

University Hill Market-Based Plan

Part 1: Competitive Analysis

Final Draft
February 2001

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University Hill General Improvement District
by
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I. PLAN OVERVIEW AND OBJECTIVES (rev. 2/26/01)

Boulder's University Hill is a unique business district that has served both the University of Colorado and the University Hill neighborhood for more than 100 years. The business district, which encompasses roughly 3 city blocks, enjoys a colorful history that has mirrored the ebbs and flows of the community's political, social and economic changes. In recent years, University Hill has drifted into a state of economic lethargy. Sales have generally been flat or declining during a period of rapid regional expansion. While the University Hill business district has undergone physical improvements through an ambitious streetscape plan, its retail and restaurant mix has weakened and its relevancy to a variety of its traditional markets has diminished.

To assist the University Hill business district become more competitive and to create a market-based vision for the future, the University Hill General Improvement District contracted with the Denver-based consulting firm of Progressive Urban Management Associates to prepare a market-based plan with recommendations for implementation. The plan is designed to meet the following objectives:

- Develop a market-based plan and niche strategy that identifies market-driven opportunities to collaboratively improve, manage and sustain the University Hill business district.
- Create a distinct identity that strengthens University Hill as a unique niche destination within the regional marketplace.
- Identify new business and development opportunities to improve the Hill's attraction as a destination in a manner that enhances its existing character and sense of place.
- Provide recommendations to the City of Boulder on policy issues to encourage and accommodate University Hill improvements.
- Engage University Hill property owners and business and civic leaders in a participatory process that builds "ownership" in and a shared vision for future development, collaborative marketing initiatives and improvements.

The primary goal of the University Hill Business District Niche Marketing Strategy is to provide realistic short-term and long-term recommendations that will build on the Hill's current strengths and identify appropriate new opportunities based upon what its market(s) will support.

The final product of this 3-5 month process is a market-based plan encompassed in two documents. The first document presents the findings of the market research and contains:

- **Economic Profile**, offering an extensive demographic analysis of the Hill's traditional and potential markets.
- **Analysis of Competitive Business Districts**, providing descriptions of five business districts that directly compete with the Hill business district.
- **Perspectives of University Hill Stakeholders**: Business and property owners, residents, students and University representatives, summarizing the results of one-on-one interviews, focus groups and resident surveys gauging public perceptions and inside perspectives of the University Hill Business District.
- **Market Implications** analyzing the implications of the market research on the Hill.

A second document will formulate strategies for success based on the market research and will contain:

- **Niche Marketing Strategy** identifying the Hill Business District's niche(s) in the regional marketplace and recommending ways to strengthen that position;
- **Recommendations for moving forward** providing tangible improvements and activities to garner immediate and long term solutions for the Hill Business District.

II. ECONOMIC PROFILE

The University Hill business district is located in central Boulder, bordering the western edge of the University of Colorado main campus. The 3-block business district, as defined by the University Hill General Improvement District, includes the Broadway Avenue and 13th Street commercial corridors from College to University streets. 13th Street is the heart of the district and provides a “Main Street” ambiance with two to three story historic commercial structures, wide sidewalks and a recently redesigned streetscape.

The business district includes 100 businesses and 29 commercial property owners. The district currently includes the following mix of businesses:

Figure 1:
Existing Mix of University Hill Businesses

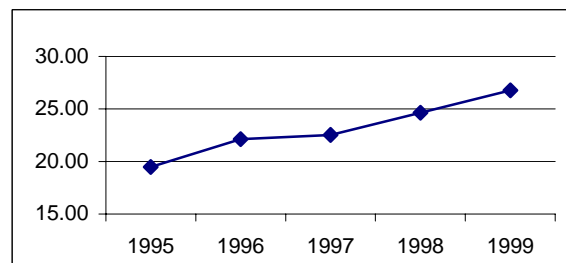
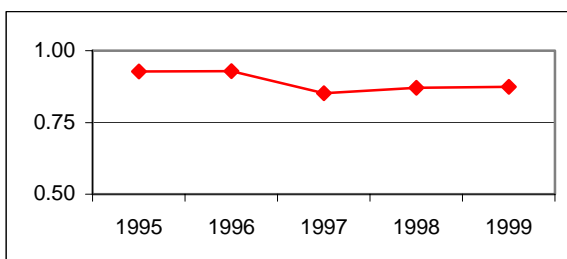
Source: City of Boulder Revenue Department, 1999

