (Absaroka, 2011a).

Recreation in Bozeman is largely outdoors due to the proximity of Yellowstone National Park, 10 national forests, and several rivers. Popular outdoor activities include visiting hot springs, hiking, fly fishing, skiing, horseback riding (dude ranches are common), and hunting. There is also an outdoor recreation area designed for those with disabilities, families with small children, and senior citizens (Absaroka, 2001b).

Bozeman has been ranked by U.S. News Rankings & Research (2007) as one of the best places to retire, based on the beautiful location and the seemingly endless opportunities to explore the outdoors. There is a strong small-town community scene where non-outdoor activities include ballroom and two-step dancing, as well as a number of community meet-up groups for hobbies such as painting, reading, and knitting. While the percent of the population over 55 is small, Gallatin County is the fastest growing county in Montana, and those numbers are sure to include retirees (Go, 2007).

3.2.4 Environmental Consciousness

The Downtown Bozeman Improvement Plan (2009) includes a focus on sustainability, including low impact development regulations. Cleaner and greener streets, with porous pavement, rain gardens, removal of pavement and brick areas and addition of native trees and plants, are part of the low impact development plan. Recommendations from the Downtown Improvement Plan also included relaxing excessive parking requirements for mixed-use developments, allowing for demonstration projects that show techniques and technologies for green building, providing incentives for those who build with LEED silver or gold certification, changing street standards to allow for safe use of pedestrians, bicyclists, drivers and mass transit users. These changes have been in progress since 2010.

There are several community groups getting involved in green activities, including a rain garden recently built by students and volunteers to replace a portion of the schoolyard that collected mud and trash, at Sacajawea Middle School (Schontzler, 2011). Non-profit organizations located in Bozeman that are focused preserving the local, and sometimes international, environment include the Greater Yellowstone Coalition[4], Gallatin Valley Land Trust[5], American Wildlands[6], the Yellowstone Park Foundation Inc [7], American Prairie Foundation[8], and Project Wet International Foundation[9].

[4] www.greateryellowstone.org
[5] www.gvlt.org
[6] wildlands.org
[7] www.ypf.org
[8] www.americanprairie.org
[9] www.projectwet.org

3.2.5 Business Improvement District

According to the Downtown Bozeman Improvement Plan (2009), Bozeman, Montana takes a varied approach to the maintenance and promotion of its thriving downtown. The Bozeman Business Improvement District was founded in 2000 and gathers revenue by voluntary participation of owners in a property tax evaluation program (typically considered an unsuccessful long-term funding model, it seems to have worked well for Bozeman). The BID is a collaboration of owners committed to maintaining economic vitality and is overseen by a City Commission-appointed board.

The Downtown Bozeman Association (DBA) collaborates with the BID to promote downtown and organize activities and events that draw visitors to the downtown area. It was established in 1980 as a non-profit organization, and its board is chosen by members. Membership is voluntary, and includes shops, restaurants, and service companies. Membership dues and event proceeds fund operations. Bozeman's Tax Increment Fund (TIF), created in 1995, provides infrastructure funding through new building taxes in the downtown district. Bozeman's mayor appoints the TIF board with approval from the City Commission (Downtown Bozeman, 2009).

Finally, there is the Downtown Bozeman Partnership, which is a limited liability corporation that manages Bozeman's BID, DBA, and TIF through the provision of employees and office space. While each of the three member organizations are independent, they also function to collectively promote and enhance downtown Bozeman as is exemplified by the Downtown Visitors Center to which each of the organizations contribute. Other players in the DBA are City of Bozeman staff, the City Commission, and the Parking Commission. Concerns of citizen advisory boards and downtown property and business owners are also heard and addressed through the DBA. This unifying entity is regarded as a critical component to the functionality and continued success of the collaborative effort made by the municipal and independent downtown committees (Downtown Bozeman, 2009).

Downtown Bozeman, MT.
Photo from http://www.bozeman-vossinn.com/blog/wp-content/uploads/2009.

Services

Bozeman's BID is responsible for holiday lighting, hanging flower baskets, and the funding of a year-round maintenance employee. The Bozeman BID also collaborates with the Downtown Business Association and the Tax Incremental Fund to work toward the common goal of providing residents and visitors with a clean, safe, attractive, and fun downtown experience year round (Downtown Bozeman, 2009).

The DBA organizes and sponsors annual events such as a Christmas Stroll, Bridal Walk, Crazy Days, Art Walks, Music on Main, and the Cruisin' on Main car show. Downtown Dollars is an innovative idea implemented in both Bozeman and Madison that encourages downtown spending in the form of gift certificates that are valid at participating downtown shops (Downtown Bozeman, 2009).

Downtown Bozeman. ***Photo from http://sfgirl-thealiennextdoor.blogspot.com/2008/08/america-youre-beautifulpart-4-main.html.***

The Tax Increment Fund (TIF) board matched funding in order to provide landscaping in Soroptomist Park. TIF also provided the funding for historic street lamps, benches, trashcans, and bike racks on Main Street in Downtown Bozeman. The TIF's other major funding project was the Downtown Parking Garage, started in late 2007 (Downtown Bozeman, 2009).

Economic Benefits

The Downtown Bozeman Partnership provides economic benefits through each partner's contribution. Downtown Bozeman Partnership coordinates the work of each partner – Bozeman BID, Downtown Bozeman Association, and Tax Incremental Fund – and these partner organizations would not function as effectively were it not for their collaboration. Each partner is responsible for a key element in the economic success of downtown, including the BID. The overall beautification of downtown, capital projects and promotional events all combine to bring people into Bozeman's downtown. With a BID funding model based on voluntary contribution, the collaboration with other partners is the key to success for Bozeman's BID and the economic benefits experienced in downtown after implementation.

3.3 Comparison Case Study – Madison, Wisconsin

3.3.1 Demographics

Refer to Appendix B, Table B.13 for a U.S. Census Bureau's QuickFacts demographics sheets for a comparison of Asheville, NC and Madison, WI.

Although Madison, Wisconsin is a significantly larger city than Asheville, many of the demographic percentages are quite similar. Age demographics are similar with the exception of the percentage of people over 65 (much greater in Asheville than Madison).There is a slightly greater percentage of women in Asheville, with an almost 50-50 gender split in Madison. In Madison's population, there are 6% more whites and 4.9% more Asians than in the Asheville population, but the same percentage of American Indian and Alaska Natives, and just 0.3% more people of Hispanic or Latino origin, while Asheville has 11.2% more blacks than Madison.

Madison has higher percentages of high school and college graduates than Asheville, likely due to the larger university located there. The University of Wisconsin – Madison has 42,099 students to UNC Asheville's 3,700. The presence of a public university in both locations, however, lends itself to similarities in influencing the community. Madison also has a liberal arts college with 2,400 students, although unlike UNC Asheville it is private, not public.

3.3-1: Demographics Comparison- Asheville, NC and Madison, WI

People QuickFacts	Asheville	NC	Madison	WI
Population, 2006 estimate	72,789	8,856,505	223,389	5,556,506
Population, percent change, April 1, 2000 to July 1, 2006	2.3%	10.1%	6.8%	3.6%
Population, 2000	68,889	8,049,313	208,054	5,363,675
Persons under 5 years old, percent, 2000	5.4%	6.7%	5.2%	6.4%
Persons under 18 years old, percent, 2000	19.6%	24.4%	17.9%	25.5%
Persons 65 years old and over, percent, 2000	18.3%	12.0%	9.2%	13.1%
Female persons, percent, 2000	53.2%	51.0%	50.9%	50.6%
White persons, percent, 2000 (a)	78.0%	72.1%	84.0%	88.9%
Black persons, percent, 2000 (a)	17.6%	21.6%	5.8%	5.7%
American Indian and Alaska Native persons, percent, 2000 (a)	0.4%	1.2%	0.4%	0.9%
Asian persons, percent, 2000 (a)	0.9%	1.4%	5.8%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2000 (a)	0.1%	0.0%	0.0%	0.0%
Persons reporting two or more races, percent, 2000	1.6%	1.3%	2.3%	1.2%
Persons of Hispanic or Latino origin, percent, 2000 (b)	3.8%	4.7%	4.1%	3.6%
High school graduates, percent of persons age 25+, 2000	82.3%	78.1%	92.4%	85.1%
Bachelor's degree or higher, pct of persons age 25+, 2000	30.4%	22.5%	48.2%	22.4%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

In terms of business demographics, Madison and Asheville have very similar wholesale trade sales (as of 2002) and a similar percentage of Hispanic or Latino owned businesses. Madison has 5.7% more female-owned businesses, and Madison has 1.6% more Asian-owned businesses. For two cities so different in size and population numbers, the similar demographic characteristics are interesting to note and may play a role in other similarities between them as demonstrated in the categories below.

3.3-2: Demographics Comparison- Asheville, NC and Madison, WI

Business QuickFacts	Asheville	NC	Madison	WI
Wholesale trade sales, 2002 ($1000)	1,197,707	104,331,152	1,994,195	68,510,712
Retail sales, 2002 ($1000)	2,069,684	88,821,486	3,475,535	59,978,700
Retail sales per capita, 2002	$29,279	$10,685	$16,136	$11,027
Accommodation and foodservices sales, 2002 ($1000)	391,428	11,237,386	505,175	6,885,765
Total number of firms, 2002	9,224	642,597	17,128	393,241
Black-owned firms, percent, 2002	4.2%	8.1%	0.0%	1.7%
American Indian and Alaska Native owned firms, percent, 2002	0.0%	0.9%	0.8%	0.6%
Asian-owned firms, percent, 2002	1.6%	2.1%	2.8%	1.3%
Hispanic-owned firms, percent, 2002	1.3%	1.4%	1.8%	1.0%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	0.0%	0.0%	0.0%	0.0%
Women-owned firms, percent, 2002	25.5%	27.1%	31.2%	26.5%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

3.3.2 Arts and Culture

The large arts and culture community is where Madison really shines as a comparison city to Asheville. As a much larger city, Madison naturally has a larger number of venues, groups and activities than Asheville. However, Madison and Asheville share many similar offerings in public art, performing and visual arts, venues, and festivals.

Photo from www.jollygiants.com

Like Asheville's Urban Trail, Madison also offers self-guided walking tours – only it has more than a dozen, covering many of the neighborhoods and sections of the city[10]. Performing arts groups include the Wisconsin Chamber Orchestra, the Madison Opera, the Madison Symphony Orchestra, a professional theater company for individuals with disabilities (Encore Studios), and several community theater groups, including one specifically for kids. Dance companies include the Madison Ballet, a professional company, as well as the theatrical Tribal Fusion group Ashar Dance Company, Madison Contemporary Vision Dance company, and the West African Dance of Madison group.

[10] http://www.cityofmadison.com/planning/walkTour.html

Cultural venues in Madison include the Chazen Museum of Art at UWM, the Madison Museum of Contemporary Art, the UWM Botanical Garden and the Olbrich Botanical Gardens featuring 16 acres of gardens and a tropical conservancy. Performance venues include the historic Overture Center for the Arts, the Monana Terrace Community and Convention Center, the Kohl Center, Memorial Union, and the Alliant Energy Center[11].

Major events and festivals in Madison include Concerts on the Square by the Madison Chamber Orchestra, Rhythm and Booms, and a St. Patrick's Day Celebration. Concerts on the Square is a weekly summer program series running for six weeks each July and August[12] similar to Asheville's outdoor summer concert series Shindig on the Green or Downtown After 5. Rhythm and Booms is Wisconsin's largest one-day event, in celebration of Independence Day, offering daytime events and music before the fireworks[13]. The Madison St. Patrick's Day Celebration includes a parade to celebrate Irish culture[14].

3.3.3 Recreation and Retirement

While Madison may be more practical a city for young professionals and families than for retirees, it does have a number of attractions to senior citizens. Madison has six hospitals, including one 'best hospital' facility, and over 3500 elderly care facilities, according to U.S. News & World Report (*Madison, WI,* 2011). The University of Wisconsin Hospital and Clinics system is a teaching hospital with specialties in oncology, endocrinology, digestive disorders and transplant surgery (Madison, WI, 2011). There are eight community centers providing opportunities for education and recreation, as well as senior advocacy groups and a variety of public services provided to seniors. The Madison Senior Center, for example, provides continuing education courses, seminars on health and wellness, opportunities for volunteering, and activities such a senior prom, antique appraisals, picnics and art and music events[15].

Madison does not have the moderate climate of Asheville or Bozeman. Madison is humid with a large variation in seasonal temperatures, where winter temperatures can be below freezing and summer high temperatures general averaging in the 80s and even reaching 90 degrees, with high humidity. Hot summers and cold winters do not deter from many popular outdoor recreation activities, however. Madison has five lakes either within the city or nearby, including two lakes surrounding downtown Madison. Recreational activities include hiking, swimming and boating in the summer, and skiing, ice-fishing, and ice hockey in the winter (Madison, WI, 2011).

3.3.4 Environmental Consciousness

Overall, there is little evidence to suggest that the level of environmental consciousness is particularly similar to that among the Asheville community. Madison has 10 farmer's markets (to Asheville's 15+, both small tailgates and the large regional market), scattered in areas across the city[16]. There are a number of environmental agencies and non-profits, including Madison Environmental Group, Inc., a

[11] http://www.visitdowntownmadison.com/uploads/media/DowntownMadison_Web.pdf
[12] http://www.travelwisconsin.com/Article_Detail.aspx?ArticleID=161&menuid=194),
[13] http://www.rhythmandbooms.com/index.php
[14] http://www.stpatsmadison.org/
[15] http://www.cityofmadison.com/residents/Seniors/index.cfm
[16] http://www.cityofmadison.com/residents/farmersmarket.cfm

business focused on research and consulting on living and building green within the Madison community[17]; the Audubon Society of Madison; and the Madison location of the Environmental Law and Policy Center, focusing on global warming, clean energy, eco-business, smart transportation practices and protection of natural places[18].

3.3.5 Business Improvement District

Madison, Wisconsin's Business Improvement District should be of interest to proponents of Asheville's Community Improvement District, due to its business initiatives and the clean, green, and safety oriented programs it provides. The Madison BID was formed in 1999. Its mission is to promote business within the downtown area and strengthen the city's economic core. Madison's BID is funded through a compulsory property tax levied on downtown property owners which is collected by the City of Madison and then distributed to the BID to fund operations. Additional BID funding is generated through advertising and sponsorship campaigns organized by the BID (Madison, 2011a). Based on previous research mentioned in Chapter 1, this is the most common method for long-term success in raising funds for a BID.

Services

The BID of Madison funds holiday lighting, hanging baskets and planters, downtown Ambassadors, and a Downtown Map & Guide. Additionally, funding is allocated to marketing programs such as Downtown Gift Certificates, the downtown map, business recruitment and retention, and advocacy on behalf of stakeholders in city projects (Madison, 2011b).

Dowtown Madison, WI.
Photo from http://electioninfo.files.wordpress.com/2011/06/madison.jpg.

The Flower and Plant program, a program focused on 'cleaner and greener' streets should be of interest to Asheville's BID proponents. The Madison BID partners will the City of Madison Parks and Mall Maintenance, with funding coming primarily from the BID, to don streets with hanging planters and flower beds. Special summer baskets are provided through assistance from Olbrich Gardens and the Parks Department (Madison, 2011c).

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[17] http://www.madisonenvironmental.com
[18] http://elpc.org/

Business recruitment and retention, also of interest to downtown Asheville stakeholders, is provided by Madison's BID through their Doing Business program. Free of charge, the BID provides property and business owners with market and demographic research data (via a study co-funded by the BID), maintains commercial real estate listings, and provides resources to business financing and other resources (Madison, 2011d).

Structure

In Madison, the mayor appoints the BID Board of Directors. The BID employs two full time employees, plus an Executive Director and a Programming Coordinator, and ambassadors who are either volunteers or employed on a part-time basis.

Partnerships exist between the BID and the city, as well as with other groups including Downtown Madison, Inc. (DMI), the Greater State Street Business Association (GSSBA), the University of Wisconsin-Madison, the Downtown Coordinating Committee, and various other groups. Each of these groups is represented on the BID Board of Directors and meeting participation is reciprocal. The BID sponsors events organized by the above groups, such as the annual Cars on State and Maxwell Street Days, which draw tens of thousands of visitors into the downtown area and enhance the economy of the district (Madison, 2011e).

Economic Benefits

The Madison BID provides economic benefits to downtown Madison through a variety of programs proponents of Asheville are likely interested in. Since funding for the BID comes from a compulsory tax, it has been easier for the Madison BID to determine what funds will be available and how to allocate them. Investment in ambassadors and guides for visitors, cleaning streets, adding hanging baskets and putting up holiday lighting has made downtown Madison a more pleasant and enjoyable place for patrons to visit. Assistance to local businesses, including market research and demographic data, has strengthened the connection between business owners and downtown, improving recruitment and retention. Improving the downtown experience for both visitors and businesses is a winning combination when looking to the economic benefits of a BID.

3.4 Comparison Case Study – Portland, Oregon

3.4.1 Demographics

Refer to Appendix B, Table B.14 for a U.S. Census Bureau's QuickFacts demographics sheets for a comparison of Asheville, NC and Portland, OR.

Anecdotally, many who know both Asheville and Portland draw comparisons between the two cities. While Portland is a large metropolis – much larger than Asheville – it has already been noted that Asheville carries many characteristics of a city bigger than its size. Demographic similarities include the percentage of white people versus those of other races, although Asheville has more African Americans and Portland has more people of Asian and Hispanic or Latino descent, education levels (both high school graduates and those with higher level degrees), homeownership rate, and per capita income.

There are many institutions of higher learning in Portland, including Portland State University (the only university located downtown), Concordia, University of Oregon – Portland, and University of Portland. Like Asheville, Portland is a city characterized by rivers and surrounded by mountains. Portland is located in a valley with views of the Cascade Mountains, including Mount Hood, Mount Tabor, Mount Adams and Mount Saint Helens. The Willamette River runs through the city ("Portland, OR," 2011). Aside from topography, Asheville and Portland also share many similarities in arts and culture, recreation, and environmental consciousness. These easy comparisons are the reasons Portland is included as a comparison city, and its business improvement district services and structure are examined.

3.4.2 Arts and Culture

Portland is known for its arts and culture. American Style named it the tenth Big City Arts Destination in the United States in 2006. Popular music is an important part of the arts and culture in Portland, stemming back to the early 90's grunge rock period of Nirvana, Kurt Cobain and Courtney Love. Many formerly and currently famous national bands came from Portland and many independent-label bands now touring nationally are also from Portland ("Portland, OR," 2011).

Art museums include The Portland Art Museum[19], Museum of Contemporary Craft[20], and the Bathtub Art Museum[21]. Many galleries may be found in the Pearl District[22] and also in the Alberta Arts District[23], a designated arts community similar to Asheville's River Arts District. The Regional Arts and Culture Council is responsible for all of Portland's public art, which includes the second largest hammered copper sculpture in the United States, after the Statue of Liberty, titled Portlandia ("Portland, OR," 2011). Portland has a public art walking tour, similar to Asheville's Urban Trail but on a much larger scale[24].

Performing arts companies in Portland are plentiful and include the Portland Opera, the Portland Symphony, the Portland Philharmonic Youth Orchestra, the nation's first youth orchestra [25]. Theater arts include the Oregon Ballet Theater, a company that performs both locally and nationally[26], Portland Center Stage, the leading professional theater company in Portland[27], a national traveling puppet theater called Tears of Joy[28], and the Oregon Children's Theater[29]. Portland also has community theater groups including the Artists Repertory Theater[30], Coho Productions[31], Do Jump[32], Imago Theater[33] and

[19] www.pam.org
[20] www.museumofcontemporarycraft.org
[21] www.bathtubmuseum.org
[22] www.explorethepearl.com
[23] www.artonalberta.org/
[24] http://racc.org/sites/default/files/2010-Public-Art-Guide-1110.pdf
[25] www.portlandyouthphil.org
[26] www.obt.org
[27] www.pcs.org
[28] www.tojt.com
[29] www.octc.org
[30] www.artistsrep.org
[31] www.cohoproductions.org

more[34].

The primary performing arts venue in Portland is the Portland Center for the Performing Arts, or PCPA, which includes three buildings and three concert halls, two theaters, and an auditorium. Both local and national acts perform here, and with over 900 annual performances PCPA is considered one of the top 10 performing arts centers in the United States[35]. Other cultural venues include the Beverly Cleary Sculpture Garden, the Oregon Museum of Science and Industry, and the Children's Museum of Portland[36].

Like Asheville, Portland loves its local beer. Portland has the largest number of breweries in the nation – 27 at last count ("Portlandbeer.org," 2011). The city is known by a variety of beer-inspired nicknames, including Beervana, Brewtopia and Beertown ("Portland, OR," 2011). The biggest annual brew festivals in Portland include the North American Organic Brewers Festival, Portland International Beer Festival, Oregon Brewers Festival, and Holiday Ale Fest, although many other, smaller beer-focused events occur throughout each year (Travel Portland, 2011b)

While in Asheville it seems a festival, no matter how large or small, is occurring every weekend during the summer, large festivals occur year-round in Portland. Major Portland festivals include the Fertile Ground Festival, Chinese New Year, Portland Jazz Festival, Cirque du Cycling, Portland Rose Festival, Waterfront Blues Festival, and many more (Travel Portland, 2011a).

3.4.3 Recreation and Retirement

In 2007, CNN Money ranked Portland's Pearl District as the 9th best neighborhood in which to retire. By comparison, in 2010 CNN Money also ranked Asheville number 22nd of the 25 best places to retire, demonstrating yet another similarity between the two cities. Portland has eight hospitals, with the Oregon Health and Science Hospital ranked a 'best hospital', and over 2900 elderly community care facilities (U.S. News, 2011).

The weather in Portland is typically mild, with an average high temperature of 80 degrees in the summer, although heatwaves exceeding 100 degrees may occur in July and August due to lack of sea breeze. During summer, the average high is 40 degrees with lows typically above freezing, although major snow and ice storms may occur due to airflow through the nearby Columbia River Gorge. Winters are often rainy, as is common in the northwest, but summers are usually dry ("Portland, OR," 2011).

[32] www.dojump.org
[33] www.imagotheatre.com
[34] http://www.portlandconnected.com
[35] www.pcpa.com
[36] http://www.museumspot.com/cities/portland.htm

The draw for retirees is the abundance of activities and the convenience of big city medical centers. Popular recreation in Portland leans towards outdoor activities, much like Asheville. Portland's mild weather and proximity to mountains makes hiking, running, biking and mountain climbing all popular outdoor activities. Golf is also popular, and Portland boasts two courses ranked among the nation's best by *Golf Digest.* Winter activities center around the Mount Hood area, which is about an hour's drive from Portland. Mount Hood has one of the longest skiing seasons in the country, and those in the Portland area take advantage, enjoying skiing, snowboarding, snowshoeing, and ice climbing. Summer activities include kayaking within the city, and fishing, whitewater rafting, windsurfing and kiteboarding nearby (Travel Portland, 2011c).

Downtown Portland, OR.
Photo from http://media.oregonlive.com/portland_impact/photo/

3.4.4 Environmental Consciousness

Environmental consciousness is part of Portland's culture, beyond that of Asheville's. It is considered the number one greenest city in the United States, according to Popular Science in 2008 (Svoboda, 2008). While many people do drive in Portland, the city makes it easy for them to also bike and take public transportation. Portland is ranked the number one city for bicyclists, and the affordable public transportation network includes buses, trains and light rail that can be easily tracked by GPS to determine arrival times (Jeffries, 2008).

Like Asheville, eating local is a mantra among many of those living in Portland. There are many small fisheries, meat producers, and produce farms that sell to local restaurants, and local chefs are often determined to cook seasonal ingredients based on local farming (Asimov, 2007). Portland also has six farmer's markets, along with over 35 metro area markets[37], plus many more tailgates and community gardens operating to provide local food within Portland's neighborhoods (Travel Portland, 2011d).

Portland, OR Saturday Market.
Photo from www.destination360.com.

Portland's public policy plays a large role in the city environmental consciousness. The convention center was the first in the nation to gain LEED certification. The city is also one of the few to

[37] http://www.portlandfarmersmarket.org

eliminate a highway running through downtown and replace it with a large, 29-acre city park. The city government enacted an Urban Growth Plan in 1980 to implement sustainable growth and prevent sprawl, have building policies that encourage green construction, and produced a 2009 Climate Action Plan urges an 80 percent reduction in greenhouse emissions by 2015 (Travel Portland, 2011d).

3.4.5 Business Improvement District

Portland's business improvement district is one of the oldest in the United States – and at 213 blocks it is also one of the largest. The BID provides the funding for the Downtown Clean and Safe Program, the Downtown Retail and Marketing Program, and the Sidewalk Ambassador Program. Portland Downtown Services, Inc (PDSI) was created with the BID legislation to provide these programs. PDSI is a private, non-profit organization which holds a contract with the Portland Business Alliance to manage these BID programs (PBA, 2011c). The BID is part of the Portland Business Alliance. Although the BID represents only the downtown ("Center City") portion of the PBA, both are examined here because of their cooperation and programs that may appeal to Asheville's BID proponents.

Structure

Portland's business improvement district is the downtown entity of the Portland Business Alliance. The Portland Chamber of Commerce merged with the Association for Portland Progress in 2002 to create this new organization. The Portland Business Alliance supports the more than 1,300 business located in the Portland-Vancouver area, of which 82 percent have fewer than 100 employees. The PBA is overseen by a Board of Directors with 56 members, and has a staff force of 30 employees (PBA, 2011a).

The main goals of the Portland Business Alliance are private sector job growth; economic vitality; sustainability as balanced between a healthy economy, educated workforce, and environmental stewardship; educational opportunity; central city; business support including programs and services for Portland-region business such as leadership development; and keeping downtown Portland clean and safe, which includes Portland Downtown Services, Inc. and resources from the BID for crime prevention training, operations assistance to businesses, staffing neighborhood associations located downtown, and providing market research and marketing (PBA, 2011a).

The Portland Business Alliance is funded through membership dues, special events profits and sponsorships (PBA, 2011a). A separate Political Action Committee funds any political activities and alliance members may contribute to the PAC fund if they choose (PBA, 2011g). The business improvement district is funded through a fee structure as agreed upon by business owners within the district (PBA, 2011c).

Services

The Portland Business Alliance boasts a couple of specific programs they are proud of funding, including holiday lights downtown, which were switched to LED lights, saving money over the long term and energy. The PBA worked with the Mayor's Downtown Retail Initiative, facilitating the opening of four shops designed to provide free retail space to local artists and designers while reopening vacant storefronts during the holiday season. The PBA also manages the Clean and Safe Program, administered by Portland Downtown Services, Inc. Their web site attributes a 34 percent drop in crime to this program, which includes crime-prevention services, employing private security patrols, utilizing bike patrol officers from the Portland Police Department, providing additional sidewalk cleaning and graffiti removal and using sidewalk ambassadors, including a downtown information kiosk (PBA, 2011a).

The Adopt-A-Belly program is one of the key factors for Portland's initiative to be Clean & Green. This program is a partnership between public and private entities that provide BigBelly® trash receptacles across Portland. BigBelly® is a solar-powered trash compactor that can hold five times more garbage than a typical bin, reducing the frequency of trash pick-ups and the pollution and greenhouse gas emissions associated with it (PBA, 2011d).

A downtown retail strategy is updated by the Portland Business Alliance and Portland Development Commission to increase retail space in the downtown Portland Retail Core. The most recent update includes action items achievable over five years, including leveraging public and private investments already underway, mitigate liabilities that are negatively affecting retail downtown, and maximize efforts by coordinating public and private participation. The responsibility for implementing retail strategies falls on the person holding the position of downtown retail advocate (PBA, 2011f).

PDSI also provides market research to downtown property and business owners. This includes an annual survey of businesses and visitors as well as pedestrian counts, central city redevelopment reports – including the status of all projects, and maps related to downtown economic development - including downtown parking, hotel density, retail core, housing density, and property descriptions. PDSI also provides an online inventory of available commercial property, and allows owners to create new listings themselves to help keep the inventory up-to-date (PBA, 2011e).

Economic Benefits

The economic benefits provided to downtown as a result of Portland's BID come primarily from the market research, street cleaning, and graffiti removal performed by Portland Downtown Services, Inc. The services being provided by Portland's BID are noteworthy and seem to be quite successful in boosting downtown Portland's image and business retention. Yet it is important to note there is noisy opposition to the BID. In the current governmental budget climate, it is important to clearly demonstrate to the public how money is being spent. The BID may not be providing services most important to the public or BID stakeholders, or it may have mismanaged demonstrating that these valuable services are being provided to the downtown area.

3.5 Comparison Case Study – Ann Arbor, Michigan

3.5.1 Demographics

Refer to Appendix B, Table B.15 for a U.S. Census Bureau's QuickFacts demographics sheets for a comparison of Asheville, NC and Ann Arbor, MI.

Ann Arbor is less similar to Asheville than other benchmark cities in size, population demographics, and climate. However, this city embraces an ideology similar to that of Asheville that is evident in Ann Arbor's commitment to environmentally friendly practices, its extensive public art program and varied cultural venues, numerous recreational opportunities that are enhanced by municipal support and funding, and a uniquely structured BID that seems to greatly enhance the city and its initiatives. Ann Arbor was a finalist in the "All-America City" contest in 2011 and has received countless other awards by numerous ranking agencies naming it among the top best places to live in the United States (City of Ann Arbor, 2011c).

Public Art Dedication in Ann Arbor, MI. *Photo from https://fbcdn-sphotos-a.akamaihd.net.*

Ann Arbor's median household income is $46,299, substantially higher than Asheville's $32,772. This may be attributed to the fact that the percentage of Ann Arbor residents holding a bachelor's degree or higher is 69.3%, twice that of Asheville's 30.4%. However, Ann Arbor has a higher poverty rate than Asheville by nearly an entire percentage point, and yet is ranked by TopRetirements.com to have a low crime rate. Overall, Ann Arbor's cost of living is low compared to the goods and services available there.

3.5-1: Demographics Comparison- Asheville, NC and Ann Arbor, MI

People QuickFacts	Asheville	NC	Ann Arbor	MI
Median value of owner-occupied housing units, 2000	$109,100	$108,300	$181,400	$115,600
Median household income, 1999	$32,772	$39,184	$46,299	$44,667
Persons below poverty, percent, 1999	15.5%	12.3%	16.6%	10.5%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

The diversity of Ann Arbor is mainly comprised by a large (11.9%) Asian population, while most of Asheville's diversity is Black Americans (17.6%.) The Latino and Hispanic populations of both cities are very similar at 3.8% for Asheville and 3.3% for Ann Arbor.

3.5-2: Diversity Comparison- Asheville, NC and Ann

Arbor, MI

People QuickFacts	Asheville	NC	Ann Arbor	MI
Population, 2006 estimate	72,789	8,856,505	113,206	10,095,643
Population, percent change, April 1, 2000 to July 1, 2006	2.3%	10.1%	-1.0%	1.6%
Population, 2000	68,889	8,049,313	114,024	9,938,444
Persons under 5 years old, percent, 2000	5.4%	6.7%	5.0%	6.8%
Persons under 18 years old, percent, 2000	19.6%	24.4%	16.8%	26.1%
Persons 65 years old and over, percent, 2000	18.3%	12.0%	7.9%	12.3%
Female persons, percent, 2000	53.2%	51.0%	50.6%	51.0%
White persons, percent, 2000 (a)	78.0%	72.1%	74.7%	80.2%
Black persons, percent, 2000 (a)	17.6%	21.6%	8.8%	14.2%
American Indian and Alaska Native persons, percent, 2000 (a)	0.4%	1.2%	0.3%	0.6%
Asian persons, percent, 2000 (a)	0.9%	1.4%	11.9%	1.8%
Native Hawaiian and Other Pacific Islander, percent, 2000 (a)	0.1%	0.0%	0.0%	0.0%
Persons reporting two or more races, percent, 2000	1.6%	1.3%	3.1%	1.9%
Persons of Hispanic or Latino origin, percent, 2000 (b)	3.8%	4.7%	3.3%	3.3%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

Ann Arbor has 17 colleges, universities, and professional schools within a 30 mile radius, and an additional six schools categorized as junior colleges and technical institutions (CNN Money, 2008). Within the city itself there are 5 colleges and universities (City of Ann Arbor, 2011a). The University of Michigan alone adds 40,000 students annually to the city's population.

3.5.2 Arts & Culture

Similar to Asheville, Ann Arbor's rich architectural history is evident in many of the structures located in the downtown area. Visitors can view buildings designed by Frank Lloyd Wright, beautiful churches such as St. Andrew's Church, and many early 19th century homes. University of Michigan's campus is home to an immense 2-block Art Deco landmark known as the Rackham Building. Several walking tours highlighting the architectural and historic landmarks of the city are available via iTunes and other digital applications (City-data.com, 2009b).

The University of Michigan presence on the perimeter of the downtown area loans its influence to the cultural atmosphere by hosting venues such as the University Hill Auditorium, a renovated 1913 performance hall credited with being comparable to New York City's Carnegie Hall and the Kennedy Center in the nation's capitol (City-Data.com, 2009b). The Henry Freize Pipe Organ is housed here and is still in use, a relic of the 1883 Chicago World's Fair. Additionally, the university operates the Exhibit Museum of Natural History, the Kelsey Museum of Archaeology, and the Museum of Art in Alumni Memorial Hall. The University is also home to the 700+ acre Matthaei Botanical Garden (Matthaei, 2011).

Performing arts troupes are numerous in downtown Ann Arbor. The University Musical Society performs over 60 times annually, and has been in existence since 1879[38]. The Ann Arbor Symphony Orchestra[39], Ann Arbor Chamber Orchestra[40], the Comic Opera Guild[41], the Gilbert and Sullivan Society[42], the Ann Arbor Civic Theatre[43], the Young People's Theatre[44], and the Ann Arbor Civic Ballet[45] are active in the city and on the campus of the university.

Ann Arbor Downtown Parade.
Photo from http://relish.myraklarman.com/images/432.jpg.

Ann Arbor, like Asheville, is recognized as a culinary destination. CNN Money lists 1,332 restaurants and 81 bars for the downtown and surrounding areas of Ann Arbor. Turkish, Ethiopian, Caribbean, Korean, Greek, and other flavors dominate the culinary landscape. City-Data.com lists Zingerman's Delicatessen as one of the top delis in the country and is also named the "Coolest Small Company in America" by Inc. magazine. In addition, 24 movie theatres can be found throughout the city, which also hosts seven film societies (City-Data.com, 2009b). The city of Ann Arbor is the number one home to book sellers and book sales in the country (SGI, 2004).

Art and art galleries are found in and around the area. Ann Arbor has an extensive public art program that funds annual projects by local artists. This program is maintained with city funds and appropriated according to proposals submitted by the artist (City of Ann Arbor, 2011b). An interesting example of an installation art project is the fairy doors, which are small portals placed in random locations downtown ("Fairy Doors," 2011). The City of Ann Arbor does not maintain an updated inventory of public art

[38] http://www.ums.org/
[39] http://www.a2so.com/
[40] http://www.dramonline.org/ensembles/ann-arbor-chamber-orchestra
[41] http://www.comicoperaguild.org/
[42] http://www.umgass.org/
[43] http://a2ct.org/
[44] http://www.youngpeoplestheater.com/
[45] http://www.sylviastudio.com/civic.htm

installations, but they estimate that there are 11 pieces of public art, plus around 14 small murals and paintings on fire hydrants and traffic control boxes (Aaron Seagraves, personal communication, August 11, 2011). Ann Arbor is home to an annual Art Fair event, a four-day street festival sponsored by the Downtown Development Authority and others that hosts over a thousand artists, making it one of the largest such street fairs of its kind in North America ("Ann Arbor Art," 2011). The festival draws tens of thousands of visitors, according to the City of Ann Arbor (Art Showcase, 2011).

Other festivals draw downtown visitors throughout the year. The Ann Arbor Folk Festival, Film Festival, Winter, Spring, and Summer Festivals, and Edgefest, a three day jazz festival each add their mark to the cultural atmosphere of Ann Arbor's downtown (City-data.com, 2009b).

3.5.3 Retirement & Leisure

AARP lists Ann Arbor as the Healthiest City to Live and Retire In, based on the clean air and water, access to healthcare, and also according to economic indicators and the benchmarks outlined within this report of arts and culture and recreation (Brown, 2008). The city of Ann Arbor provides boundless recreational opportunities. The city's 157 parks have extensive trail systems, public golf courses, canoe liveries, and organized sports venues such as tennis courts and athletic fields (City of Ann Arbor, 2011a). Citizens enjoy a range of activities, from cross country skiing and ice skating in the winter to swimming and tennis, cycling, and footraces in the warmer months ("Ann Arbor," 2011). The 123-acre Nichols Arboretum is located on the campus of the University of Michigan, and is available both for research purposes and for use by the public for picnicking and hiking (City-data.com, 2009b).

A Fairy Door in Ann Arbor. *Photo from http://en.wikipedia.org.*

All residents young and old have access to one of the top healthcare systems in the nation in Ann Arbor. The city is home to the nation's 14th best hospital, according to a 2011 *U.S. News & World Report article,* Best Hospitals 2011-12: the Honor Roll. The medical center employs approximately 800 of the area's 1,400 practicing physicians (City-Data.com, 2009a) and nearly 12,000 individuals overall ("Ann Arbor," 2011).

The climate of Ann Arbor is significantly different from that of Asheville. While there are four seasons, winters see heavy snowfall that averages 52 inches and below freezing temperatures and summers are humid and warm. Spring and fall are mild but fleeting. Lake effect weather creates overcast skies during the transition between fall and winter ("Ann Arbor," 2011).

3.5.4 Environmental Consciousness

Popular Science magazine designated Ann Arbor as number 24 among the nation's top 50 greenest cities (Svoboda, 2008). According a New York Times November 2010 article, the state has invested $4.1 billion in solar technology and manufacturing between 2009 and the present. It also ranks fourth in the country for solar industry employment, with over 6,300 jobs in Michigan (Schneider, 2010). The progressive approach to environmental preservation taken by the City of Ann Arbor could serve in a benchmark capacity for downtown Asheville's Business Improvement District's own environmental initiatives. The city operates an extensive recycling program that works in conjunction with a number of municipal entities and the DDA and Chamber of Commerce to promote recycling and to educate business owners regarding the process of solid waste management (City of Ann Arbor, 2011d). In 2005, the governor of Ann Arbor set a goal for the city to reach 20% renewable energy by 2010. That goal was reached in 2011, according to the city's website (City of Ann Arbor, 2011e).

Ann Arbor, MI.
Photo from http://blog.mlive.com/businessreview/annarbor.

Portland, OR and Boulder, CO have worked toward and accomplished similar initiatives. Ann Arbor voters imposed a tax on themselves to set up a fund for the purchase and acquisition of green space. The city has since acquired 1,782 acres of land it maintains as public open space in and around the city (Stanton, 2010). Ann Arbor is also designated as a Tree City, USA, a distinction it shares with Asheville. LED Holiday lighting and LED street and traffic lights have been introduced throughout the city as part of a 2007 grant approved by the Downtown Development Authority. The switch has saved the city $49,000 annually so far (Ann Arbor DDA, 2011b). This initiative is Dark Skies Compliant[46], a global initiative that would also be a goal worth considering for downtown Asheville to pursue as part of its BID improvement schedule. The Ann Arbor Downtown Development Authority also maintains an Energy Saving Grant Program, which provides building energy audits at cost that identify energy waste within the structure due to drafts or inefficient lighting and suggestions for energy-saving renovations (Ann Arbor DDA, 2011a).

3.5.5 Business Improvement District

Ann Arbor has a small business improvement district in comparison with other benchmark cities. Formally known as the Main Street Business Improvement Zone (MSBIZ), its main focal area is a three block strip of the city. The MSBIZ was established to address deterioration of the district and to provide enhanced municipal services, such as snow and graffiti removal, landscape design, installation, and maintenance, lighting installation and upgrade, additional security services, and economic activity promotion through event creation and sponsorship (Main Street, 2009).

Structure

Ann Arbor's MSBIZ is mainly funded by grants and personal investments by board members. The first BIZ Board meeting was held on July 1, 2010. Currently, the MSBIZ is operating under a voluntary contribution structure (Main Street, 2009). While this structure seems to work in Bozeman and Ann Arbor, it is not the recommended course of action for the Asheville BID. However, we feel that the city's

[46] www.darkskies.org

partnerships and initiatives so closely matched the vision of downtown Asheville that it was worth including Ann Arbor as a benchmark BID location.

Ann Arbor's MSBIZ works closely with the Downtown Development Authority (DDA). The DDA is a twelve member volunteer committee funded by Tax Increment Financing (TIF). It is the main force in shaping environmental policy within the downtown area of Ann Arbor, and works additionally to address parking issues and promote alternative transportation in the city. One solution to the problem of limited parking was found by installing solar-powered ePay meters throughout the city that have funded additional parking garage construction and alternative transportation initiatives (Ann Arbor DDA, 2011c).

Economic Benefits

Ann Arbor's Main Street Business Improvement Zone provides economic benefits to downtown Ann Arbor through its concentrated improvement of three main blocks of the city. These improvements and supplemental services make downtown a more manageable place to run a business and solving parking problems encourages more consumers to spend time downtown. The MSBIZ collaboration with the Downtown Development Authority in Ann Arbor boosts the ability to provide necessary changes to make downtown more desirable. Combined, the voluntary and grant funded MSBIZ and the TIF funded DDA have a large enough budget to improve downtown Ann Arbor, resulting in economic benefits to downtown that provide a return on investment for these entities and their stakeholders.

3.6 Comparison Case Study- Boulder

3.6.1 Demographics

Refer to Appendix B, Table B.16 for a U.S. Census Bureau's QuickFacts demographics sheets for a comparison of Asheville, NC and Boulder, CO.

Boulder's population is close to that of Asheville, and is home to 91,481 people. 25% of the total population of the state of Colorado lives in Boulder, although the city has witnessed an exodus perhaps as a result of the 2008 economic downturn. There is a large demographic of young people, both in the age 18 and under category as well as those under the age of 65. The retired population is about half that of Asheville. The Latino and Hispanic population of Boulder, CO is 8.2%, contrasting sharply to that of Asheville's 3.8%. The high school and college graduation rates are quite similar for Boulder and Asheville, with less than a 5% difference in either category. Both cities contain similar numbers of households, persons per household and per capita money income. Overall, Asheville tops Boulder in wholesale, retail, and foodservice sales despite their apparent similarities of store content and offerings.

3.6.1: Demographics Comparison- Asheville, NC and Boulder, CO

People QuickFacts	Asheville	NC	Boulder	CO
Population, 2006 estimate	72,789	8,856,505	91,481	4,753,377
Population, percent change, April 1, 2000 to July 1, 2006	2.3%	10.1%	-3.2%	10.5%
Population, 2000	68,889	8,049,313	94,673	4,301,261
Persons under 5 years old, percent, 2000	5.4%	6.7%	4.1%	6.9%
Persons under 18 years old, percent, 2000	19.6%	24.4%	14.8%	25.6%
Persons 65 years old and over, percent, 2000	18.3%	12.0%	7.8%	9.7%
Female persons, percent, 2000	53.2%	51.0%	48.4%	49.6%
White persons, percent, 2000 (a)	78.0%	72.1%	88.3%	82.8%
Black persons, percent, 2000 (a)	17.6%	21.6%	1.2%	3.8%
American Indian and Alaska Native persons, percent, 2000 (a)	0.4%	1.2%	0.5%	1.0%
Asian persons, percent, 2000 (a)	0.9%	1.4%	4.0%	2.2%
Native Hawaiian and Other Pacific Islander, percent, 2000 (a)	0.1%	0.0%	0.1%	0.1%
Persons reporting two or more races, percent, 2000	1.6%	1.3%	2.4%	2.8%
Persons of Hispanic or Latino origin, percent, 2000 (b)	3.8%	4.7%	8.2%	17.1%
High school graduates, percent of persons age 25+, 2000	82.3%	78.1%	94.7%	86.9%
Bachelor's degree or higher, pct of persons age 25+, 2000	30.4%	22.5%	66.9%	32.7%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

Boulder, Colorado is a college town located in the Rocky Mountains. 32,000 University of Colorado students take up residence each academic year, and contribute tremendously to the downtown atmosphere and economic make-up. Boulder was rated the 6th healthiest city in the nation by AARP, and was designated the "Happiest City in America" by Gallup in 2010 (Miller, 2010).