Business Type	Number of Businesses	% of Total Sales
Eating Places (restaurants, taverns & entertainment venues)	40	39.6
General Merchandise	23	39.5
Apparel	11	10.6
Home Furnishings, including Books/Media/Music	6	5.3
Food Store	5	4.4
All Others, Including Services	15	0.6
Total	100	100.0

An analysis of City of Boulder historical sales tax records reveals that The Hill has not kept pace with consumer sales growth in the City as a whole. In fact, while the majority of commercial areas in Boulder experienced annual sales growth averaging 7.7% between 1995 and 1999, annual sales growth on The Hill averaged only 0.4% over the same time period (see Figure 2).

Figure 2
**Annual Sales Tax Revenue 1995-1999 (in millions),
The Hill (left) & Boulder (right)**

Source: City of Boulder Revenue Department



The Hill's commercial activity declined in every consumer category except General Merchandise during this period (see Figure 3). There is particularly noticeable decline in apparel and home furnishings revenues as a percent of total Hill sales (see Figure 4). This suggests that the reduction in sales might have something to do with changes in retail mix and synergy in addition to overall declining customer patronage.

Figure 3
The Hill Sales and Use Tax Revenues, 1995 – 1999

Source: City of Boulder Revenue Department

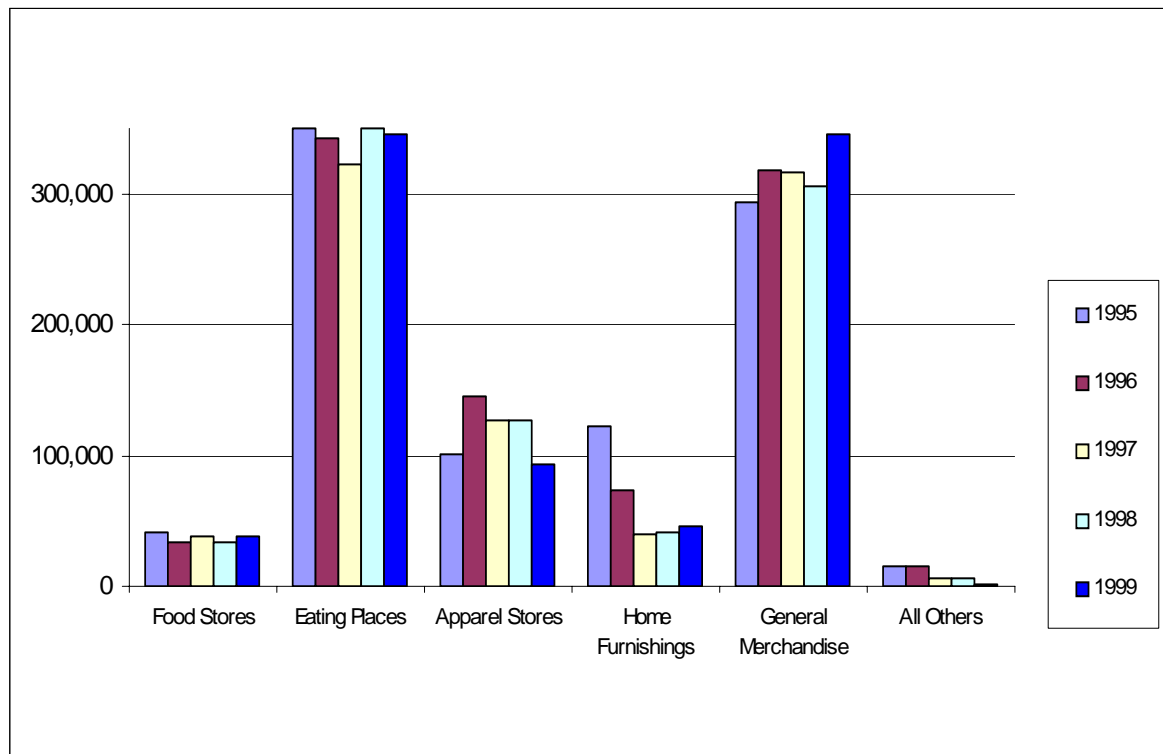


Figure 4
The Hill Retail Category Revenues as Percent of Total Revenues, 1995-1999