3.6.2 Arts and Culture

Boulder has a vibrant food culture, much of which is centered in the downtown Pearl Street district. In 2010, the city was named "America's Foodiest Town" by Bon Appetit magazine (Knowlton, 2011). The diverse selection of flavors and innovative chefs mirrors that of Asheville. Boulder has eight farmers markets offering a varied cornucopia (GoBoulder.com, 2011).

Numerous art galleries line the streets of the downtown area. Boulder hosts Open Studios[47], similar to the River Arts District Studio Strolls. The Boulder Museum of Contemporary Art and the Colorado

[47] http://www.openartsboulder.org/about.html

University Art Museum offer varied exhibits that educate and inform the public and are comparable to the Asheville Art Museum in scope and exhibit space. The University of Colorado Museum houses Native American artifacts, and includes exhibits of archaeology, zoology, and geology. The Collage Children's Museum is comparable to Asheville's Health Adventure, and is a large space with opportunities for children to become involved in art exhibits, puppet shows, and other classes and scientific workshops. Boulder hosts two sculpture parks. The Charles A. Haertling Sculpture Park is owned by the City of Boulder, and contains four installments by local artists. The Leanin' Tree Museum and Sculpture Garden of Western Art is a privately owned outdoor exhibition gallery[48].

Boulder's musical performing arts culture is varied along an extreme continuum. One end of the spectrum includes classical music performances by the Boulder Philharmonic Orchestra, Timberline Symphony Orchestra, opera hosted by the University of Colorado, Boulder Chorale, Boulder Concert Band, Boulder Suzuki Strings, and the Boulder Youth Symphony. Other groups, such as the Ars Nova Singers, Boulder Timberliners, and the Rocky Mountain Chorale cover everything from a cappella Renaissance to barbershop to African folk songs and modern American music, respectively. Dance performances are conducted by the Boulder Ballet. Stories on Stage[49], a nonprofit initiative modeled after Selected Shorts, presents live readings of literature to ticketed audiences. These performances take place in a range of venues, including the Boulder Theatre, the Dairy enter for the Arts, and the Mackey Auditorium. The Boulder Circus Center[50] is home to the Lazer Vaudeville and also offers workshops, classes, festivals, and performances. The numbers of venues both large and small that host Boulder's performing arts organizations are similar in scope to that of downtown Asheville, as are the number of performing troupes.

Boulder Mall, Downtown.
Photo from http://farm3.static.flickr.com/2310/2417753671_069f8e39b9.jpg.

Boulder celebrates during numerous art, music, performing art, and holiday festivals. The Colorado Shakespeare Festival[51] draws over 40,000 attendees each year. The Boulder International Fringe Festival[52] is a 12 day event aimed at involving the audience and public with art and performances locally and around the globe. Like Asheville, Boulder hosts several film festivals for professional, amateur, and student filmmakers. The Downtown Boulder BID supports annual events as well. These include holiday festivals and an Art Fair (Downtown Boulder, 2011).

In much the same spirit as Asheville, Boulder is a spiritually diverse place, and is often viewed as a Mecca for eastern religious practitioners. Naropa University[53], a Buddhism-based 4-year college and one of only two such accredited universities in the country, resides in Boulder. There is a strong

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[48] *http://bcn.boulder.co.us/arts/museums.html*
[49] http://storiesonstage.org/history.aspx
[50] http://bouldercircuscenter.com/2009/?page_id=2.
[51] http://www.coloradoshakes.org/the-plays/about-the-festival
[52] http://www.coloradoshakes.org/the-plays/about-the-festival
[53] www.naropa.edu

community commitment to science and technology in the Boulder community. Boulder has earned national recognition as "The Brainiest City in America" by Portfolio.com, along with many other accolades (City of Boulder, 2011b). Boulder is home to the National Institute of Standards and Technology (NIST), where the atomic clock is housed. The National Center for Atmospheric Research and the National Oceanic and Atmospheric Administration (NOAA) are also found in Boulder. Wikipedia lists 18 science institutes for the Boulder, Colorado area ("Boulder, Colorado," 2011).

Historical emphasis in Boulder centers on the early 19th century establishment of the area as a mining town, which occurred as white settlers of North America migrated west. The Carnegie Branch Library contains collections on local history, including over 200,000 photographs and other historical documents such as diaries and genealogies. The Boulder Museum of History, the Chautauqua Association, and the University of Colorado Heritage Center are all dedicated to this early era of the city's history[54].

3.6.3 Retirement and Leisure

Boulder, CO tops everyone's lists as one of the best cities in the nation to live, retire, and recreate. Among the most notable, Gallup awarded Boulder with its "Happiest City in America" distinction (Miller, 2010) and AARP designated Boulder as one of "The Top Ten Healthiest Places to Live in America" in 2008 Boulder tops numerous other lists that rank fitness. Outside magazine named Boulder the number three "Best Town" in 2006 (City of Boulder, 2011b).

Boulder's climate is a semi-arid one, and the city sees over 300 sunny days per year on average Low temperatures in the winter average 20 degrees (F), and can sometimes drop below zero. Summertime temperatures regularly rise into the 90s. However, the unique geography of the area and the resultant lack of atmospheric moisture make the climate feel less extreme ("Boulder, Colorado," 2011). While Asheville is a more humid, temperate climate, both locations offer relatively mild temperatures and many opportunities for year-long recreation.

The opportunities for outdoor recreation are seemingly endless in Boulder. The Rocky Mountain National Park is located about an hour's drive from the city center. The town itself boasts 144 miles of hiking trails, 50 miles of which are also open to cyclists (City of Boulder, 2011a). There are 54 golf courses within just 30 miles of the city ("Boulder: Colorado," 2011) and an annual Memorial Day race known as the "Bolder Boulder" is hosted by the city and registers over 50,000 participants each year ("Bolder Boulder," 2011).

3.6.4 Environmental Consciousness

Boulder was one of the first cities in the country to recognize the value of open space and work proactively to protect the vistas and watersheds that are vital to its existence and thriving economy. This vision dates back as early as 1899, when an 1800 acre tract was set aside outside of Boulder for watershed protection (Boulder, Colorado, 2011). City water services only reach to elevations below 5,750 feet as the result of a 1957 voter-approved referendum to prohibit slope side development. In 1967 a sales tax enacted by voters was approved for the acquisition of open space. The city has since

[54] *http://bcn.boulder.co.us/arts/museums.html*

acquired 98,000 acres of land surrounding it that is currently enjoyed recreationally by the thousands of residents and visitors of the Boulder area (Boulder County, 2011b). Boulder is also committed to wildlife preservation and ecosystem management. To this end, the City of Boulder has designed and maintains an innovative Comprehensive Plan that regulates development, water and air quality, and establishes protection for wildlife, including the prairie dog (Boulder County, 2011a).

Downtown Boulder.
Photo from www.downtownboulder.com

In keeping with their long tradition of conservation and protection, Boulder has adopted a vast array of environmental initiatives that once again rocket it to the top of the heap and earn the city top rankings in green initiatives and programs (City of Boulder, 2011b). In 2005, both the City and County of Boulder adopted what is known as the Zero Waste plan, which encourages recycling, composting, and waste reduction throughout the business and residential community (Eco-cycle, 2011). Boulder currently powers its city with an average of 10-15% renewable wind energy, which could increase to as much as 70-90% pending acceptance of a 20-year contract that is currently under negotiation (Urie, 2011). In 2007, the city enacted its Green Building and Green Points Program, which encourages builder and renovators to adhere to strict environmental standards of waste reduction, recycled product usage, and energy efficiency increases (City of Boulder, 2009).

3.6.5 Business Improvement District

Structure

The Downtown Boulder Business Improvement District (BID) is potentially the most similar in scope to the format discussed for the downtown Asheville area. Founded in 1987, Boulder's BID encompasses a 49-block neighborhood with over 1000 businesses, 85 percent of which are owner-operated. Property owners pay a tax on their property that is used for community improvement, safety, and business promotional purposes. The Downtown Boulder BID works with the City of Boulder and the downtown association known as Downtown Boulder Incorporated (DBI). These entities have worked hard to create what they consider to be "one of the great downtowns of the world" (Downtown Boulder, 2011).

Pearl Street Mall - One BID in Boulder, CO.
Photo by http://photos.igougo.com/images/p117806-Boulder-Pearl_Street_Mall.jpg.

Services

Services provided by the BID are contracted out to private organizations. These businesses handle graffiti removal, trash clean up, general security, and event productions. A 'street team' patrols downtown daily to take note of issues and improvements, contributing to the safety and quality of downtown Boulder. Additionally, the BID provides businesses with marketing, disseminating information, providing research and business promotion, and encouraging enterprise diversity. Events sponsored by the BID include a free summer concert series, annual art fair, fall festival, summer festival and a holiday parade. The result of these efforts is a destination shopping district with an eclectic artisanal economic blend (Downtown Boulder, 2011).

Economic Benefits

The comprehensive nature of the Downtown Boulder Business Improvement District's programs and services has provided many economic benefits to the downtown area. This BID has done a particularly good job of recruiting and retaining local businesses of all kinds, from retail shops to services and even artist studios. The economic benefits from the efforts of this BID's physical improvements, safety and security, marketing, and event promotion are evident in the establishment of downtown Boulder as a destination district for working, shopping, and playing. The importance of the BID in maintaining downtown as a destination district is providing the steady income to ensure downtown Boulder retains its popularity and continues to improve.

Chapter 4: Asheville Downtown Business Survey

4. Asheville Downtown Business Survey

In order to gather information about downtown businesses and provide the City of Asheville, Asheville Downtown Association, and the Downtown Master Plan Commission with feedback from business owners and tenants, the Asheville Downtown Business survey was created and disseminated via email to approximately 800 people. There were 100 valid responses from June 28 – July 15, 2011. See Appendix D for the survey instrument.

Table 4.1: Survey Participants (Q1)

	Frequency	Percent	Valid Percent
Business Owner	80	80.0%	80.8%
Manager	16	16.0%	16.2%
Assistant Manager	1	1.0%	1.0%
Other	2	2.0%	2.0%
Missing	1	1.0%	-
Total	100	100.0%	100.0%

Source: Asheville Downtown Business Survey 2011

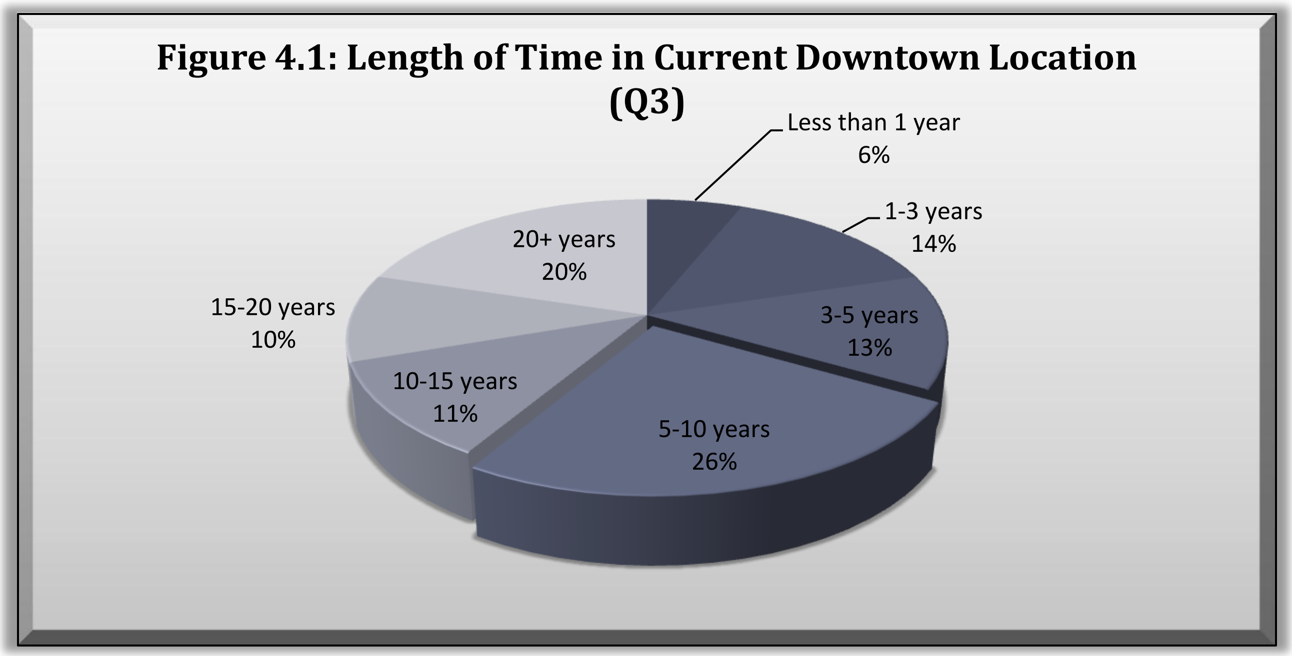
The number of business owners who directly responded to the survey suggests both that the email lists targeted the best respondent and that business owners are directly involved in the day-to-day running of their business.

Table 4.2: Downtown Asheville Businesses (Q2)

	Frequency	Percent	Valid Percent
Antiques and Used Merchandise	0	0.0%	0.0%
Arts, Art Gallery	10	10.0%	10.1%
Books, Periodicals, and Music	2	2.0%	2.0%
Building Material, Lawn and Garden	0	0.0%	0.0%
Clothing, Clothing Accessories	3	3.0%	3.0%
Church, Religious Organization	1	1.0%	1.0%
Entertainment and Recreation	6	6.0%	6.1%
Florist	1	1.0%	1.0%
Food and Beverage Retail	9	9.0%	9.1%
Furniture, Home Furnishing	1	1.0%	1.0%
General Merchandise	1	1.0%	1.0%
Gift Store, Office Supplies, Stationery	3	3.0%	3.0%
Health and Personal Care	5	5.0%	5.1%
Pets and Pet Supply	1	1.0%	1.0%
Professional Services	17	17.0%	17.2%
Real Estate Services	3	3.0%	3.0%
Restaurants (Food Service, Drinking)	13	13.0%	13.1%
Sporting Goods, Hobby, Musical Instruments	0	0.0%	0.0%
State or Federal Departments or Agencies	0	0.0%	0.0%
Other	23	23.0%	23.2%
Missing	1	1.0%	-
Total	100	100.0%	100.0%

Source: Asheville Downtown Business Survey 2011

The number of businesses whose scope fell outside of our 19 classifications exceeded all other downtown business types. This seems to support the argument that downtown Asheville does, in fact, harbor a diverse and eclectic mix of commerce and enterprise.



Source: Asheville Downtown Business Survey 2011

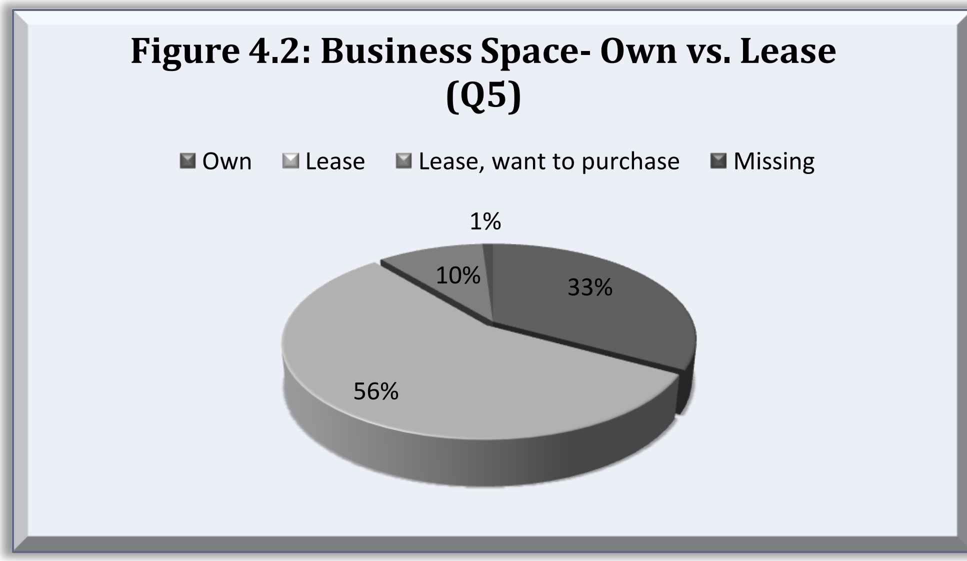
These responses show that businesses currently located in downtown Asheville are committed to operating in a downtown location.

Table 4.3: Business Establishment Year (Q4)

	Frequency	Percent	Valid Percent
before 1950	1	1.0%	1.1%
1950-1959	1	1.0%	1.1%
1960-1969	2	2.0%	2.2%
1970-1979	3	3.0%	3.3%
1980-1989	12	12.0%	13.0%
1990-1999	28	28.0%	30.4%
2000-2010	42	42.0%	45.7%
new for 2011	3	3.0%	3.3%
Missing	8	8.0%	-
Total	100	100.0%	100.0%

Source: Asheville Downtown Business Survey 2011

Most businesses located in downtown Asheville have only been in operation over the past 10 years. However, over half of all downtown businesses were started between 1950 and 1999.



Source: Asheville Downtown Business Survey 2011

Most business owners rent their spaces, demonstrating that those operating businesses downtown are not the ones owning and paying taxes on the property. This causes some concern for both owners and renters when discussing an increase in taxes to fund a BID. Most likely, the owners would transfer the cost onto the renter as part of the terms of their lease, given that the renter will receive the most direct benefit from services provided on a daily basis by the BID – although the owner will ultimately benefit from the expected increase in property value.

Table 4.4: Approximate Square Footages of Downtown Asheville Businesses (Q6)

	Frequency	Percent	Valid Percent
0-999 sf	18	18.0%	20.2%
1000-1999 sf	23	23.0%	25.8%
2000-2999 sf	13	13.0%	14.6%
3000-3999 sf	8	8.0%	9.0%
4000-4999 sf	2	2.0%	2.2%
5000-5999 sf	6	6.0%	6.7%
6000-6999 sf	6	6.0%	6.7%
7000+ sf	13	13.0%	14.6%
Missing	11	11.0%	
Total	100	100.0%	100.0%

Source: Asheville Downtown Business Survey 2011

As is clear from the table, most businesses in downtown Asheville are less than 2000 square feet in size.

Table 4.5: Street Level Business Access (Q7)

	Frequency	Percent	Valid Percent
Street Level	82	82.0%	83.7%
No Street Level Storefront	16	16.0%	16.3%
Missing	2	2.0%	-
Total	100	100.0%	100.0%
If no, what level?			
2nd Floor	5	31.3%	35.7%
3rd Floor	2	12.5%	14.3%
4th Floor	2	12.5%	14.3%
5th Floor	2	12.5%	14.3%
Above 5th Floor	3	18.8%	21.4%
Missing	2	12.5%	-
Total	16	100.0%	100.0%

Source: Asheville Downtown Business Survey 2011

Most respondents to the survey have ground-level storefronts. Almost all respondents are located on the first or second floor of the building where their business operates. These responses make sense, considering most buildings, especially the historic buildings, in downtown Asheville do not have more than two or three floors.

Table 4.6: Current Location Satisfaction (Q8)

	Frequency	Percent	Valid Percent
Very Satisfied	72	72.0%	72.0%
Satisfied	21	21.0%	21.0%
Somewhat satisfied	5	5.0%	5.0%
Neutral	0	0.0%	0.0%
Somewhat dissatisfied	1	1.0%	1.0%
Dissatisfied	1	1.0%	1.0%
Very Dissatisfied	0	0.0%	0.0%
Missing	0	0.0%	-
Total	100	100.0%	100.0%

Source: Asheville Downtown Business Survey 2011

Almost all respondents are satisfied or very satisfied with their current location. Only two respondents were dissatisfied.

Table 4.7: Future Business Location Plans (Q9)

	Frequency	Percent	Valid Percent
I plan to relocate within the central business district	8	8.0%	8.1%
I plan to relocate outside of the central business district	1	1.0%	1.0%
I do not plan to relocate	90	90.0%	90.9%
Missing	1	1.0%	-
Total	100	100.0%	100.0%

Source: Asheville Downtown Business Survey 2011

Consistent with question 8, the vast majority of respondents have no plans to relocate. Of those who do plan to relocate, almost all plan to relocate within downtown Asheville rather than leaving the area for another commercial property in the Asheville area. These rates are even more significant considering most businesses are leasing property and therefore would have an easier time relocating than if they owned their business property.

Table 4.8: Employment Statistics (Q10)

	N	Mean	Minimum	Maximum	Std. Dev.
Year round full time	91	9.6	0	45	11.0
Year round part time	64	8.0	0	75	12.4
Seasonal full time	17	5.4	0	45	12.0
Seasonal part time	25	2.7	0	18	4.1

Source: Asheville Downtown Business Survey 2011

Table 4.9: Projected Employment Over the Next Year (Q11)

	Frequency	Percent	How many?
I plan to hire	32	32.0%	2.6
I plan to lay off	2	2.0%	6.0
I do not have plans to hire or lay off any employees	66	66.0%	
Total	100	100.0%	

Source: Asheville Downtown Business Survey 2011

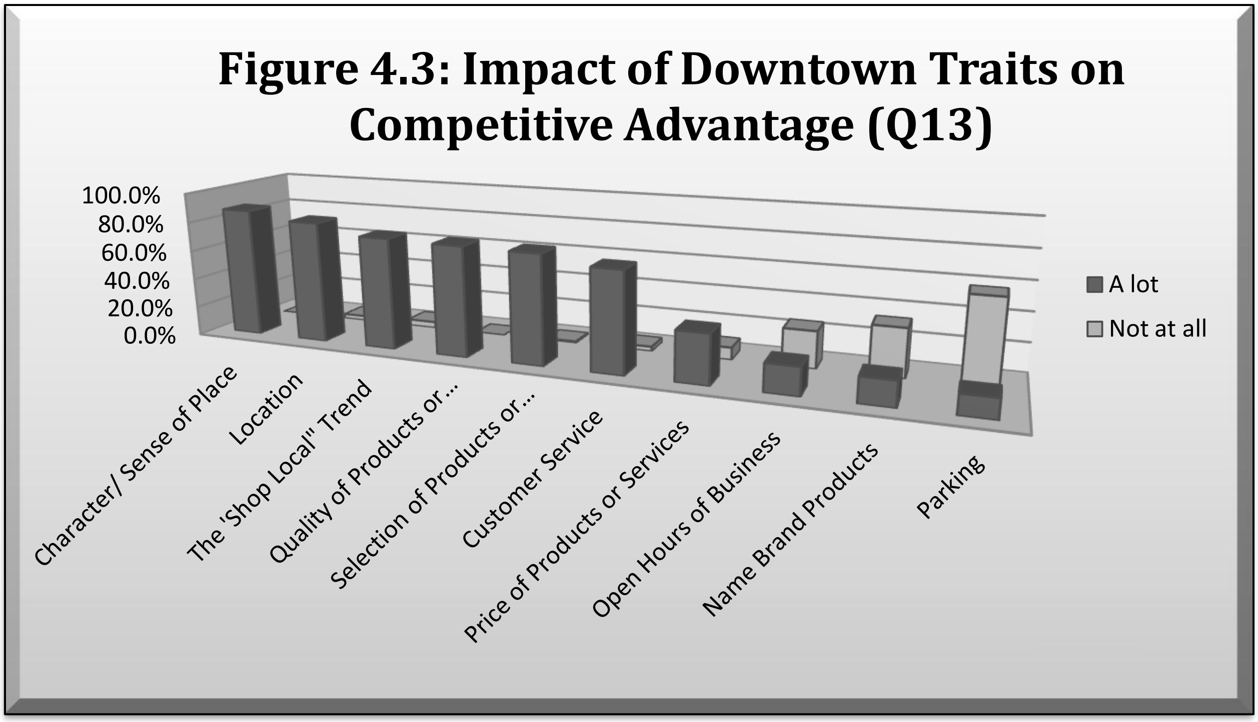
Question 11 indicates a neutral to positive outlook for downtown Asheville's economy. While most are not looking to lay off employees, they – for the most part – are not looking to hire, either. However, 32 percent are planning to hire an average of 2.6 employees, which is significant especially when compared to only 2 percent planning to lay off employees.

Table 4.10: Perceived Competition From Areas Outside Downtown (Q12)

	N	A lot	A little	Not at all	Don't know	Total
Asheville Mall/ Tunnel Rd.	94	4.3%	17.0%	71.3%	7.4%	100.0%
Biltmore Village	93	10.8%	29.0%	52.7%	7.5%	100.0%
Biltmore Park/ Hendersonville Rd.	91	5.5%	25.3%	61.5%	7.7%	100.0%
W. AVL-Haywood/ River Arts District	93	3.2%	35.5%	53.8%	7.5%	100.0%

Source: Asheville Downtown Business Survey 2011

This table shows that most respondents do not feel other shopping and entertainment destinations in Asheville serve as competitors to their downtown Asheville location. The largest identified competitor was Biltmore Village, which is also known as a historic and charming district that both locals and tourists visit primarily because of its character.



Source: Asheville Downtown Business Survey 2011

Consistent with question 12, the most competitive trait downtown Asheville has to offer from the business respondents' perspective is character, followed by location. This helps explain the reason why historic Biltmore Village is considered the largest competitor of downtown Asheville. Respondents also feel that the trend to 'shop local' and the promotion of that trend are significant in making downtown businesses more competitive over other shopping districts where national and international chains are more common than locally owned businesses. The quality and selection of products and services were tied as the number four reason downtown Asheville beats the competition, and customer service offered by downtown businesses was the fifth reason for downtown Asheville's competitiveness.

Table 4.11: Current Downtown Business Challenges (Q14)

	N	Major Challenge	Minor Challenge	No Challenge	Don't Know /NA	Total
Insufficient financing	99	21.4%	22.4%	37.8%	18.4%	100.0%
Street people/ Panhandling	98	28.6%	57.1%	12.2%	2.0%	100.0%
Expensive rent	96	24.0%	35.4%	24.0%	16.7%	100.0%
Expensive employee wages or benefits	99	21.4%	30.6%	40.8%	7.1%	100.0%
Street closure for events	96	17.7%	39.6%	37.5%	5.2%	100.0%
Conflict with building owner or tenant	98	3.1%	20.4%	60.2%	16.3%	100.0%
Difficulty recruiting or retaining employees	98	9.2%	22.4%	60.2%	8.2%	100.0%
Unskilled workers	97	9.3%	20.6%	54.6%	15.5%	100.0%
Product delivery or loading challenges	99	4.1%	44.9%	41.8%	9.2%	100.0%
Insufficient parking	98	37.8%	36.7%	19.4%	6.1%	100.0%
Competition from outside downtown	96	8.3%	47.9%	30.2%	13.5%	100.0%
Competition from online businesses	97	7.2%	27.8%	47.4%	17.5%	100.0%
Language barriers	97	1.0%	2.1%	81.4%	15.5%	100.0%
Poor building condition	97	4.1%	15.5%	69.1%	11.3%	100.0%
Restrictive building regulations	95	8.4%	28.4%	49.5%	13.7%	100.0%
Shoplifting or theft	97	3.1%	32.0%	48.5%	16.5%	100.0%
Vandalism/ Graffiti	97	14.4%	37.1%	39.2%	9.3%	100.0%
Perception of Safety	97	10.3%	43.3%	41.2%	5.2%	100.0%
Construction	97	6.2%	37.1%	48.5%	8.2%	100.0%
Lack of pedestrian traffic	97	10.3%	14.4%	62.9%	12.4%	100.0%
Other	32	43.8%	12.5%	12.5%	31.3%	100.0%

Source: Asheville Downtown Business Survey 2011

The biggest challenge to downtown businesses, according to survey respondents, was insufficient parking, which is not surprising to those who know downtown Asheville well. At peak season, particularly during the tourist-heavy seasons of spring, summer, and fall and at peak times including lunch, dinnertime and weekends, parking can be difficult to find. After 6pm and on Sundays, street parking is free, but many are forced to use pay-to-park garages and lots due limited street parking. In addition, street parking in central downtown is often limited to two hours only. The second biggest challenge to respondents is street people, or panhandlers. While panhandling has anecdotally declined in recent years, business owners are particularly sensitive to seeing their customers approached by street people, or having panhandlers near their business locations, fearing that customers will be discouraged from entering. The cost of rent is the number three biggest challenge, which may cause some difficulty for the BID due to increased cost of property tax and lease increases to cover the extra tax cost. Expensive employee wages and benefits were listed at number four, followed by street closure for events.

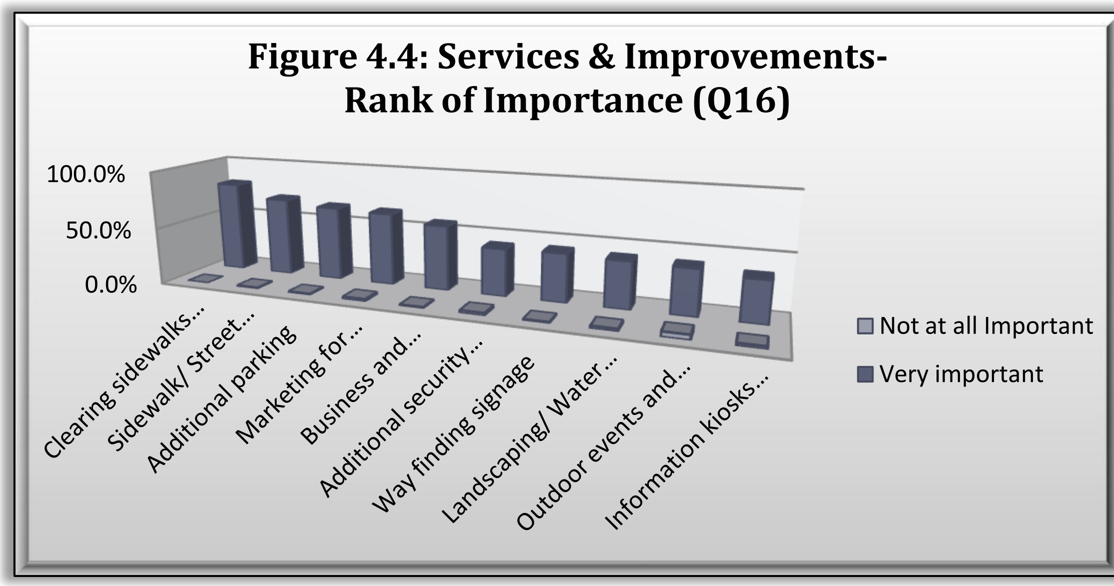
Table 4.12: Current Downtown Perceptions (Q15)

	N	Strongly Agree	Somewhat Agree	Neither Agree nor Disagree	Somewhat Disagree	Strongly Disagree	Total
Local police protection is outstanding	97	23.7%	43.3%	20.6%	11.3%	1.0%	100.0%
Local fire protection is outstanding	97	41.2%	29.9%	26.8%	1.0%	1.0%	100.0%
Local waste management service is outstanding	96	15.6%	34.4%	26.0%	17.7%	6.3%	100.0%
Sidewalk/street maintenance is outstanding	96	7.3%	28.1%	12.5%	34.4%	17.7%	100.0%
Local municipal services are worth the level of local taxation	95	4.2%	25.3%	30.5%	34.7%	5.3%	100.0%
I feel safe downtown, even at night	96	35.4%	40.6%	6.3%	14.6%	3.1%	100.0%
I try to buy products and services downtown	97	68.0%	20.6%	9.3%	2.1%	0.0%	100.0%
I try to direct consumers to other downtown businesses	97	81.4%	16.5%	1.0%	0.0%	1.0%	100.0%
I seek ways to cooperate with complimentary downtown businesses	97	67.0%	22.7%	9.3%	0.0%	1.0%	100.0%
The existing downtown business mix helps my business	96	61.5%	22.9%	8.3%	5.2%	2.1%	100.0%
My customers frequently complain about parking	97	38.1%	40.2%	12.4%	6.2%	3.1%	100.0%
Downtown Asheville is an excellent place to have a business	96	66.7%	26.0%	5.2%	1.0%	1.0%	100.0%

Source: Asheville Downtown Business Survey 2011

Question 15 was designed to assist with determining the general attitude and support of local businesses to downtown Asheville, other businesses, and currently provided local municipal services, since these items tend to be what business improvement districts focus on in terms of providing economic assistance and service programs to property owners and tenants. These results show that local business respondents are very cooperative, rather than competitive, with one another. Common statements respondents strongly agreed or agreed with included directing consumers to other businesses within downtown (number one), seeking ways to cooperate with other businesses (number three), buying their own products and services downtown (number four) and that the existing business mix is helpful to their own business (number five). The second most common statement that respondents strongly agreed or agreed with was that downtown Asheville is an excellent place to have a business. This suggests that downtown business owners feel positive about operating a business in downtown Asheville, and feel positive about other downtown businesses.

However, respondents are largely unhappy with local municipal services as they are currently provided. Respondents strongly disagreed or disagreed with all of the statements involving maintenance, police protection and safety, and municipal services. The most common disagreement was with the statement that sidewalk and street maintenance is outstanding, followed by the statement that local services are worth the level of taxation. The third most common statement business respondents strongly disagreed or disagreed with was that local waste management service is outstanding. Fourth and fifth were the statements about feeling safe, even at night and that local police protection is outstanding. While the City may not like to hear these results, it does provide a snapshot of what the BID could offer in addition to local services in order to better please downtown businesses.



Source: Asheville Downtown Business Survey 2011

The most important services or improvements to downtown Asheville business respondents were sidewalk and street cleaning, clearing sidewalks when it snows, additional parking, marketing, business and economic development, and additional security or police. These conclusions were formulated by adding columns one and two in the table. These responses align very closely with the programs most business improvement districts provide to local businesses and property owners. This should help support the effort to implement the Asheville BID, and it is important that these responses be taken into consideration when planning the BID.

Table 4.13: Total sales -2010 (Q17)

	Frequency	Percent	Valid Percent
$1- $50,000	4	4.0%	4.2%
$50,001- $100,000	7	7.0%	7.4%
$100,001- $250,000	17	17.0%	17.9%
$250,001- $500,000	24	24.0%	25.3%
$500,001- $1,000,000	19	19.0%	20.0%
$1,000,001- $2,500,000	14	14.0%	14.7%
More than $2,500,000	10	10.0%	10.5%
Missing	5	5.0%	-
Total	100	100.0%	100.0%

Source: Asheville Downtown Business Survey 2011

Almost half (45 percent) of respondents had total sales between 250,001 and 1 million dollars during the 2010 calendar year. The largest number (24 respondents, 25.3 percent of valid responses) had total sales between 500,001 and 1 million dollars. The average sales from all respondents were $1,066,842.11. This provides a snapshot of sales in downtown Asheville during 2010.

Table 4.14: Percent total business sales increase or decrease -2009-2010 (Q18)

	Frequency	Percent	Valid Percent	If increased/decreased, by how much?
Increase	46	46.0%	49.5%	16.1%
Decrease	23	23.0%	24.7%	20.6%
Stayed the same	24	24.0%	25.8%	
Missing	7	7.0%	-	
Total	100	100.0%	100.0%	

Source: Asheville Downtown Business Survey 2011

Along with question 17, question 18 provides a snapshot of sales health in downtown Asheville during 2010. Most respondents found they experienced an increase in sales in 2010 when compared with sales in 2009. Of those who reported an increase, the rate averaged at 16.1 percent. Those who reported a decrease in sales (23 respondents, 24.7 percent of valid responses) experienced an average decrease of 20.6 percent. Almost the same number and percentage (24 respondents, 25.8% of valid responses) experienced the same amount of sales in 2010 as in 2009.

Table 4.15: Projected Total Sales Increase or Decrease -2010-2011 (Q19)

	Frequency	Percent	Valid Percent	If increased/decreased, then how much?
Increase	61	61.0%	63.5%	14.4%
Decrease	10	10.0%	10.4%	11.3%
Stayed the same	25	25.0%	26.0%	
Missing	4	4.0%	-	
Total	100	100.0%	100.0%	

Source: Asheville Downtown Business Survey 2011

Question 19, which asked respondents to project their expected sales in 2011 as compared with 2010 sales, suggests that businesses in downtown Asheville feel optimistic about the downtown economy in the coming year. In comparison with question 18, almost the same number and percent believe their sales will stay the same – 25 respondents and 26 percent of valid responses. Although 23 respondents, 24.7 percent of valid responses, experienced a decrease in 2010 compared with 2009 sales, only 10 respondents, 10.4 percent of valid responses, expect to experience a decrease in sales in the coming year when compared with 2010. Most respondents – 61 total and 63.5 percent of valid responses – believe they will experience an increase in sales in the coming year.

Chapter 5: Economic Benefits Analysis

5. Economic Benefits Analysis

It is expected that implementation of a business improvement district in downtown Asheville would have a positive economic impact on property values and retail sales within the district lines. The district lines considered for this economic benefits analysis is the central business district in downtown Asheville.

It should be noted that there are very few empirical studies focusing on the impact of a business improvement district on property values and retail sales. BIDs tend to focus on the attitudes of business and property owners and the completed projects as the basis for the BID's accomplishments. Most BID studies reiterate the lack of empirical findings and the BID use of public perceptions, program implementation, and project completion as the measures of success. It is difficult to estimate the economic benefits of a BID before implementation, in part because the magnitude of these benefits depends on the success of the BID and its programs.

5.1 Economic Impacts

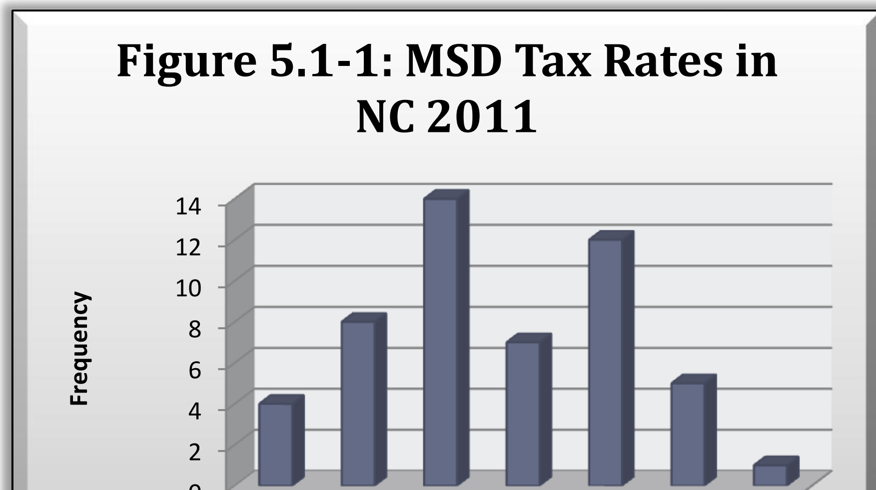
In the central business district, which is currently the area of downtown Asheville being considered for the BID, there were a total of 1,392 property tax parcels in 2010-11. Of these, 1,257 properties (90.3%) are non-exempt properties. The total appraised values of real properties from 2010-11 is $1,135,425,387. The total value of tax-exempt property values, however, is $468,865,900. This leaves $666,559,487 (58.7% of all property tax value) in value from non-tax exempt property.

Table 5.1-1: Property Values in the Asheville Central Business District

Tax Exemption	Total Appraised Values	Percent	Number of Properties	Percent
Tax-Exempt	$468,865,900	41.3%	135	9.7%
Non-Exempt	$666,559,487	58.7%	1,257	90.3%
Grand Total	$1,135,425,387	100.0%	1,392	100.0%

Source: Buncombe County Tax Department, 2011

As shown in the table below, MSD tax rates in NC vary between $.017 and $.668 per $100 valuation among 51 current MSDs. More than two-thirds of MSDs impose taxes in a range between $.10 and $.25. The average MSD tax rate is 15.5% with the highest of 66.8%.



	< 0.05	0.05-0.09	.10-.149	0.15-0.199	0.20-0.249	0.25-0.30	> 0.30
Frequency	4	8	14	7	12	5	1

Source: NC Department of Commerce

To estimate the economic impact of a new MSD in Asheville, an input-output model was constructed. The researchers utilized the IMPLAN (IMpact Analysis for PLANing, Minnesota IMPLAN Group 2007) software input-output model and database to construct a basic input-output model. The input-output model is useful for estimating the economic impact and understanding how the impacts ripple throughout an economy. Using IMPLAN, a model can be created based on a county or multi-counties. For the purpose of this study, since the Asheville BID area is part of Buncombe County, a county-based model was developed and adjusted as necessary to target the results to the desired area.

Dollar figures for goods and services purchased in the region were entered into an IMPLAN-generated model. IMPLAN then analyzes these dollars to understand the direct and secondary impacts of an Asheville BID on the local economy.

The first level of analysis measures the direct impact. Direct effects are those dollars spent on goods and services that are available within the regional or local economy. Direct dollars are those clearly and obviously traceable to the Asheville BID organization. Examples of direct effects include wages paid and services and supplies purchased by the organization.

Direct effects trigger the second and third levels of analysis, both indirect and induced effects. Direct dollars are traced by an input-output analysis to detect secondary impact dollar spending. Secondary impact dollars accumulate as a result of both indirect and induced effects. Indirect secondary effects are the dollars generated by expenditures necessary to replenish goods or improve services that have been purchased by direct (initial) impact expenditures. In other words, the indirect effect refers to the secondary impact caused by input needs of directly affected industries. Induced effects are the dollars generated by local households as a result of both the direct effects and indirect effects. Induced effects are the result of an increase in household spending by employees who are hired, or current employees paid to work longer hours, to provide goods and services being purchased. In other words, induced effects refer to the secondary impacts caused by changes in household spending due to the additional employment generated by direct and indirect effects.

The indirect and induced effects are commonly known as the “multiplier.” The multiplier effect shows how the direct expenditures get multiplied through the economy; it calculates spending that takes place as a result of the “ripple effect.” Multipliers are calculated based on supplier relationships and employee consumption patterns. It essentially means that every dollar received by business owners and employees is re-spent within the region, which, therefore, multiplies the initial sales and generates revenues in other sectors of the local economy. IMPLAN estimates the magnitude of both primary and secondary impacts for each industry, which forms the so called “multipliers.”

It should be noted that a portion of direct and secondary dollar spending goes toward goods and services that are not purchased in the local community, as well as to pay state and federal taxes. Money used to purchase items outside the local community does not circulate within the local economy. Final numbers are adjusted to reflect the amount of money that does not remain local.

If Asheville implements an MSD tax rate of $.10 per $100 in the central business district, levied on commercial property only, then estimated tax revenue for the BID is $637,411.69. If personal properties are included, the estimated tax revenue for the BID is $795,438.05. With estimated tax revenue from real properties only, the Asheville BID, in terms of dollars, can contribute more than a million dollars ($1,002,627) to the local economy. It is estimated that 16.1 jobs are created and maintained annually with this economic contribution.

5.2 Property Values

Ellen et al. (2007), in their study on New York City BID property values, posit that a BID should increase property values if the services provided are valued higher than the actual tax levied against the individual property owner. However, property values could decrease in the BID if the services are not valued to be worth more than the tax rate, or if the municipal government provides fewer services due to the BID’s programs (such as additional garbage collection or street cleaning). In addition, if property values do increase, it may only be as relative to property value decreasing in the area surrounding the BID.

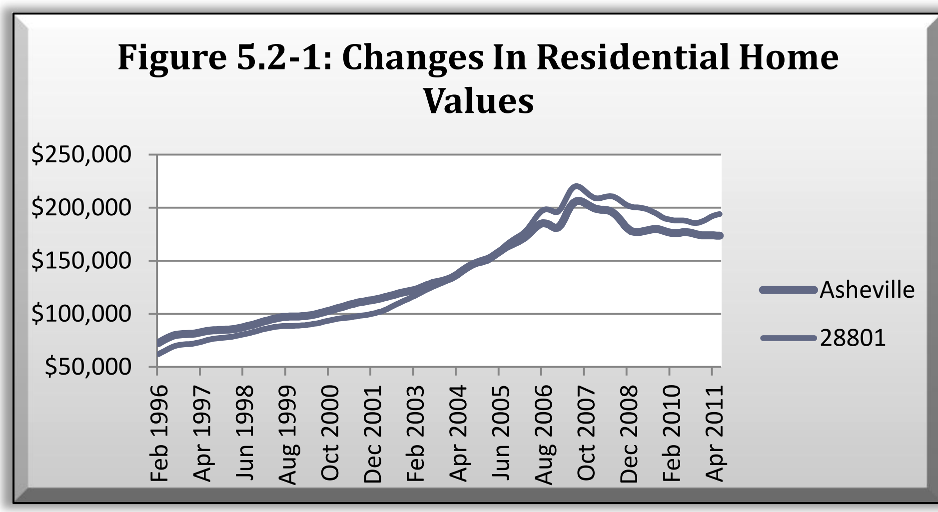
In Asheville, the median property value in the central business district increased from $125,200 in 2002 to $327,850 in 2011, at annual growth rate of 11.3%. During the same period, the surrounding area, including the remaining area of zip code 28801, showed 8.1% annual growth rate as the median value changed from $71,600 to $143,800.