Source: City of Boulder Revenue Department

	1995	1996	1997	1998	1999
Food Stores	4.4%	3.6%	4.4%	3.9%	4.4%
Eating Places	37.7%	36.9%	37.9%	40.2%	39.6%
Apparel Stores	10.9%	15.6%	14.8%	14.6%	10.6%
Home Furnishings	13.2%	8.0%	4.7%	4.7%	5.3%
General Merchandise	31.7%	34.2%	37.2%	35.2%	39.5%
All Others	2.2%	1.7%	1.1%	1.5%	0.6%

Demographic Profile: Traditional University Hill Markets

The University Hill business district lies in a strategic location amidst three in-place markets:

- Neighborhood residents;
- University students; and
- University workforce.

Each of these markets have, at some point in the past, been “traditional” consumers of Hill goods and services. Today, the perception is that only the University student segment is served by Hill businesses.

Descriptions of these three primary markets are described below. It is important to note, however, that many students and workers are also residents within the one to five-mile radius of the campus and therefore there is a lot of overlap in these three market groups. It is valuable to study each market group separately to discern unique opportunities for the Hill business community to satisfy target market wants and needs.

Residents

Between 1990 and 1999, the area within a one mile radius from The Hill has not experienced as rapid population growth as areas further out. This is most likely due to the existing population density and lack of developable land close in to the study area. Population growth is expected to continue, but at a slower pace until 2004 (Figure 5).

Figure 5
Population: 1, 3 and 5 Mile Radii from College and Broadway, 1990 - 2004

Source: 1999 Claritas, Inc.

	1 Mile	3 Mile	5 Mile
Actual 1990	22,885	82,830	95,185
Estimated 1999	23,600	89,100	104,203
Projected 2004	23,973	91,883	108,113
% Change 90-99	3.1%	7.6%	9.5%
% Change 99-04	1.6%	3.1%	3.8%

Not surprisingly, household growth was also slower in the area immediately surrounding The Hill as compared to areas further out. Important to note, however, is that recent and projected household growth is much greater than population growth, particularly within a one-mile radius of The Hill (see Figure 6). This is evidence of a trend toward smaller households and could suggest that increasing numbers of college students are choosing and able to live alone. This is supported by research in the 1999 Boulder Citizen Survey which indicates that 31% of households with CU students are households of only one person, while only 24% of households without CU students are single-person households.

Figure 6
Households: 1, 3 and 5 Mile Radii from College and Broadway, 1990 - 2004

Source: 1999 Claritas, Inc.

	1 Mile	3 Mile	5 Mile
Actual 1990	8,353	34,212	39,421
Estimated 1999	9,177	38,812	45,381
Projected 2004	9,569	40,900	48,083
% Change 90-99	9.9%	13.4%	15.1%
% Change 99-04	4.3%	5.4%	6.0%

Households within one mile of The Hill tend to have lower incomes, with 48.6% of households with incomes of less than \$25,000 annually, as compared to 29.3% and 27.5% of households in the areas 3 and 5 miles out, respectively (see Figure 7).

Comparing this data with that in the 1999 Boulder Citizen Survey further implies that these lower incomes are likely due to the high concentration of CU students living close to the campus. Citywide, households with CU students have median incomes of \$26,200 while non-student households have median incomes of \$63,700. The difference is more pronounced for smaller households (see Figure 8). The demographic data strongly suggests that a significant percentage of the residents within a one mile radius of the Hill are CU students. Furthermore, it is likely that non-student household incomes are much higher and more consistent with household incomes in the 3 and 5 mile areas.

Figure 7
1999 Household Income by Percent of Total Households

Source: 1999 Claritas, Inc.

	1 mile	3 mile	5 mile
\$100,000 or More	8.7%	19.3%	20.3%
\$75,000 to \$99,999	5.7%	11.0%	11.3%
\$50,000 to \$74,999	11.4%	15.6%	15.9%
\$35,000 to \$49,999	12.1%	13.4%	13.6%
\$25,000 to \$34,999	13.5%	11.5%	11.4%
Less than \$25,000	48.6%	29.3%	27.5%
Median	\$26,049	\$45,382	\$47,249

Figure 8
Income Distribution by CU Student Household Status

Source: 1999 Boulder Citizen Survey

Type of Household	1998 Median Annual Gross Income	
	Households without CU students	Households with CU Students
All Boulder Households	\$63,700	\$26,200
1 person household	\$35,500	\$13,100
2 person household	\$66,400	\$29,800
3 person household	\$82,300	\$34,400
4 person household	\$89,600	\$50,000

Evidence of a high concentration of student households in the Hill neighborhood is further supported by analysis of population age distribution. The percentage of the population between 18 and 24 - the typical age range of college students – in the one mile radius is more than double that in the three and five mile radius population (see Figure 9).