Table 5.2-1 Median Property Values

Year	Asheville CBD	Surrounding Area in 28801
2002	$125,200	$71,600
2003	$201,850	$96,300
2004	$201,850	$96,300
2005	$201,850	$98,500
2006	$171,600	$95,500
2007	$253,600	$114,600
2008	$275,150	$119,800
2009	$200,000	$123,200
2010	$259,700	$141,200
2011	$327,850	$143,800
Annual Growth Rate	11.3%	8.1%

Source: Buncombe County GIS Database

However, as shown in the figure below, average residential home sales prices show different patterns. Historically, residential homes in the Asheville central business district were more valuable compared to the surrounding area in the same zip code 28801. But residential home values in the surrounding area have grown faster than the Asheville CBD. The gap narrowed until mid-2005, and reversed afterwards.



Source: Zillow database

Few studies have estimated the impact of a BID on property values. Bible and Hsieh (2001) examine the effect of a gated community on residential property values. They find that sales prices increase by six percent. Ellen et al. (2007) estimate changes in commercial property values before and after the implementation of BIDs in New York City. New York is the second largest state in terms of number of BIDs, and an ideal example with fifty-five BIDs when the study was conducted. Those fifty-five BIDs encompass a broad range of budget size, services and locations. Here is a summary of their key findings:

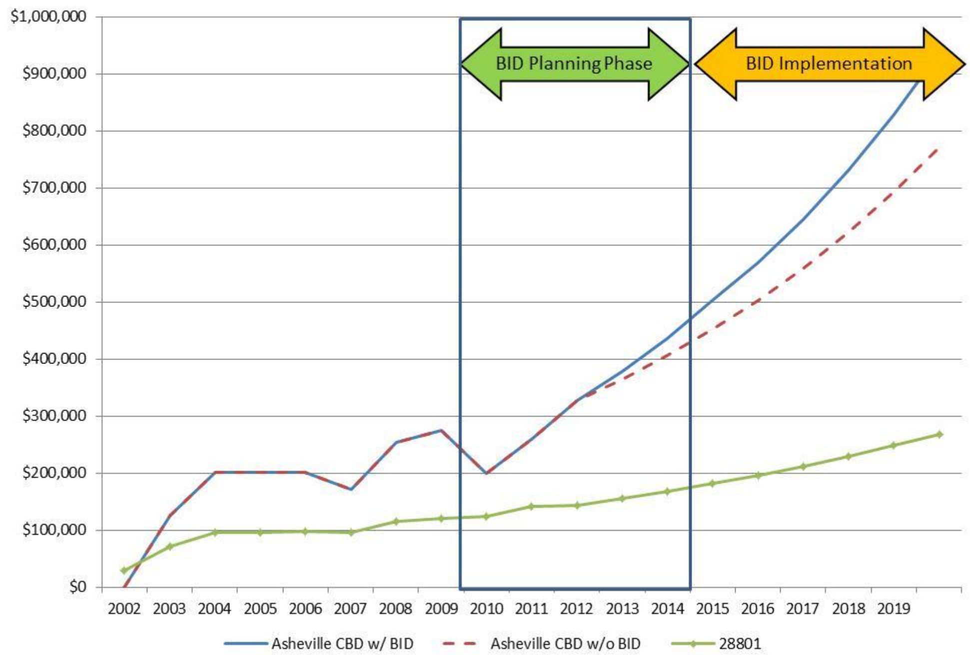
> Right before BID adoption, commercial properties in BID areas were sold for 30.7 percent more than comparable properties located outside the BID boundaries, but still in the same neighborhood (p.23). After the BID formation, the price differential between the properties in the BID and those outside increased by an average of 15.7 percentage points (p.24). The estimated impacts on residential properties suggest a more complicated relationship between BIDs and property values for residential than for commercial properties. Five years before BID implementation, residential prices were 20.5 percent higher in the BID than in the surrounding neighborhood. For the next three years, the relative prices in the BID declined 2.7 percentage points a year. During the two years before the BID implementation, price levels in the BID were only 12.4 percent higher than those outside. There was a sharp increase in the value of residential properties in the BID prior to the BID implementation, and priced fell back significantly after the BID is formed (pp. 28-29).

They also find that there is considerable variation in the impact across different types of BIDs, particularly in size. Relatively large BIDs have larger positive impacts on commercial property values while small- or medium-sized BIDs show less impact. In addition, it normally takes three to five years before a BID is formed. With these caveats in mind, however, the statistical analysis results from the NYC study can be used as benchmark data to estimate the expected changes in property values in Asheville if a BID were formed in the CBD.

As the graph below depicts, based on the economic forecast models using median prices, property values in Asheville CBD are expected to grow by 1.8 percentage points faster than outside of CBD boundaries within the 28801 zip code area.

Given available data and estimates, such as both commercial and residential property values using parcel data in the Asheville CBD and the surrounding 28801 zip code, census tract data, statistical analysis results based on the property values, and statistical estimates from the existing literature, we can expect at least two percentage points positive in property values annually for the next several years with the implementation of the BID.

Figure 5.2-2: Projected Trends in Property Values



Source: ESRI Data Projections, Buncombe County Government

5.3 Retail Sales

The Asheville Business Survey presented in the previous chapter indicates that local businesses expect an increase in total sales by 11.3% this year. Trends in retail sales, gathered from NC Department of Commerce, indicates Buncombe County experienced a 7.5% increase in total sales last year. The population in the Asheville's CBD grows about 1.0% annually estimated from the ESRI data, and visitor spending has increased by 1.6% annually for the previous six years according to the Asheville Area Tourism Research published by Buncombe County Tourism Development Authority.

With the implementation of the Asheville BID in the central business district, the estimated average annual growth in retail sales is 5.3% annually.

The expectation for positive impact is due to the uniform nature of municipal services provided by local government, when some areas may demand more than the local municipal services can supply. The positive economic impact, therefore, comes from the additional services the BID provides to meet the excess demand. To reach the maximum potential of economic benefits, the BID should determine the exact needs of business and property owners and follow through on providing these requested services.

Chapter 6: Conclusions and Recommendations

6. Conclusions and Recommendations

The conclusions and recommendations for this report on establishing a business improvement district in Asheville follow an extensive examination of business improvement districts, Asheville's characteristics, specific case studies similar to Asheville, a survey of Asheville central business district property and business owners, and an economic benefits analysis on impacts, property values, and retail sales. Thus, the final conclusion is that Asheville should adopt a business improvement district, and that the researchers foresee only positive results if the BID is implemented carefully.

6.1 Form a Business Improvement District in Asheville

Based on the results of this study, it is recommended that Asheville form a business improvement district just as the Master Plan recommended. Secondary research indicates that business improvement districts are typically successful, even though the measures of that success are not often empirical. Primary research in the form of an economic benefits analysis shows that a BID would provide an additional flow of income that, if used effectively, could improve the impressions and perceptions of business and property owners in the central business district of downtown Asheville. This analysis shows that in addition to positive perceptions, the BID would also likely provide a boost to property values and retail sales although this might be difficult to prove after the implementation of the BID due to uncontrolled factors.

6.2 Timing Matters

The researchers believe time is of the essence in forming an Asheville BID. It is rarely easy to convince property owners to pay additional taxes. It may be even more challenging given the current economy. Yet the additional income to the central business district may be all the more important due to the current local, state, and national economic conditions. If the advocates for a BID can frame their promotion of a BID in a way that makes sense and is compelling to property owners they will be more likely to agree. It will be very important in this process to promote feasible plans for the improvements and services which are most important to property and business owners.

6.3 Management Structure is an Important Key to Success

As previous BID studies have found, there are a variety of management and funding structures used internationally.

Based on previous successes and failures of other BID structures, it is recommended that the Asheville BID consider a compulsory tax as their primary BID income source. Voluntary donations, grants and fundraising as a primary funding structure tend to take too much time away from the programs and services a BID needs to focus on in order to be the most successful.

The city typically collects the revenue and sets it aside for the purpose of the BID. Cities will often provide a liaison to the BID, often through their chamber of commerce or economic development office. Many BIDs then choose to contract with a management organization that will run the operations of the BID. They will often contract out for services such as garbage collection, cleaning, and beautification. BIDs may also choose to hire their own staff to manage operations and execute programs and services, or they may do a combination of direct hiring and contracting. In some cases, if a downtown association is already established, this is an easy transition into providing BID programs and services effectively, rather than starting from scratch. Although aware of concerns about the Asheville Downtown Association becoming the management organization for an Asheville BID, the researchers believe it would be a smooth and effective transition if ADA were to take on management of - or at least partnership with - the new BID. For example, if ADA did not take on the management role, the BID could partner with ADA to continue to provide the many annual events that promote downtown.

BIDs also commonly have a Board of Directors made up of stakeholders in the district. Typically there are seats available to represent both large and small property owners, business owners who rent their space, large non-profit organizations, and residents in the area. BID managers usually look for as much diversity as possible in their board. It is recommended that Asheville follow this trend should the BID be implemented. This may be an especially helpful component when trying to constructively engage and work with dissenters or those who are unsure how they can benefit from the BID.

6.4 Identify Desired Services through Surveying

As previously discussed, it is extremely important to the success of a BID that the services most valuable to the stakeholders are provided by the BID. Otherwise, participants will be unsatisfied and may repeal the BID. It is recommended that the Asheville BID, perhaps even prior to implementation, do extensive surveying of all businesses and residents as well as property owners, to determine what services they feel are highest priority and worth the cost. With those results, the BID can ensure the programs and services delivered to the district result in stakeholders believing they are receiving value from the small increase in taxation. It is also important for these services to be implemented as soon as possible at the highest quality possible, in order to cement positive perceptions of the BID.

The services provided by the BID should also be supplemental to the services provided by the city. Often, a BID covers service needs above and beyond what the municipality can provide. This is where BID revenues and services can provide a positive impact. If the Asheville BID needs additional trash and recycling pick-up or street cleaning that goes beyond the needs of other service areas, the municipality is not likely to be able to provide this extra service. Therefore the BID can administer, or contract with an agency to administer, supplemental services that accommodate the needs of the Asheville BID area specifically. These services do not take the place of the municipal services already provided, and it is recommended that the BID take care to ensure the municipality does not slacken its efforts due to knowing the BID provides these supplemental services.

6.5 Avoid Displacing Problems

When the formation of a BID seems to effectively lessen problems such as crime within the district area, sometimes those problems are simply being shifted from within the BID boundary to outside of it. The benefit of the BID becomes the detriment of the surrounding area, which ultimately is not good for the BID either. As referenced in Chapter 5, property values can sometimes go up in a BID but only in relation to the property values going down in the surrounding area. It is recommended The Asheville BID, therefore, hold onto awareness of this possibility and attempt to help eradicate these issues rather than simply push out crime and other problems to outside the boundary lines.

6.6 Assess Performance Regularly

Assessing performance is varied among BIDs. Since it is difficult to demonstrate that positive changes within a BID are directly caused by the BID itself, most do not provide specific data assessments on a regular basis. Some BIDs do provide a list of accomplishments for the area, including increase in tourism, increase in sales, garbage collected, projects completed, and decrease in crime rates. This may be on an annual basis or may not occur at all.

It is recommended that the Asheville BID, if implemented, perform a regular survey of business and property owners, residents and also visitors to the BID area. If possible, this survey should be done annually or bi-annually. It is also recommended that the Asheville BID consider keeping a close record of the monies raised and spent within the BID for accountability purposes with stakeholders.

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Appendices

Appendix A: NC Legislation

A.1: North Carolina Municipal Service District Act

Chapter 160A- Article 23.
Municipal Service Districts.

§ 160A-535. Title; effective date.

This Article may be cited as "The Municipal Service District Act of 1973," and is enacted pursuant to Article V, Sec. 2(4) of the Constitution of North Carolina, effective July 1, 1973. (1973, c. 655, s. 1.)

§ 160A-536. Purposes for which districts may be established.

(a) Purposes. – The city council of any city may define any number of service districts in order to finance, provide, or maintain for the districts one or more of the following services, facilities, or functions in addition to or to a greater extent than those financed, provided or maintained for the entire city:

(1) Beach erosion control and flood and hurricane protection works.

(1a) (For applicability see note) Any service, facility, or function which the municipality may by law provide in the city, and including but not limited to placement of utility wiring underground, placement of period street lighting, placement of specially designed street signs and street furniture, landscaping, specialized street and sidewalk paving, and other appropriate improvements to the rights-of-way that generally preserve the character of an historic district; provided that this subdivision only applies to a service district which, at the time of its creation, had the same boundaries as an historic district created under Part 3A of Article 19 of this Chapter.

(2) Downtown revitalization projects.

(2a) Urban area revitalization projects.

(2b) Transit-oriented development projects.

(3) Drainage projects.

(3a) Sewage collection and disposal systems of all types, including septic tank systems or other on-site collection or disposal facilities or systems.

(3b) (For applicability see note) Lighting at interstate highway interchange ramps.

(4) Off-street parking facilities.

(5) Watershed improvement projects, including but not limited to watershed improvement projects as defined in General Statutes Chapter 139; drainage projects, including but not limited to the drainage projects provided for by General Statutes Chapter 156; and water resources development projects, including but not limited to the federal water resources development projects provided for by General Statutes Chapter 143, Article 21.

(b) Downtown Revitalization Defined. – As used in this section "downtown revitalization projects" include by way of illustration but not limitation improvements to water mains, sanitary sewer mains, storm sewer mains, electric power distribution lines, gas mains, street lighting, streets and sidewalks, including rights-of-way and easements therefor, the construction of pedestrian malls, bicycle paths, overhead pedestrian walkways, sidewalk canopies, and parking facilities both on-street and off-street, and other improvements intended to relieve traffic congestion in the central city, improve pedestrian and vehicular access thereto, reduce the incidence of crime therein, and generally to further the public health, safety, welfare, and convenience by promoting the economic health of the central city or downtown area. In addition, a downtown revitalization project may, in order to revitalize a downtown area and further the public health, safety, welfare, and convenience, include the provision of city services or functions in addition to or to a greater extent than those provided or maintained for the entire city. A downtown revitalization project may also include promotion and developmental activities (such as sponsoring festivals and markets in the downtown area, promoting business investment in the downtown area, helping to coordinate public and private actions in the downtown area, and developing and issuing publications on the downtown area) designed to improve the economic well-being of the downtown area and further the public health, safety, welfare, and convenience. Exercise of the authority granted by this Article to undertake downtown revitalization projects financed by a service district shall not prejudice the city's authority to undertake urban renewal projects in the same area.

(c) Urban Area Revitalization Defined. – As used in this section, the term "urban area revitalization projects" includes the provision within an urban area of any service or facility that may be provided in a downtown area as a downtown revitalization project under subdivision (a)(2) and subsection (b) of this section. As used in this section, the term "urban area" means an area that (i) is located within a city and (ii) meets one or more of the following conditions:

(1) It is the central business district of the city.

(2) It consists primarily of existing or redeveloping concentrations of industrial, retail, wholesale, office, or significant employment-generating uses, or any combination of these uses.

(3) It is located in or along a major transportation corridor and does not include any residential parcels that are not, at their closest point, within 150 feet of the major transportation corridor right-of-way or any nonresidentially zoned parcels that are not, at their closest point, within 1,500 feet of the major transportation corridor right-of-way.

(4) It has as its center and focus a major concentration of public or institutional uses, such as airports, seaports, colleges or universities, hospitals and health care facilities, or governmental facilities.

(c1) Transit-Oriented Development Defined. – As used in this section, the term "transit-oriented development" includes the provision within a public transit area of any service or facility listed in this subsection. A public transit area is an area within a one-fourth mile radius of any passenger stop or station located on a mass transit line. A mass transit line is a rail line along which a public transportation service operates or a busway or guideway dedicated to public transportation service. A busway is not a mass transit line if a majority of its length is also generally open to passenger cars and other private vehicles more than two days a week.

The following services and facilities are included in the definition of "transit-oriented development" if they are provided within a transit area:

(1) Any service or facility that may be provided in a downtown area as a downtown revitalization project under subdivision (a)(2) and subsection (b) of this section.

(2) Passenger stops and stations on a mass transit line.

(3) Parking facilities and structures associated with passenger stops and stations on a mass transit line.

(4) Any other service or facility, whether public or public-private, that the city may by law provide or participate in within the city, including retail, residential, and commercial facilities.

(d) Contracts. – A city may provide services, facilities, functions, or promotional and developmental activities in a service district with its own forces, through a contract with another governmental agency, through a contract with a private agency, or by any combination thereof. Any contracts entered into pursuant to this paragraph shall specify the purposes for which city moneys are to be used and shall require an appropriate accounting for those moneys at the end of each fiscal year or other appropriate period. (1973, c. 655, s. 1; 1977, c. 775, ss. 1, 2; 1979, c. 595, s. 2; 1985, c. 580; 1987, c. 621, s. 1; 1999-224, s. 1; 1999-388, s. 1; 2004-151, s. 1; 2004-203, s. 5(m); 2009-385, s. 1.)

§ 160A-537. Definition of service districts.

(a) Standards. – The city council of any city may by resolution define a service district upon finding that a proposed district is in need of one or more of the services, facilities, or functions listed in G.S. 160A-536 to a demonstrably greater extent than the remainder of the city.

(b) Report. – Before the public hearing required by subsection (c), the city council shall cause to be prepared a report containing:

(1) A map of the proposed district, showing its proposed boundaries;

(2) A statement showing that the proposed district meets the standards set out in subsection (a); and

(3) A plan for providing in the district one or more of the services listed in G.S. 160A-536.

The report shall be available for public inspection in the office of the city clerk for at least four weeks before the date of the public hearing.

(c) Hearing and Notice. – The city council shall hold a public hearing before adopting any resolution defining a new service district under this section. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a map of the proposed district and a statement that the report required by subsection (b) is available for public inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, it shall be mailed at least four weeks before the date of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown by the county tax records as of the preceding January 1 (and at the address shown thereon) of all property located within the proposed district. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed and his certificate is conclusive in the absence of fraud.

(d) Effective Date. – The resolution defining a service district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the city council, except that if the governing body in the resolution states that general obligation bonds are anticipated to be authorized for the project, it may make the resolution effective immediately upon its adoption, but no ad valorem tax may be levied for a partial fiscal year.

(e) In the case of a resolution defining a service district, which is adopted during the period beginning July 1, 1981, and ending July 31, 1981, and which district is for any purpose defined in G.S. 160A-536(1), the city council may make the resolution effective for the fiscal year beginning July 1, 1981. In any such case, the report under subsection (b) of this section need only have been available for public inspection for at least two weeks before the date of the public hearing, and the notice required by subsection (c) of this section need only have been mailed at least two weeks before the date of the hearing. (1973, c. 655, s. 1; 1981, c. 53, s. 1; c. 733, s. 1; 2006-162, s. 25.)

§ 160A-538. Extension of service districts.

(a) Standards. – The city council may by resolution annex territory to any service district upon finding that:

(1) The area to be annexed is contiguous to the district, with at least one eighth of the area's aggregate external boundary coincident with the existing boundary of the district;

(2) That the area to be annexed requires the services of the district.

(b) Annexation by Petition. – The city council may also by resolution extend by annexation the boundaries of any service district when one hundred percent (100%) of the real property owners of the area to be annexed have petitioned the council for annexation to the service district.

(c) Report. – Before the public hearing required by subsection (d), the council shall cause to be prepared a report containing:

(1) A map of the service district and the adjacent territory, showing the present and proposed boundaries of the district;

(2) A statement showing that the area to be annexed meets the standards and requirements of subsections (a) or (b); and

(3) A plan for extending services to the area to be annexed.

The report shall be available for public inspection in the office of the city clerk for at least two weeks before the date of the public hearing.

(d) Hearing and Notice. – The council shall hold a public hearing before adopting any resolution extending the boundaries of a service district. Notice of the hearing shall state the date, hour and place of the hearing and its subject, and shall include a statement that the report required by subsection (c) is available for inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, the notice shall be mailed at least four weeks before the date of the hearing to the owners as shown by the county tax records as of the preceding January 1 of all property located within the area to be annexed. The notice may be mailed by any class of U.S. mail which is fully prepaid. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(e) Effective Date. – The resolution extending the boundaries of the district shall take effect at the beginning of a fiscal year commencing after its passage, as determined by the council.

(f) **(For applicability see note)** A service district which at the time of its creation had the same boundaries as an historic district created under Part 3A of Article 19 of this Chapter may only have its boundaries extended to include territory which has been added to the historic district. (1973, c. 655, s. 1; 1981, c. 53, s. 2; 1987, c. 621, s. 2.)

§ 160A-538.1. Reduction of service districts.

(a) Upon finding that there is no longer a need to include within a particular service district any certain tract or parcel of land, the city council may by resolution redefine a service district by removing therefrom any tract or parcel of land which it has determined need no longer be included in said district. The city council shall hold a public hearing before adopting a resolution removing any tract or parcel of land from a district. Notice of the hearing shall state the date, hour and place of the hearing, and its subject, and shall be published at least once not less than one week before the date of the hearing.

(b) The removal of any tract or parcel of land from any service district shall take effect at the end of a fiscal year following passage of the resolution, as determined by the city council.

(c) **(For applicability see note)** A service district which at the time of its creation had the same boundaries as an historic district created under Part 3A of Article 19 of this Chapter may only have its boundaries reduced to exclude territory which has been removed from the historic district. (1977, c. 775, s. 3; 1987, c. 621, s. 3.)