Figure 9
1999 Age Distribution by Percent of Population

Source: 1999 Claritas, Inc.

	1 mile	3 mile	5 mile
Under 18	6.9%	15.5%	16.4%
18 to 24	48.3%	21.0%	19.0%
25 to 29	6.4%	7.2%	7.2%
30 to 39	16.6%	19.4%	19.4%
40 to 49	8.8%	15.2%	16.0%
50 to 59	4.7%	9.7%	10.1%
60 and over	8.4%	12.1%	12.0%

Population diversity also changes slightly between the one-mile and five-mile trade areas. Further away from The Hill neighborhood, there are fewer blacks and Asians but a greater percentage of people of Hispanic origin (see Figure 10).

Figure 10
1999 Population by Race

Source: 1999 Claritas, Inc.

	1 mile	3 mile	5 mile
White	90.0%	90.6%	91.0%
Black	1.5%	1.4%	1.4%
Asian & Pacific Islander	6.4%	5.0%	4.7%
Other	2.1%	2.9%	3.0%
Hispanic Origin	4.7%	6.2%	6.2%

Students

The current generation of university students brings more disposable income and sophisticated spending patterns than any that preceded it. According to Campus Concepts, a Baltimore college marketing and advertising firm, the spending power of college students nationwide is estimated at more than \$90 billion. Full-time, four-year enrollees spend an estimated \$30 billion, including \$23 billion on essential purchases, such as rent, food, transportation and tuition, and \$7 billion on nonessential “beer and pizza” discretionary items.

A recent study the Student Monitor finds that the average American student spends the following on discretionary items each month:

Figure 11: Average Monthly Spending by Students

Source: American Demographics/Student Monitor 1999

Item	Average Spent per month
Apparel	\$ 68
Food/Eat Out	\$ 56
Entertainment	\$ 55
Food/Prepare	\$ 42
Music	\$26
Books/Leisure	\$ 23
Toiletries/Personal Care	\$ 22
School Supplies	\$ 18
Software	\$ 10
Cleaning Supplies	\$ 9

National surveys have also found increasing sophistication levels among the products consumed by college students. According to the publisher of the *The Source*, a college-oriented cultural magazine, college students will remark “I want the best shirt. Not just a shirt, but the best shirt – They don’t want just jeans and a T-shirt”. Surveys by CollegeTrack, a marketing firm, conclude that “College students are consumers just like any other adults, but marketers don’t see them in that way.”

University of Colorado students reflect the growing affluence and sophistication of this market segment. Between 1990 and 1999, the University of Colorado student population (graduate and undergraduate) grew 4.5%, slightly more than the population growth of a one-mile radius from College and Broadway. While the middle of the decade appeared to have increasing number of minority students, in 1999, the student mix more closely reflected that of 1990 than of 1995 (see Figure 12).

Figure 12**University of Colorado Total Student Population, 1990-1999**

Source: CU-Boulder Planning, Budget and Analysis.

	1990		1995		1999	
Total	25,176	100.0%	24,440	100.0%	26,318	100.0%
US non-minority	21,357	84.8%	20,023	81.9%	21,929	83.3%
International	946	3.8%	1,028	4.2%	975	3.7%
African American	433	1.7%	467	1.9%	471	1.8%
Asian American	1,119	4.4%	1,385	5.7%	1,382	5.3%
Hispanic/Chicano	1,176	4.7%	1,354	5.5%	1,367	5.2%
Native American	145	0.6%	173	0.7%	194	0.7%

The breakdown of undergraduate students to graduate students over the same period remained roughly 5 to 1, making undergraduates the more significant target market. According to CU's Common Data Set for 1999, just over 20% of undergraduates are first year students and part-time students make up only 10% of the undergraduate population.