§ 160A-539. Consolidation of service districts.

(a) The city council may by resolution consolidate two or more service districts upon finding that:

(1) The districts are contiguous or are in a continuous boundary; and

(2) The services provided in each of the districts are substantially the same; or

(3) If the services provided are lower for one of the districts, there is a need to increase those services for that district to the level of that enjoyed by the other districts.

(b) Report. – Before the public hearing required by subsection (c), the city council shall cause to be prepared a report containing:

(1) A map of the districts to be consolidated;

(2) A statement showing the proposed consolidation meets the standards of subsection (a); and

(3) If necessary, a plan for increasing the services for one or more of the districts so that they are substantially the same throughout the consolidated district.

The report shall be available in the office of the city clerk for at least two weeks before the public hearing.

(c) Hearing and Notice. – The city council shall hold a public hearing before adopting any resolution consolidating service districts. Notice of the hearing shall state the date, hour, and place of the hearing and its subject, and shall include a statement that the report required by subsection (b) is available for inspection in the office of the city clerk. The notice shall be published at least once not less than one week before the date of the hearing. In addition, the notice shall be mailed at least four weeks before the hearing to the owners as shown by the county tax records as of the preceding January 1 of all property located within the consolidated district. The notice may be mailed by any class of U.S. mail which is fully prepaid. The person designated by the council to mail the notice shall certify to the council that the mailing has been completed, and his certificate shall be conclusive in the absence of fraud.

(d) Effective Date. – The consolidation of service districts shall take effect at the beginning of a fiscal year commencing after passage of the resolution of consolidation, as determined by the council. (1973, c. 655, s. 1; 1981, c. 53, s. 2.)

§ 160A-540. Required provision or maintenance of services.

(a) New District. – When a city defines a new service district, it shall provide, maintain, or let contracts for the services for which the residents of the district are being taxed within a reasonable time, not to exceed one year, after the effective date of the definition of the district.

(b) Extended District. – When a city annexes territory for a service district, it shall provide, maintain, or let contracts for the services provided or maintained throughout the district to the residents of the area annexed to the district within a reasonable time, not to exceed one year, after the effective date of the annexation.

(c) Consolidated District. – When a city consolidates two or more service districts, one of which has had provided or maintained a lower level of services, it shall increase the services within that district (or let contracts therefor) to a level comparable to those provided or maintained elsewhere in the consolidated district within a reasonable time, not to exceed one year, after the effective date of the consolidation. (1973, c. 655, s. 1.)

§ 160A-541. Abolition of service districts.

Upon finding that there is no longer a need for a particular service district, the city council may by resolution abolish that district. The council shall hold a public hearing before adopting a resolution abolishing a district. Notice of the hearing shall state the date, hour and place of the hearing, and its subject, and shall be published at least once not less than one week before the date of the hearing. The abolition of any service district shall take effect at the end of a fiscal year following passage of the resolution, as determined by the council. (1973, c. 655, s. 1.)

§ 160A-542. Taxes authorized; rate limitation.

A city may levy property taxes within defined service districts in addition to those levied throughout the city, in order to finance, provide or maintain for the district services provided therein in addition to or to a greater extent than those financed, provided or maintained for the entire city. In addition, a city may allocate to a service district any other revenues whose use is not otherwise restricted by law.

Property subject to taxation in a newly established district or in an area annexed to an existing district is that subject to taxation by the city as of the preceding January 1.

Property taxes may not be levied within any district established pursuant to this Article in excess of a rate on each one hundred dollar ($100.00) value of property subject to taxation which, when added to the rate levied city wide for purposes subject to the rate limitation, would exceed the rate limitation established in G.S. 160A-209(d), unless that portion of the rate in excess of this limitation is submitted to and approved by a majority of the qualified voters residing within the district. Any referendum held pursuant to this paragraph shall be held and conducted as provided in G.S. 160A-209.

This Article does not impair the authority of a city to levy special assessments pursuant to Article 10 of this Chapter for works authorized by G.S. 160A-491, and may be used in addition to that authority. (1973, c. 655, s. 1.)

§ 160A-543. Bonds authorized.

A city may incur debt under general law to finance services, facilities or functions provided within a service district. If a proposed general obligation bond issue is required by law to be submitted to and approved by the voters of the city, and if the proceeds of the proposed bond issue are to be used in connection with a service that is or, if the bond issue is approved, will be provided only for one or more service districts or at a higher level in service districts than city wide, the proposed bond issue must be approved concurrently by a majority of those voting throughout the entire city and by a majority of the total of those voting in all of the affected or to be affected service districts. (1973, c. 655, s. 1; 2004-151, s. 4.)

§ 160A-544. Exclusion of personal property of public service corporations.

There shall be excluded from any service district and the provisions of this Article shall not apply to the personal property of any public service corporation as defined in G.S. 160A-243(c); provided that this section shall not apply to any service district in existence on January 1, 1977. (1977, c. 775, s. 4.)

§§ 160A-545 through 160A-549. Reserved for future codification purposes.

Retrieved from North Carolina General Assembly web site:
http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/ByArticle/Chapter_160A/Article_23.html

Appendix B: Tables

Table B.1: BIDs in the US by State

BIDs In the United States			
State	N	State	N
California	232	Maryland	5
New York	115	Oklahoma	5
Wisconsin	82	Tennessee	5
New Jersey	77	Alaska	4
Illinois	59	Arkansas	4
North Carolina	49	Indiana	4
Pennsylvania	42	Massachusetts	4
Colorado	37	Michigan	4
Texas	37	West Virginia	4
Missouri	36	Hawaii	3
Ohio	19	Alabama	2
Georgia	18	Delaware	2
Oregon	17	Maine	2
Louisiana	16	Minnesota	2
Washington	16	Rhode Island	2
Connecticut	14	Vermont	2
Iowa	14	Kentucky	1
Virginia	10	Mississippi	1
Florida	9	Nevada	1
Kansas	8	New Hampshire	1
Washington, D.C.	8	New Mexico	1
Idaho	7	South Carolina	1
Montana	7	South Dakota	1
Nebraska	6	Utah	1
Arizona	5	**Grand Total**	**1002**

Source: International Downtown Association, Business Improvement District: Census and National Survey, 2011

Table B.2: Municipal Service Districts & Rates in North Carolina

Municipal Service Districts in North Carolina					
MSD Name	County	Tax Rate ($)*	MSD Name	County	Tax Rate ($)*
Albemarle MSD	Stanly	0.1000	Laurinburg MSD	Scotland	0.2100
Boone MSD	Watauga	0.2100	Lenoir MSD	Caldwell	0.2500
Burlington MSD	Alamance	0.1600	Maxton MSD	Robeson and Scotland	0.1000
Burlington MSD	Guilford	0.1600	Monroe MSD	Union	0.2000
Chapel Hill MSD	Durham and Orange	0.0710	Mooresville MSD	Iredell	0.1600
Charlotte MSD #1	Mecklenburg	0.0174	Morganton MSD	Burke	0.1400
Charlotte MSD #2	Mecklenburg	0.0413	Mount Airy MSD	Surry	0.2000
Charlotte MSD #3	Mecklenburg	0.0560	New Bern MSD	Craven	0.1200
Charlotte MSD #4	Mecklenburg	0.6680	Oxford MSD	Granville	0.2000
Charlotte MSD #5	Mecklenburg	0.0300	Pinehurst MSD	Moore	0.0500
Chimney Rock MSD	Rutherford	0.0600	Raleigh Dwtwn. **	Durham and Wake	0.0786
Clinton MSD	Sampson	0.2000	Reidsville MSD	Rockingham	0.2500
Concord MSD	Cabarrus	0.1800	Rocky Mount MSD	Edgecombe and Nash	0.2000
Davidson MSD	Iredell & Mecklenburg	0.0000	Rutherfordton MSD	Rutherford	0.1300
Dunn MSD	Harnett	0.1200	Salisbury MSD	Rowan	0.1600
Elizabeth City MSD	Camden and Pasquotank	0.0600	Sanford MSD	Lee	0.1300
Elkin MSD	Surry and Wilkes	0.1000	Seventh Ave. MSD	Haywood	0.0800
Fayetteville MSD	Cumberland	0.1000	Shelby MSD	Cleveland	0.2200
Gastonia MSD	Gaston	0.2000	Smithfield MSD	Johnston	0.1900
Goldsboro MSD	Wayne	0.2500	St Pauls MSD	Robeson	0.1000
Greensboro MSD	Guilford	0.0900	Statesville MSD	Iredell	0.1000
Heart of Brevard	Transylvania	0.2250	Wake Forest MSD	Franklin and Wake	0.1400
Hendersonville MSD	Haywood	0.2500	Waynesville MSD	Haywood	0.2300
Hillsborough St**	Durham and Wake	0.1000	Whiteville MSD	Columbus	0.1200
Kings Mtn. MSD	Gaston & Cleveland	0.2362	Wilson MSD	Wilson	0.1700
Kinston MSD	Lenoir	0.2700			

* Tax rate per $100 valuation

** Included due to its similarity to other MSDs

Source: North Carolina Department of Revenue, April 2011

Table B.3: IDA 2011 BID Revenue Sources

Responses to IDA BID Survey Regarding BID Revenue Sources		
	Percent	N
Assessments	95.90%	186
Member dues	36.10%	70
Contracts	41.20%	80
Sponsorships	48.50%	94
Development fees	21.60%	42
City General Revenues	38.10%	74
Other	56.20%	109
Answered question: 194		
Skipped question: 81		

Source: International Downtown Association, Business Improvement District: Census and National Survey, 2011

Table B.4: Additional BID Funding Sources

Other Sources of BID Funding	
· Advertising revenues	· Parking lot revenues
· Art festival	· Participation fees
· Beer and Wine sales at an Event	· PILOT (payment in lieu of taxes) from non-profit and government entities
· Business license fees	· Project partnerships
· Charitable contributions from businesses	· Property tax revenues
· Clean Communities Grant & Recycling Trust Funds	· Rental income
· Community Redevelopment Agency Allowance	· Revenue from operation of transportation system.
· Donations	· Special Purpose Local Option Sales Tax (SPLOST)
· Event Revenues	· Sponsorships
· Farmers Market Revenues	· TFCA and Lifeline Grants (Transportation Fund for Clean Air and Lifeline)
· Fee for service work	· Transportation Program Funds)
· FTA JARC grant	· TIF funding
· Fundraising	· Trolley service
· General Funds from a city	· University partner
· Grants	· Unspent prior year funds carried over
· Interest	· Vendor fees at events
· Local Option Sales Tax	· Volunteer assessments

Source: International Downtown Association, Business Improvement District: Census and National Survey, 2011

Table B.5: IDA 2011 BID Survey Responses

Basis for Calculating BID Assessments		
	Percent	**N**
Assessed value for real estate taxes	55.90%	124
Sales tax	1.80%	4
Square foot basis	12.20%	27
Linear front footage basis	4.50%	10
Other	25.70%	57
Answered question: 222		
Skipped question: 53		

Source: International Downtown Association, Business Improvement District: Census and National Survey, 2011

Table B.6: Demographic and Income Data – Comparison CBD & Census Tract

Custom Polygon CBD Demographic and Income Profile			*DP-1: Profile of General Demographic Characteristics: 2000 Data Set: Census 2000 Summary File 1 (SF 1) 100-Percent Data Geographic Area: Census Tract 1, Buncombe County, NC*				
Summary	**Number**		**Number**				
Population	1,796		1,351				
Households	654		594				
Families	83		54				
Average Household Size	1.7		1.28				
Owner Occupied Housing Units	58		37				
Renter Occupied Housing Units	596		557				
Median Age	39.4		39.1				
Population by Age	**Number**	**Percent**	**Number**	**Percent**			
0 - 4	27	1.5%	6	0.4%			
5 - 9	35	1.9%	10	0.7%			
10 - 14	27	1.5%	7	0.5%			
15 - 19	94	5.2%	76	5.6%			
20 - 24	177	9.9%	153	11.3%			
25 - 34	361	20.1%	306	22.6%			
35 - 44	364	20.3%	273	20.2%			
45 - 54	216	12.0%	141	10.4%			
55 - 64	178	9.9%	131	9.7%	67	5	55 to 59 years
					64	4.7	60 to 64 years
65 - 74	139	7.7%	104	7.7%			
75 - 84	127	7.1%	102	7.5%			
85+	51	2.8%	42	3.1%			
Race and Ethnicity	**Number**	**Percent**	**Number**	**Percent**			
White Alone	1111	61.80%	958	70.9%			
Black Alone	598	33.3%	325	24.1%			
American Indian Alone	34	1.9%	31	2.3%			
Asian Alone	7	0.4%	6	0.4%			
Pacific Islander Alone	1	0.1%	1	0.1%			
Some Other Race Alone	16	0.9%	11	0.8%			
Two or More Races	30	1.7%	19	1.4%			
Hispanic Origin (Any Race)	54	3.0%	33	2.4%			
Custom Polygon CBD Demographic and Income Profile			*DP-3: Profile of Selected Economic Characteristics: 2000 Data Set: Census 2000 Summary File 4 (SF 4) - Sample Data Geographic Area: Census Tract 1, Buncombe County, NC*				
Households by Income	**Number**	**Percent**	**Number**	**Percent**			
<$15,000	427	64.70%	399	66.8%		52.1%	<$10,000
						14.7%	$10,000 - $15,000
$15,000 - $24,999	86	13%	75	12.6%			
$25,000 - $34,999	83	12.60%	77	12.9%			
$35,000 - $49,999	29	4.40%	22	3.7%			
$50,000 - $74,999	22	3.30%	15	2.5%			
$75,000 - $99,999	2	0.30%	0	0.0%			
$100,000 - $149,999	10	1.50%	9	1.5%			
$150,000 - $199,999	0	0%	0	0.0%			
$200,000+	1	0.20%	0	0.0%			
Median Household Income	$10,035		$9,678				
Source: ESRI Report			*Source: U.S. Census Bureau*				

Table B.7: Age Groups and Sex, Asheville Census Tract 1

Age	Number			Percent			Males/100 females
	All	Male	Female	All	Male	Female	
Total population	**1,351**	**831**	**520**	**100**	**100**	**100**	**159.8**
Under 5 years	6	1	5	0.4	0.1	1	20
5 to 9 years	10	5	5	0.7	0.6	1	100
10 to 14 years	7	3	4	0.5	0.4	0.8	75
15 to 19 years	76	57	19	5.6	6.9	3.7	300
20 to 24 years	153	103	50	11.3	12.4	9.6	206
25 to 29 years	171	129	42	12.7	15.5	8.1	307.1
30 to 34 years	135	92	43	10	11.1	8.3	214
35 to 39 years	157	120	37	11.6	14.4	7.1	324.3
40 to 44 years	116	74	42	8.6	8.9	8.1	176.2
45 to 49 years	73	56	17	5.4	6.7	3.3	329.4
50 to 54 years	68	45	23	5	5.4	4.4	195.7
55 to 59 years	67	38	29	5	4.6	5.6	131
60 to 64 years	64	31	33	4.7	3.7	6.3	93.9
65 to 69 years	50	27	23	3.7	3.2	4.4	117.4
70 to 74 years	54	17	37	4	2	7.1	45.9
75 to 79 years	68	24	44	5	2.9	8.5	54.5
80 to 84 years	34	5	29	2.5	0.6	5.6	17.2
85 to 89 years	26	0	26	1.9	0	5	0
90 years and over	16	4	12	1.2	0.5	2.3	33.3
Under 18 years	41	23	18	3	2.8	3.5	127.8
18 to 64 years	1,062	731	331	78.6	88	63.7	220.8
18 to 24 years	211	146	65	15.6	17.6	12.5	224.6
25 to 44 years	579	415	164	42.9	49.9	31.5	253
25 to 34 years	306	221	85	22.6	26.6	16.3	260
35 to 44 years	273	194	79	20.2	23.3	15.2	245.6
45 to 64 years	272	170	102	20.1	20.5	19.6	166.7
45 to 54 years	141	101	40	10.4	12.2	7.7	252.5
55 to 64 years	131	69	62	9.7	8.3	11.9	111.3
65 years and over	248	77	171	18.4	9.3	32.9	45
65 to 74 years	104	44	60	7.7	5.3	11.5	73.3
75 to 84 years	102	29	73	7.5	3.5	14	39.7
85 years and over	42	4	38	3.1	0.5	7.3	10.5
16 years and over	1,325	819	506	98.1	98.6	97.3	161.9
18 years and over	1,310	808	502	97	97.2	96.5	161
21 years and over	1,229	747	482	91	89.9	92.7	155
60 years and over	312	108	204	23.1	13	39.2	52.9
62 years and over	279	91	188	20.7	11	36.2	48.4
67 years and over	234	69	165	17.3	8.3	31.7	41.8
75 years and over	144	33	111	10.7	4	21.3	29.7
Median age (years)	39.1	35.9	48.8				

Source: QT-P1. Age Groups and Sex: 2000 Data Set: Census 2000 Summary File 1 (SF 1) 100-Percent Data, Geographic Area: Census Tract 1, Buncombe County, North Carolina

Table B.8: Households By Type, Asheville Census Tract 1

Households By Type	Number	Percent
Total households	594	100
Family households (families)	54	9.1
With own children under 18 years	15	2.5
Married-couple family	32	5.4
With own children under 18 years	5	0.8
Female householder, no husband present	17	2.9
With own children under 18 years	8	1.3
Nonfamily households	540	90.9
Householder living alone	487	82
Householder 65 years and over	219	36.9
Households with individuals under 18 years	17	2.9
Households with individuals 65 years and over	237	39.9
HOUSING TENURE		
Occupied housing units	594	100
Owner-occupied housing units	37	6.2
Renter-occupied housing units	557	93.8
HOUSING OCCUPANCY		
Total housing units	667	100
Occupied housing units	594	89.1
Vacant housing units	73	10.9
For seasonal, recreational, or occasional use	9	1.3

Source: DP-1: Profile of General Demographic Characteristics: 2000
Data Set: Census 2000 Summary File 1 (SF 1) 100-Percent Data
Geographic Area: Census Tract 1, Buncombe County, North Carolina

B.9: Quick Facts - Asheville, NC

People QuickFacts	Asheville	NC
Population, 2006 estimate	72,789	8,856,505
Population, percent change, April 1, 2000 to July 1, 2006	2.3%	10.1%
Population, 2000	68,889	8,049,313
Persons under 5 years old, percent, 2000	5.4%	6.7%
Persons under 18 years old, percent, 2000	19.6%	24.4%
Persons 65 years old and over, percent, 2000	18.3%	12.0%
Female persons, percent, 2000	53.2%	51.0%
White persons, percent, 2000	78.0%	72.1%
Black persons, percent, 2000	17.6%	21.6%
American Indian and Alaska Native persons, percent, 2000	0.4%	1.2%
Asian persons, percent, 2000	0.9%	1.4%
Native Hawaiian and Other Pacific Islander, percent, 2000	0.1%	0.0%
Persons reporting two or more races, percent, 2000	1.6%	1.3%
Persons of Hispanic or Latino origin, percent, 2000	3.8%	4.7%
Living in same house in 1995 and 2000, pct 5 yrs old & over	47.6%	53.0%
Foreign born persons, percent, 2000	5.2%	5.3%
Language other than English spoken at home, pct age 5+, 2000	8.2%	8.0%
High school graduates, percent of persons age 25+, 2000	82.3%	78.1%
Bachelor's degree or higher, pct of persons age 25+, 2000	30.4%	22.5%
Mean travel time to work (minutes), workers age 16+, 2000	17.8	24
Housing units, 2000	33,567	3,523,944
Homeownership rate, 2000	56.8%	69.4%
Median value of owner-occupied housing units, 2000	$109,100	$108,300
Households, 2000	30,690	3,132,013
Persons per household, 2000	2.14	2.49
Median household income, 1999	$32,772	$39,184
Per capita money income, 1999	$20,024	$20,307
Persons below poverty, percent, 1999	15.5%	12.3%
Business QuickFacts	Asheville	NC
Wholesale trade sales, 2002 ($1000)	1,197,707	104,331,152
Retail sales, 2002 ($1000)	2,069,684	88,821,486
Retail sales per capita, 2002	$29,279	$10,685
Accommodation and foodservices sales, 2002 ($1000)	391,428	11,237,386
Total number of firms, 2002	9,224	642,597
Black-owned firms, percent, 2002	4.2%	8.1%
American Indian and Alaska Native owned firms, percent, 2002	F	0.9%
Asian-owned firms, percent, 2002	1.6%	2.1%
Hispanic-owned firms, percent, 2002	1.3%	1.4%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	0	0
Women-owned firms, percent, 2002	25.5%	27.1%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

Table B.10: Major Employers Asheville MSA

Company Name	NAIS 3-Digit Description	Employees
Buncombe County Public Schools	Educational Services	3000+
Mission Health System and Hospital	Hospitals	3000+
City of Asheville	Executive, Legislative & Other General	1000-2999
The Biltmore Company	Museums, Historical Sites & Similar	1000-2999
Buncombe County Government	Executive, Legislative & Other General	1000-2999
The Grove Park Inn Resort & Spa	Accommodation	1000-2999
Ingles Markets, Inc. (Buncombe County)	Food & Beverage Stores	1000-2999
VA Medical Center-Asheville	Hospitals	1000-2999
BorgWarner Turbo & Emissions Systems	Transportation Equip. Mfg.	750-999
CarePartners	Nursing & Residential Care Facilities	750-999
Eaton Corporation - Electrical Division	Electrical Equip., Appliance & Component	750-999
Asheville City Schools	Educational Services	500-749
Arvato Digital Services	Computer & Electronic Product Mfg.	500-749
Sitel, A Subsidiary of Onex Corp.	Administrative & Support Services	500-749
Thermo Fisher Scientific, Inc.	Machinery Mfg.	500-749
University of North Carolina at Asheville	Educational Services	500-749
Asheville-Buncombe Technical Community College	Educational Services	400-499
Black Mountain Neuro-Medical Treatment Ctr	Nursing & Residential Care Facilities	400-499
Kearfott Guidance & Navigation Corp.	Computer & Electronic Product Mfg.	400-499
Wal-Mart Stores, Inc. Supercenter Store #1317	General Merchandise Stores	400-499
YMCA of Western NC	Religious, Grantmaking, Civic,	400-499
Burger King Restaurants (Carrols Corp.)	Food Services & Drinking Places	300-399
Flint Group	Machinery Mfg.	300-399
Givens Estates United Methodist Retirement	Nursing & Residential Care Facilities	300-399
MB Haynes Corp. (Division Offices)	Construction of Buildings	300-399
McDonald's Corp., Corporate Office	Food Services & Drinking Places	300-399
Unison Engine Components	Transportation Equip. Mfg.	300-399
Taylor & Murphy Construction Company, Inc.	Heavy & Civil Eng. Construction	300-399
CPU2	Administrative & Support Services	300-399
Advantage Care Services	Ambulatory Health Care Services	200-299
Asheville Radiology Associates, P.A.	Ambulatory Health Care Services	200-299
Biltmore Estate Winery	Beverage & Tobacco Product Mfg.	200-299
Colbond, Inc.	Chemical Mfg.	200-299
Deerfield Episcopal Retirement Community	Nursing & Residential Care Facilities	200-299
Eaton Corporation - Electrical Division (Avery's Creek)	Electrical Equip., Appliance & Component	200-299
Genova Diagnostics	Ambulatory Health Care Services	200-299
Highland Farms Retirement Community	Nursing & Residential Care Facilities	200-299
HomeTrust Bank	Credit Intermediation & Related Activities	200-299
Inn on Biltmore Estate	Accommodation	200-299
J & S Cafeteria (Buncombe County)	Food Services & Drinking Places	200-299
J. Crew Group	Clothing & Clothing Accessories Stores	200-299
Medical Action Industries, Inc.	Misc. Mfg.	200-299
Milkco, Inc.	Food Mfg.	200-299
Mills Manufacturing Corp.	Textile Product Mfg.	200-299
NC State Alcohol & Drug Abuse Treatment Ctr.	Hospitals	200-299
Nypro Asheville, Inc.	Plastics & Rubber Products Mfg.	200-299
Pisgah Valley Retirement Community	Nursing & Residential Care Facilities	200-299
Sam's Club Store #6452	General Merchandise Stores	200-299
Swannanoa Valley Youth Development Center	Justice, Public Order & Safety Activities	200-299
Tyco Electronics Corp.	Electrical Equip., Appliance & Component	200-299
United Parcel Service (Asheville)	Couriers & Messengers	200-299
United States Postal Service - Asheville Facility	Postal Service	200-299
Volvo Construction Equipment North America, Inc.	Merchant Whols., Durable Goods	200-299
Warren Wilson College	Educational Services	200-299
Source: Asheville Chamber of Commerce Custom Report, retrieved from Asheville Metro Business & Industry Directory 2009-2010		

Table B.11: Industry Employment Rates 2000-2010, Asheville MSA

Major Industry Employment	2000	2010	% Total Employment	2000-2010 Change	% Change
Total All Industries (nonfarm)	160,000	165,300	-	5,300	3.30%
Private Educational and Health Services	21,300	30,500	18.50%	9,200	43.20%
Government	22,600	26,200	15.80%	3,600	15.90%
Manufacturing	27,300	17,800	10.80%	-9,500	-34.80%
Retail	21,800	22,200	13.40%	400	1.80%
Leisure and Hospitality	19,900	23,500	14.20%	3,600	18.10%
Professional and Business Services	12,300	13,400	8.10%	1,100	8.90%
Construction	10,700	7,800	4.70%	-2,900	-27.10%
Financial Activities	5,200	5,800	3.50%	600	11.50%
Wholesale Trade	5,000	4,500	2.70%	-500	-10.00%
Transportation/Utilities	5,600	4,200	2.50%	-1,400	-25.00%
Information	2,200	2,100	1.30%	-100	-4.50%

Source: Asheville Chamber of Commerce Custom Report, Updated September 2010

B.12: Quick Facts Comparison- Asheville, NC and Bozeman, MT

People QuickFacts	Asheville	NC	Bozeman	MT
Population, 2006 estimate	72,789	8,856,505	35,061	944,632
Population, percent change, April 1, 2000 to July 1, 2006	2.3%	10.1%	26.5%	4.7%
Population, 2000	68,889	8,049,313	27,509	902,195
Persons under 5 years old, percent, 2000	5.4%	6.7%	5.0%	6.1%
Persons under 18 years old, percent, 2000	19.6%	24.4%	16.0%	25.5%
Persons 65 years old and over, percent, 2000	18.3%	12.0%	8.0%	13.4%
Female persons, percent, 2000	53.2%	51.0%	47.4%	50.2%
White persons, percent, 2000	78.0%	72.1%	94.7%	90.6%
Black persons, percent, 2000	17.6%	21.6%	0.3%	0.3%
American Indian and Alaska Native persons, percent, 2000	0.4%	1.2%	1.2%	6.2%
Asian persons, percent, 2000	0.9%	1.4%	1.6%	0.5%
Native Hawaiian and Other Pacific Islander, percent, 2000	0.1%	0.0%	0.1%	0.1%
Persons reporting two or more races, percent, 2000	1.6%	1.3%	1.5%	1.7%
Persons of Hispanic or Latino origin, percent, 2000	3.8%	4.7%	1.6%	2.0%
Living in same house in 1995 and 2000, pct 5 yrs old & over	47.6%	53.0%	29.3%	53.6%
Foreign born persons, percent, 2000	5.2%	5.3%	3.7%	1.8%
Language other than English spoken at home, pct age 5+, 2000	8.2%	8.0%	7.1%	5.2%
High school graduates, percent of persons age 25+, 2000	82.3%	78.1%	94.3%	87.2%
Bachelor's degree or higher, pct of persons age 25+, 2000	30.4%	22.5%	49.5%	24.4%
Mean travel time to work (minutes), workers age 16+, 2000	17.8	24	13.9	17.7
Housing units, 2000	33,567	3,523,944	11,577	412,633
Homeownership rate, 2000	56.8%	69.4%	42.9%	69.1%
Median value of owner-occupied housing units, 2000	$109,100	$108,300	$137,300	$99,500
Households, 2000	30,690	3,132,013	10,877	358,667
Persons per household, 2000	2.14	2.49	2.26	2.45
Median household income, 1999	$32,772	$39,184	$32,156	$33,024
Per capita money income, 1999	$20,024	$20,307	$16,104	$17,151
Persons below poverty, percent, 1999	15.5%	12.3%	20.2%	14.6%
Business QuickFacts	**Asheville**	**NC**	**Bozeman**	**MT**
Wholesale trade sales, 2002 ($1000)	1,197,707	104,331,152	280,694	7,223,420
Retail sales, 2002 ($1000)	2,069,684	88,821,486	679,846	10,122,625
Retail sales per capita, 2002	$29,279	$10,685	$23,035	$11,119
Accommodation and foodservices sales, 2002 ($1000)	391,428	11,237,386	92,926	1,537,986
Total number of firms, 2002	9,224	642,597	4,833	100,402
Black-owned firms, percent, 2002	4.2%	8.1%	0.0%	0.2%
American Indian and Alaska Native owned firms, percent, 2002	F	0.9%	0.0%	2.0%
Asian-owned firms, percent, 2002	1.6%	2.1%	0.0%	0.5%
Hispanic-owned firms, percent, 2002	1.3%	1.4%	0.0%	1.0%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	0	0	0	0
Women-owned firms, percent, 2002	25.5%	27.1%	21.7%	24.4%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

Table B.13: Quick Facts Comparison- Asheville, NC and Madison, WI

People QuickFacts	Asheville	NC	Madison	WI
Population, 2006 estimate	72,789	8,856,505	223,389	5,556,506
Population, percent change, April 1, 2000 to July 1, 2006	2.3%	10.1%	6.8%	3.6%
Population, 2000	68,889	8,049,313	208,054	5,363,675
Persons under 5 years old, percent, 2000	5.4%	6.7%	5.2%	6.4%
Persons under 18 years old, percent, 2000	19.6%	24.4%	17.9%	25.5%
Persons 65 years old and over, percent, 2000	18.3%	12.0%	9.2%	13.1%
Female persons, percent, 2000	53.2%	51.0%	50.9%	50.6%
White persons, percent, 2000 (a)	78.0%	72.1%	84.0%	88.9%
Black persons, percent, 2000 (a)	17.6%	21.6%	5.8%	5.7%
American Indian and Alaska Native persons, percent, 2000 (a)	0.4%	1.2%	0.4%	0.9%
Asian persons, percent, 2000 (a)	0.9%	1.4%	5.8%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2000 (a)	0.1%	0.0%	0.0%	0.0%
Persons reporting two or more races, percent, 2000	1.6%	1.3%	2.3%	1.2%
Persons of Hispanic or Latino origin, percent, 2000 (b)	3.8%	4.7%	4.1%	3.6%
Living in same house in 1995 and 2000, pct 5 yrs old & over	47.6%	53.0%	39.2%	56.5%
Foreign born persons, percent, 2000	5.2%	5.3%	9.1%	3.6%
Language other than English spoken at home, pct age 5+, 2000	8.2%	8.0%	12.7%	7.3%
High school graduates, percent of persons age 25+, 2000	82.3%	78.1%	92.4%	85.1%
Bachelor's degree or higher, pct of persons age 25+, 2000	30.4%	22.5%	48.2%	22.4%
Mean travel time to work (minutes), workers age 16+, 2000	17.8	24	18.3	20.8
Housing units, 2000	33,567	3,523,944	92,394	2,321,144
Homeownership rate, 2000	56.8%	69.4%	47.7%	68.4%
Median value of owner-occupied housing units, 2000	$109,100	$108,300	$139,300	$112,200
Households, 2000	30,690	3,132,013	89,019	2,084,544
Persons per household, 2000	2.14	2.49	2.19	2.5
Median household income, 1999	$32,772	$39,184	$41,941	$43,791
Per capita money income, 1999	$20,024	$20,307	$23,498	$21,271
Persons below poverty, percent, 1999	15.5%	12.3%	15.0%	8.7%
Business QuickFacts	Asheville	NC	Madison	WI
Wholesale trade sales, 2002 ($1000)	1,197,707	104,331,152	1,994,195	68,510,712
Retail sales, 2002 ($1000)	2,069,684	88,821,486	3,475,535	59,978,700
Retail sales per capita, 2002	$29,279	$10,685	$16,136	$11,027
Accommodation and foodservices sales, 2002 ($1000)	391,428	11,237,386	505,175	6,885,765
Total number of firms, 2002	9,224	642,597	17,128	393,241
Black-owned firms, percent, 2002	4.2%	8.1%	0.0%	1.7%
American Indian and Alaska Native owned firms, percent, 2002	0.0%	0.9%	0.8%	0.6%
Asian-owned firms, percent, 2002	1.6%	2.1%	2.8%	1.3%
Hispanic-owned firms, percent, 2002	1.3%	1.4%	1.8%	1.0%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	0.0%	0.0%	0.0%	0.0%
Women-owned firms, percent, 2002	25.5%	27.1%	31.2%	26.5%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

Table B.14: Demographics Comparison- Asheville, NC and Portland, OR

People QuickFacts	Asheville	NC	Portland	OR
Population, 2006 estimate	72,789	8,856,505	537,081	3,700,758
Population, percent change, April 1, 2000 to July 1, 2006	2.3%	10.1%	1.5%	8.2%
Population, 2000	68,889	8,049,313	529,121	3,421,399
Persons under 5 years old, percent, 2000	5.4%	6.7%	6.1%	6.5%
Persons under 18 years old, percent, 2000	19.6%	24.4%	21.1%	24.7%
Persons 65 years old and over, percent, 2000	18.3%	12.0%	11.6%	12.8%
Female persons, percent, 2000	53.2%	51.0%	50.6%	50.4%
White persons, percent, 2000 (a)	78.0%	72.1%	77.9%	86.6%
Black persons, percent, 2000 (a)	17.6%	21.6%	6.6%	1.6%
American Indian and Alaska Native persons, percent, 2000 (a)	0.4%	1.2%	1.1%	1.3%
Asian persons, percent, 2000 (a)	0.9%	1.4%	6.3%	3.0%
Native Hawaiian and Other Pacific Islander, percent, 2000 (a)	0.1%	0.0%	0.4%	0.2%
Persons reporting two or more races, percent, 2000	1.6%	1.3%	4.1%	3.1%
Persons of Hispanic or Latino origin, percent, 2000 (b)	3.8%	4.7%	6.8%	8.0%
Living in same house in 1995 and 2000, pct 5 yrs old & over	47.6%	53.0%	45.0%	46.8%
Foreign born persons, percent, 2000	5.2%	5.3%	13.0%	8.5%
Language other than English spoken at home, pct age 5+, 2000	8.2%	8.0%	16.9%	12.1%
High school graduates, percent of persons age 25+, 2000	82.3%	78.1%	85.7%	85.1%
Bachelor's degree or higher, pct of persons age 25+, 2000	30.4%	22.5%	32.6%	25.1%
Mean travel time to work (minutes), workers age 16+, 2000	17.8	24	23.1	22.2
Housing units, 2000	33,567	3,523,944	237,307	1,452,709
Homeownership rate, 2000	56.8%	69.4%	55.8%	64.3%
Median value of owner-occupied housing units, 2000	$109,100	$108,300	$154,900	$152,100
Households, 2000	30,690	3,132,013	223,737	1,333,723
Persons per household, 2000	2.14	2.49	2.3	2.51
Median household income, 1999	$32,772	$39,184	$40,146	$40,916
Per capita money income, 1999	$20,024	$20,307	$22,643	$20,940
Persons below poverty, percent, 1999	15.5%	12.3%	13.1%	11.6%
Business QuickFacts	Asheville	NC	Portland	OR
Wholesale trade sales, 2002 ($1000)	1,197,707	104,331,152	24,168,343	56,855,958
Retail sales, 2002 ($1000)	2,069,684	88,821,486	6,859,207	37,896,022
Retail sales per capita, 2002	$29,279	$10,685	$12,758	$10,759
Accommodation and foodservices sales, 2002 ($1000)	391,428	11,237,386	1,358,105	5,527,223
Total number of firms, 2002	9,224	642,597	54,845	299,505
Black-owned firms, percent, 2002	4.2%	8.1%	2.5%	0.7%
American Indian and Alaska Native owned firms, percent, 2002	2.0%	0.9%	0.8%	1.0%
Asian-owned firms, percent, 2002	1.6%	2.1%	5.9%	3.0%
Hispanic-owned firms, percent, 2002	1.3%	1.4%	2.0%	2.1%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	0.0%	0.0%	0.0%	0.1%
Women-owned firms, percent, 2002	25.5%	27.1%	32.6%	29.5%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

Table B.15: Quick Facts Comparison- Asheville, NC and Ann Arbor, MI

People QuickFacts	Asheville	NC	Ann	MI
Population, 2006 estimate	72,789	8,856,505	113,206	10,095,643
Population, percent change, April 1, 2000 to July 1, 2006	2.3%	10.1%	-1.0%	1.6%
Population, 2000	68,889	8,049,313	114,024	9,938,444
Persons under 5 years old, percent, 2000	5.4%	6.7%	5.0%	6.8%
Persons under 18 years old, percent, 2000	19.6%	24.4%	16.8%	26.1%
Persons 65 years old and over, percent, 2000	18.3%	12.0%	7.9%	12.3%
Female persons, percent, 2000	53.2%	51.0%	50.6%	51.0%
White persons, percent, 2000 (a)	78.0%	72.1%	74.7%	80.2%
Black persons, percent, 2000 (a)	17.6%	21.6%	8.8%	14.2%
American Indian and Alaska Native persons, percent, 2000 (a)	0.4%	1.2%	0.3%	0.6%
Asian persons, percent, 2000 (a)	0.9%	1.4%	11.9%	1.8%
Native Hawaiian and Other Pacific Islander, percent, 2000 (a)	0.1%	0.0%	0.0%	0.0%
Persons reporting two or more races, percent, 2000	1.6%	1.3%	3.1%	1.9%
Persons of Hispanic or Latino origin, percent, 2000 (b)	3.8%	4.7%	3.3%	3.3%
Living in same house in 1995 and 2000, pct 5 yrs old & over	47.6%	53.0%	36.7%	57.3%
Foreign born persons, percent, 2000	5.2%	5.3%	16.6%	5.3%
Language other than English spoken at home, pct age 5+, 2000	8.2%	8.0%	20.1%	8.4%
High school graduates, percent of persons age 25+, 2000	82.3%	78.1%	95.7%	83.4%
Bachelor's degree or higher, pct of persons age 25+, 2000	30.4%	22.5%	69.3%	21.8%
Mean travel time to work (minutes), workers age 16+, 2000	17.8	24	18.8	24.1
Housing units, 2000	33,567	3,523,944	47,218	4,234,279
Homeownership rate, 2000	56.8%	69.4%	45.3%	73.8%
Median value of owner-occupied housing units, 2000	$109,100	$108,300	$181,400	$115,600
Households, 2000	30,690	3,132,013	45,693	3,785,661
Persons per household, 2000	2.14	2.49	2.22	2.56
Median household income, 1999	$32,772	$39,184	$46,299	$44,667
Per capita money income, 1999	$20,024	$20,307	$26,419	$22,168
Persons below poverty, percent, 1999	15.5%	12.3%	16.6%	10.5%
Business QuickFacts	**Asheville**	**NC**	**Ann**	**MI**
Wholesale trade sales, 2002 ($1000)	1,197,707	104,331,152	596,470	165,958,945
Retail sales, 2002 ($1000)	2,069,684	88,821,486	1,495,055	109,350,139
Retail sales per capita, 2002	$29,279	$10,685	$13,114	$10,892
Accommodation and foodservices sales, 2002 ($1000)	391,428	11,237,386	300,452	12,248,269
Total number of firms, 2002	9,224	642,597	10,948	735,531
Black-owned firms, percent, 2002	4.2%	8.1%	2.5%	6.0%
American Indian and Alaska Native owned firms, percent, 2002	0.0%	0.9%	0.0%	0.7%
Asian-owned firms, percent, 2002	1.6%	2.1%	5.2%	2.1%
Hispanic-owned firms, percent, 2002	1.3%	1.4%	1.9%	1.3%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	0.0%	0.0%	0.0%	0.0%
Women-owned firms, percent, 2002	25.5%	27.1%	25.1%	29.6%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

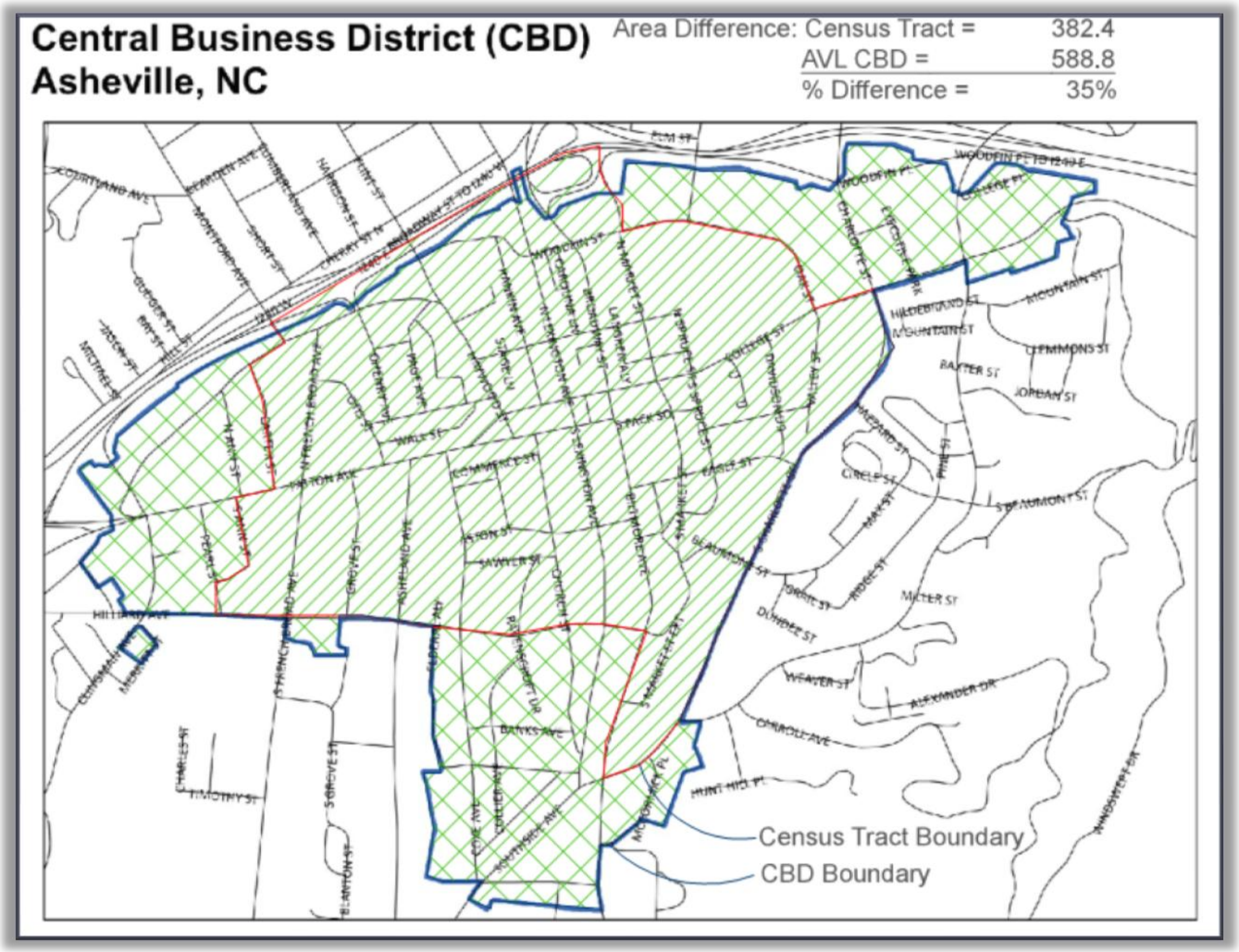
Table B.16: Demographics Comparison- Asheville, NC and Boulder, CO