While only 5% of first-year students live off-campus, 74% of all undergraduates live off campus or commute. The average age of full-time first year undergraduates is 18.5, while the average age of the overall undergraduate population is 20.9. In summary, it can be estimated that on an annual basis, there are at least 11,000 full-time, 20-something, undergraduate students living-off campus, but near the main university campus. This group, being less likely to be tied to on-campus student activities and cafeteria plans than their on-campus counterparts, is an ideal target market for Hill businesses.

According to CU-Boulder Planning, Budget, and Analysis, undergraduate students can expect to spend anywhere from \$10,000 to \$13,000 on school related expenses (see Figure 13).

Figure 13**University of Colorado Typical Undergraduate Expenses**

Source: CU-Boulder Planning, Budget and Analysis.

	Residents	Commuters (living at home)	Commuters (not living at home)
Books and supplies	695	695	695
Room only			
Board only		2,606	
Room & board	5,200		8,026
Transportation	1,170	1,170	1,170
Other expenses	3,015	3,015	3,015
Total	\$10,080	\$7,486	\$12,906

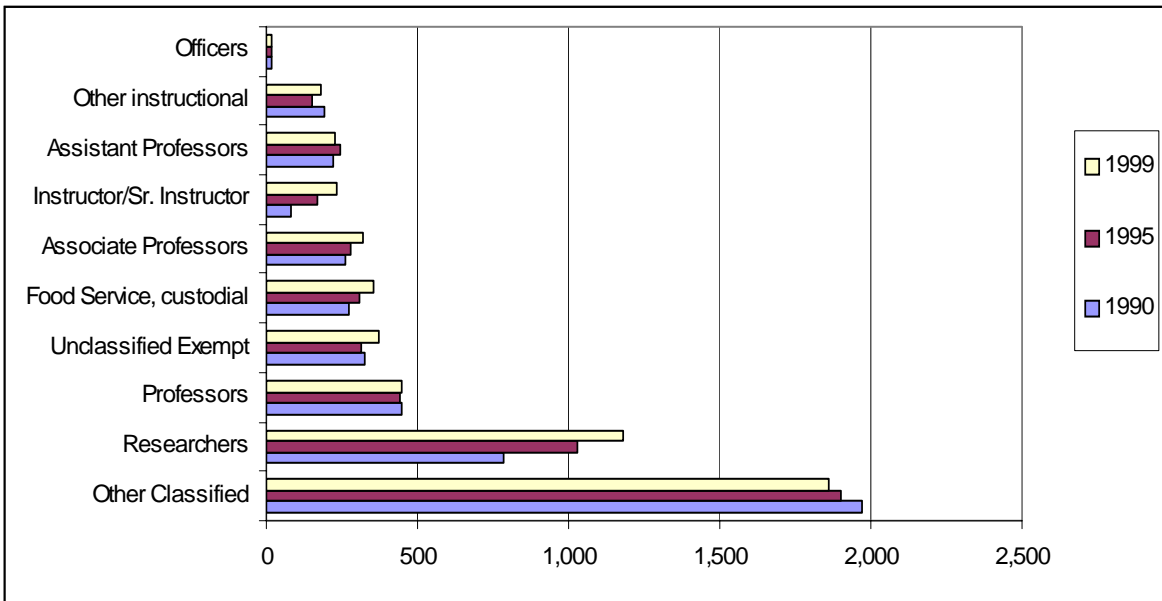
Using the standards established by national research on student spending patterns, nearly 25% of student spending is for nonessential discretionary spending. Based on spending for essential purchases provided in Figure 12, an additional \$200 to \$300 per month would be expended by University of Colorado students on non-essential discretionary items.

University Workforce

Between 1990 and 1999, the University of Colorado worker population (all groups) grew 13.3%. Although the overall percentage of “Other Classified” workers (i.e. professionals, administrators, technicians, clerks, etc.) declined by nearly 6% during this period, this group continues to be the single largest employee group, making up approximately 36% of the 5,200 person workforce (see Figure 14).

Figure 14
University of Colorado Workforce by Group, 1990-1999

Source: CU-Boulder Planning, Budget and Analysis.