People QuickFacts	Asheville	NC	Boulder	CO
Population, 2006 estimate	72,789	8,856,505	91,481	4,753,377
Population, percent change, April 1, 2000 to July 1, 2006	2.3%	10.1%	-3.2%	10.5%
Population, 2000	68,889	8,049,313	94,673	4,301,261
Persons under 5 years old, percent, 2000	5.4%	6.7%	4.1%	6.9%
Persons under 18 years old, percent, 2000	19.6%	24.4%	14.8%	25.6%
Persons 65 years old and over, percent, 2000	18.3%	12.0%	7.8%	9.7%
Female persons, percent, 2000	53.2%	51.0%	48.4%	49.6%
White persons, percent, 2000 (a)	78.0%	72.1%	88.3%	82.8%
Black persons, percent, 2000 (a)	17.6%	21.6%	1.2%	3.8%
American Indian and Alaska Native persons, percent, 2000 (a)	0.4%	1.2%	0.5%	1.0%
Asian persons, percent, 2000 (a)	0.9%	1.4%	4.0%	2.2%
Native Hawaiian and Other Pacific Islander, percent, 2000 (a)	0.1%	0.0%	0.1%	0.1%
Persons reporting two or more races, percent, 2000	1.6%	1.3%	2.4%	2.8%
Persons of Hispanic or Latino origin, percent, 2000 (b)	3.8%	4.7%	8.2%	17.1%
Living in same house in 1995 and 2000, pct 5 yrs old & over	47.6%	53.0%	33.6%	44.1%
Foreign born persons, percent, 2000	5.2%	5.3%	11.5%	8.6%
Language other than English spoken at home, pct age 5+, 2000	8.2%	8.0%	15.0%	15.1%
High school graduates, percent of persons age 25+, 2000	82.3%	78.1%	94.7%	86.9%
Bachelor's degree or higher, pct of persons age 25+, 2000	30.4%	22.5%	66.9%	32.7%
Mean travel time to work (minutes), workers age 16+, 2000	17.8	24	18.8	24.3
Housing units, 2000	33,567	3,523,944	40,726	1,808,037
Homeownership rate, 2000	56.8%	69.4%	49.5%	67.3%
Median value of owner-occupied housing units, 2000	$109,100	$108,300	$304,700	$166,600
Households, 2000	30,690	3,132,013	39,596	1,658,238
Persons per household, 2000	2.14	2.49	2.2	2.53
Median household income, 1999	$32,772	$39,184	$44,748	$47,203
Per capita money income, 1999	$20,024	$20,307	$27,262	$24,049
Persons below poverty, percent, 1999	15.5%	12.3%	17.4%	9.3%
Business QuickFacts	Asheville	NC	Boulder	CO
Wholesale trade sales, 2002 ($1000)	1,197,707	104,331,152	958,364	92,092,155
Retail sales, 2002 ($1000)	2,069,684	88,821,486	1,570,877	52,226,983
Retail sales per capita, 2002	$29,279	$10,685	$16,750	$11,610
Accommodation and foodservices sales, 2002 ($1000)	391,428	11,237,386	302,153	8,808,846
Total number of firms, 2002	9,224	642,597	15,343	464,982
Black-owned firms, percent, 2002	4.2%	8.1%	1.2%	1.5%
American Indian and Alaska Native owned firms, percent, 2002	0.0%	0.9%	0.9%	0.8%
Asian-owned firms, percent, 2002	1.6%	2.1%	2.3%	2.3%
Hispanic-owned firms, percent, 2002	1.3%	1.4%	2.1%	5.2%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	0.0%	0.0%	0.0%	0.1%
Women-owned firms, percent, 2002	25.5%	27.1%	30.4%	29.1%

Source: Custom tables created via U.S. Census Bureau State and City QuickFacts at http://quickfacts.census.gov/qfd/index.html

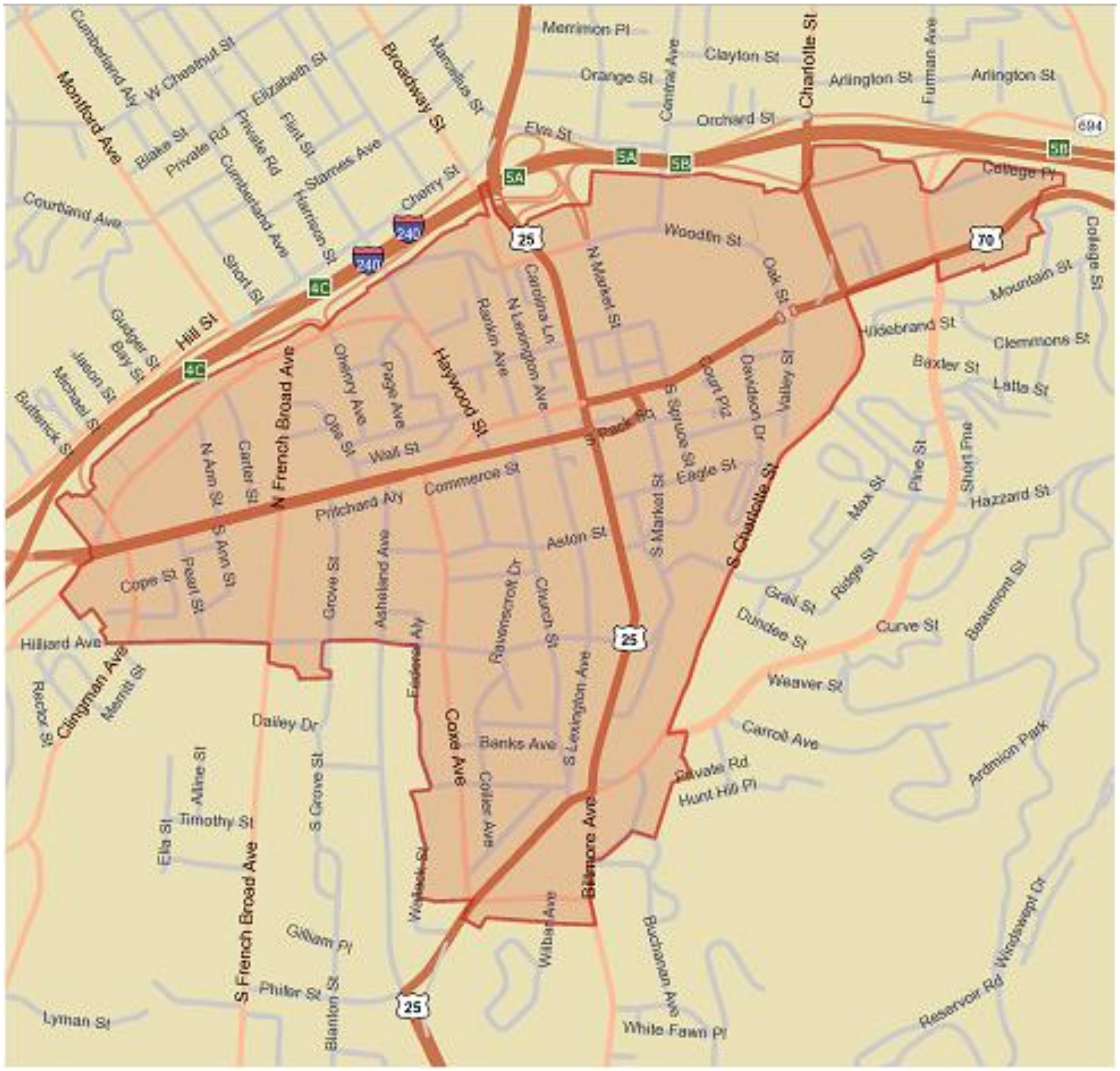
Appendix C: Maps and Figures

Map C.1: Area of Central Business District vs. Census Tract



Created using an Autodesk Education Product

Map C.2: Area of Central Business District vs. Census Tract



Site map created via ESRI

Figure C.1: Demographic and Income Projections in Central Business District

esri

Demographic and Income Profile

CBD

Summary	2000	2010	2015
Population	1,796	2,075	2,180
Households	654	822	893
Families	83	93	98
Average Household Size	1.70	1.66	1.64
Owner Occupied Housing Units	58	68	73
Renter Occupied Housing Units	596	753	819
Median Age	39.4	42.9	44.4
Trends: 2010 - 2015 Annual Rate	**Area**	**State**	**National**
Population	0.99%	1.61%	0.76%
Households	1.67%	1.69%	0.78%
Families	1.05%	1.52%	0.64%
Owner HHs	1.43%	1.72%	0.82%
Median Household Income	1.38%	2.54%	2.36%

	2000		2010		2015	
Households by Income	Number	Percent	Number	Percent	Number	Percent
<$15,000	427	64.7%	496	60.5%	533	59.9%
$15,000 - $24,999	86	13.0%	103	12.6%	105	11.8%
$25,000 - $34,999	83	12.6%	111	13.5%	113	12.7%
$35,000 - $49,999	29	4.4%	51	6.2%	49	5.5%
$50,000 - $74,999	22	3.3%	36	4.4%	55	6.2%
$75,000 - $99,999	2	0.3%	13	1.6%	17	1.9%
$100,000 - $149,999	10	1.5%	3	0.4%	6	0.7%
$150,000 - $199,999	0	0.0%	6	0.7%	10	1.1%
$200,000+	1	0.2%	1	0.1%	2	0.2%
Median Household Income	$10,035		$10,312		$11,045	
Average Household Income	$17,440		$19,388		$21,602	
Per Capita Income	$10,316		$13,894		$15,622	

	2000		2010		2015	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	27	1.5%	38	1.8%	43	2.0%
5 - 9	35	1.9%	37	1.8%	39	1.8%
10 - 14	27	1.5%	32	1.6%	37	1.7%
15 - 19	94	5.2%	104	5.0%	97	4.4%
20 - 24	177	9.9%	154	7.4%	167	7.7%
25 - 34	361	20.1%	365	17.6%	342	15.7%
35 - 44	364	20.3%	381	18.4%	387	17.7%
45 - 54	216	12.0%	263	12.7%	263	12.1%
55 - 64	178	9.9%	246	11.8%	258	11.8%
65 - 74	139	7.7%	232	11.2%	288	13.2%
75 - 84	127	7.1%	142	6.8%	176	8.1%
85+	51	2.8%	81	3.9%	85	3.9%

	2000		2010		2015	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	1,111	61.8%	1,260	60.8%	1,318	60.5%
Black Alone	598	33.3%	677	32.7%	705	32.3%
American Indian Alone	34	1.9%	43	2.1%	46	2.1%
Asian Alone	7	0.4%	12	0.6%	15	0.7%
Pacific Islander Alone	1	0.1%	2	0.1%	2	0.1%
Some Other Race Alone	16	0.9%	32	1.5%	38	1.7%
Two or More Races	30	1.7%	47	2.3%	56	2.6%
Hispanic Origin (Any Race)	54	3.0%	114	5.5%	144	6.6%

Data Note: Income is expressed in current dollars
Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2010 and 2015.

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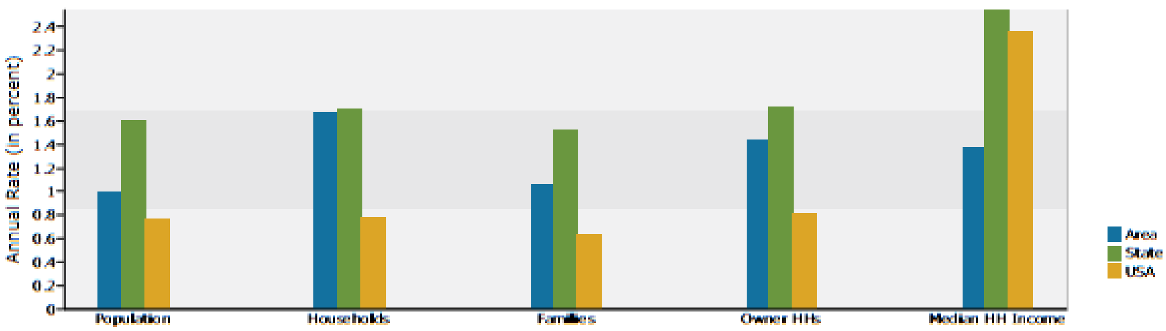
Figure C.2: Demographic Trends in Central Business District

esri

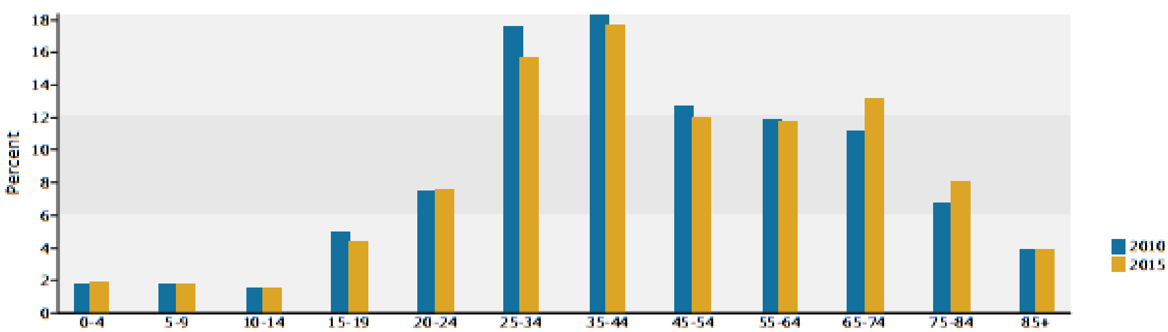
Demographic and Income Profile

CBD

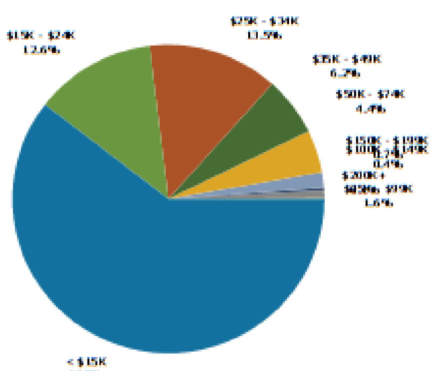
Trends 2010-2015



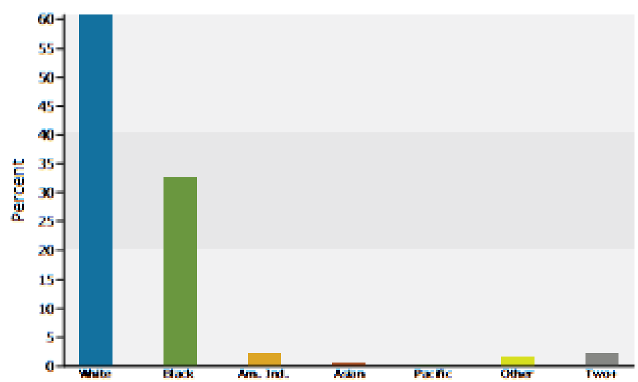
Population by Age



2010 Household Income



2010 Population by Race



2010 Percent Hispanic Origin: 5.5%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2010 and 2015.

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Appendix D: Asheville Downtown Business Survey Instrument

This survey is completely anonymous, and is intended for business owners or managers in the downtown Asheville Central Business district only. It should take no longer than 10 minutes to complete. The survey is being performed by representatives of Western Carolina University as well as the City of Asheville and the Asheville Downtown Association. The results will be used in an economic benefits study focusing on the central business district in Asheville, NC. Your response to the survey is entirely voluntary. Responding to the survey indicates your informed consent. If you have questions regarding the study please feel free to contact us. If you have any questions or concerns about your treatment as a participant in this study, you can reach the Chair of the Western Carolina University Institutional Review Board through WCU's Office of Research Administration at 828-227-7212. You have the right to withdraw from the survey at any time.

Q1 Who is the respondent to this survey?

- ❍ Business owner
- ❍ Manager
- ❍ Assistant Manager
- ❍ Other ____________________

Q2 What category does your business fall into?

- ❍ Antiques and Used Merchandise
- ❍ Arts, Art Gallery
- ❍ Books, Periodicals and Music
- ❍ Building Material, Lawn and Garden
- ❍ Clothing, Clothing Accessories
- ❍ Church, Religious Organization
- ❍ Entertainment and Recreation
- ❍ Florist
- ❍ Food and Beverage Retail
- ❍ Furniture, Home Furnishing
- ❍ General Merchandise
- ❍ Gift Store, Office Supplies, Stationary
- ❍ Heath and Personal Care
- ❍ Pets and Pet Supply
- ❍ Professional Services
- ❍ Real Estate Services
- ❍ Restaurants (Food Service, Drinking)
- ❍ Sporting Goods, Hobby, Musical Instruments
- ❍ State or Federal Departments or Agencies
- ❍ Other ____________________

Q3 How long have you been in operation in your current downtown Asheville location?

- ❍ Less than 1 year
- ❍ 1-3 years
- ❍ 3-5 years
- ❍ 5-10 years
- ❍ 10-15 years
- ❍ 15-20 years
- ❍ 20+ years

Q4 If you know, please indicate what year your business was established.

Q5 Do you own or lease the space your business occupies?

- ❍ Own
- ❍ Lease
- ❍ Lease, want to purchase

Q6 Approximately how big, in square feet, is your space?

Q7 Do you have street level access?

- ❍ Yes
- ❍ No - if no, what floor? ____________________

Q8 How satisfied are you with your current location?

- ❍ Very Satisfied
- ❍ Satisfied
- ❍ Somewhat Satisfied
- ❍ Neutral
- ❍ Somewhat Dissatisfied
- ❍ Dissatisfied
- ❍ Very Dissatisfied. Why? ____________________

Q9 Do you plan to relocate? If so, will you relocate to another central business district location, or will you move outside of the CBD?

- ❍ I plan to relocate within the central business district
- ❍ I plan to relocate outside of the central business district
- ❍ I do not plan to relocate

Q10 How many people do you employ?

Year round full time ________________________
Year round part time ________________________
Seasonal full time ________________________
Seasonal part time ________________________

Q11 Do you plan to hire or lay off in the near future? If so, how many?

- ❍ I plan to hire ____________________
- ❍ I plan to lay off ____________________
- ❍ I do not have plans to hire or lay off any employees

Q12 How much do you feel your business competes with the following areas

	A lot	A little	Not at all	Don't know
Asheville Mall/Tunnel Road	❍	❍	❍	❍
Biltmore Village	❍	❍	❍	❍
Biltmore Park/Hendersonville Road	❍	❍	❍	❍
West Asheville - Haywood/River Arts	❍	❍	❍	❍

Q13 What degree do the following traits make downtown Asheville competitive over other area destinations?

	A lot	A little	Not at all	Don't know
Location	❍	❍	❍	❍
Parking	❍	❍	❍	❍
Open hours of businesses	❍	❍	❍	❍
Customer Service	❍	❍	❍	❍
Name brand products	❍	❍	❍	❍
Quality of products or services	❍	❍	❍	❍
Selection of products or services	❍	❍	❍	❍
Price of products or services	❍	❍	❍	❍
Character/Sense of Place	❍	❍	❍	❍
The 'Shop Local' trend	❍	❍	❍	❍

Q14 To what degree are you experiencing the following challenges

	Major Challenge	Minor Challenge	No Challenge	Don't know/Not applicable
Conflict with building owner or tenant	❍	❍	❍	❍
Difficulty recruiting or retaining employees	❍	❍	❍	❍
Unskilled workers	❍	❍	❍	❍
Expensive employee wages or benefits	❍	❍	❍	❍
Expensive rent	❍	❍	❍	❍
Product delivery or loading challenges	❍	❍	❍	❍
Insufficient financing	❍	❍	❍	❍
Insufficient parking	❍	❍	❍	❍
Competition from outside downtown	❍	❍	❍	❍
Competition from on-line businesses	❍	❍	❍	❍
Language barriers	❍	❍	❍	❍
Poor building condition	❍	❍	❍	❍
Restrictive building regulations	❍	❍	❍	❍
Shoplifting or theft	❍	❍	❍	❍
Vandalism/Graffiti	❍	❍	❍	❍
Perception of safety	❍	❍	❍	❍
Construction	❍	❍	❍	❍
Lack of pedestrian traffic	❍	❍	❍	❍
Street closure for events	❍	❍	❍	❍
Street people/panhandling	❍	❍	❍	❍
Other	❍	❍	❍	❍

Q15 How strongly do you agree or disagree with the following statements about downtown Asheville?

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
Local police protection is outstanding	❍	❍	❍	❍	❍
Local fire protection is outstanding	❍	❍	❍	❍	❍
Local waste management service is outstanding	❍	❍	❍	❍	❍
Sidewalk/street maintenance is outstanding	❍	❍	❍	❍	❍
Local municipal services are worth the level of local taxation	❍	❍	❍	❍	❍
I feel safe downtown, even at night	❍	❍	❍	❍	❍
I try to buy products and services downtown	❍	❍	❍	❍	❍
I try to direct consumers to other downtown businesses	❍	❍	❍	❍	❍
I seek ways to cooperate with complimentary downtown businesses	❍	❍	❍	❍	❍
The existing downtown business mix helps my business	❍	❍	❍	❍	❍
My customers frequently complain about parking	❍	❍	❍	❍	❍
Downtown Asheville is an excellent place to have a business	❍	❍	❍	❍	❍

Q16 How important do you feel the following services or improvements could be to downtown Asheville or your business?

	Very important	Somewhat important	Neither important nor unimportant	Not very important	Not at all important
Landscaping/Water features/Art	❍	❍	❍	❍	❍
Outdoor events and performances	❍	❍	❍	❍	❍
Way finding signage	❍	❍	❍	❍	❍
Additional parking	❍	❍	❍	❍	❍
Sidewalk/street cleaning	❍	❍	❍	❍	❍
Clearing sidewalks when it snows	❍	❍	❍	❍	❍
Information kiosks and ambassadors	❍	❍	❍	❍	❍
Marketing for downtown and downtown businesses	❍	❍	❍	❍	❍
Business and economic development services	❍	❍	❍	❍	❍
Additional security or police presence	❍	❍	❍	❍	❍

Q17 What was your total sales amount last calendar year (2010)?

❍ $1 - $50,000
❍ $50,001 - $100,000
❍ $100,001 - $250,000
❍ $250,001 - $500,000
❍ $500,001 - $1,000,000
❍ $1,000,001 - $2,500,000
❍ More than $2,500,000

Q18 What percent did your total business sales increase or decrease in 2010 compared to 2009 total sales?

❍ Increase ____________________
❍ Decrease ____________________
❍ Stayed the same

Q19 What percent do you expect your total business sales to increase or decrease in 2011 compared to 2010 total sales?

- ❍ Increase ____________________
- ❍ Decrease ____________________
- ❍ Stayed the same

Q20 Comments?

____

____

____