The employees considered being part of the “Other Classified” group is also the most likely of all employees to be on campus full-time, during the normal workweek for twelve months out of the year. Figure 14 provides a breakdown of the median incomes for the two largest employee groups, including the five different pay grades of “Other Classified” workers. This information reveals that roughly 43% of CU’s workforce has annual incomes hovering around \$40,000. Using the common formula for disposable income (1/3 of annual pre-tax income), this suggests that there is a market of approximately 2,200 full-time year-round university employees with annual disposable incomes of approximately \$13,000, or \$1,100 a month.

Figure 15
1999 Median Incomes of Two Largest CU Workforce Groups

Source: CU-Boulder Planning, Budget and Analysis.

Group	1999 Employees	Median Income
F Researchers	913	\$41,745
3 Classified, Exempt	241	\$57,072
4 Classified, Exempt	304	\$42,600
5 Classified, Exempt	243	\$36,876
6 Classified, Exempt	279	\$31,860
7 Classified, Exempt	263	\$23,784
<i>Clssfd, Expt, weighted avg.</i>	1,330	\$38,203

III. STAKEHOLDER PERSPECTIVES

To obtain a qualitative sense of the University Hill market and overall sense of existing challenges and opportunities, the consultant team conducted a comprehensive community outreach process that included one-on-one meetings, focus groups and a neighborhood survey. Community input was also obtained from the University Hill Action Group report, which was issued in November of 2000.

The process was also guided by a 16-member Steering Committee that included a broad representation of University Hill property owners, businesses, residents, University administrators and City officials. A roster of the Steering Committee is provided in the Appendix. Results from the community outreach process follows.

One-On-One Interviews

Nearly 20 one-on-one interviews were conducted with business & property owners, students and University administrators to get a perspective on the current business climate on the Hill. Interviewees included:

Zane Blackmer/Rockrimmon real estate
 Mark Heinritz/The Sink
 Bill Bennett/The Fox
 Suzanne Frazer/Meow Meow
 Matt McMullen/Architectural Maneuvers and UHGID Board
 Fred Flesch and Pete Gish/UHGID Maintenance personnel
 Matt Larson/University Student and UHGID Board
 Buck Buchanan/business and property owner
 Gary Cook/property owner
 Fred Saiz/Silver and Gold Barbershop
 Bill Ellwood/property owner

Peter Pollock, Ruth McHeyser, Don Durso/Boulder City Planning Department
Sue Harrison/Boulder City Attorney's Office
Ron Stump, Vice Chancellor for Student Affairs/University of Colorado
Byron Koste, University Real Estate Department/University of Colorado
Mike Mansfield/University/City of Boulder Liaison

General themes and sentiments that emerged from the one-on-one interviews included:

- Hill stakeholders would like to see University presence (i.e. classrooms and administrative offices) back on the Hill.
- Reintroduce the sense of community and gentility that used to prevail on the Hill.
- An anchor retailer might help attract a more diverse retail market.
- There needs to be a collaborative marketing effort among business owners to attract better businesses and clientele.
- There is a perception that there is apathy amongst business owners; that the majority of business owners are not proactive in trying to capture new markets primarily because the location of the Hill provides a ready-made market via students and residents. The net result is a feeling that the Hill is only rising to the “lowest common denominator” both in terms of its marketing and the clientele it attracts.
- There is a 4-year generation in a University setting – good opportunity for businesses and the Hill to change and improve.

University of Colorado students expressed the following sentiments during the one-on-one interviews and focus groups:

- Students like inexpensive, fast food.
- In last 10 years, students have become much more sophisticated – have more disposable income.
- Students have cars and go to Flatirons to shop and Westminster to see movies.
- Students feel alienated by the Hill – they don't feel marketed to, and don't feel they have a place to “hang out”.
- The Hill needs an “attitude adjustment” – better service, higher quality, more respect for its markets.
- Students enter the University with expectations of the Hill that are not fulfilled – they quickly lose interest and patronize Pearl Street and other destinations.
- The Hill is like a “giant 7-11”: It takes care of immediate necessities, but not a destination or a pleasurable experience

Focus Groups

Focus groups were conducted with a variety of Hill stakeholders, including business and property owners, neighborhood residents, fraternities and sororities and representatives from University student groups. The focus groups discussed the strengths

and weaknesses of the Hill business district, identified suggested improvements and prioritized potential enhancements. The focus groups included:

- December 4: Hill fraternity and sorority (100 participants)
- December 6: Hill business and property owners (15 participants)
- December 18: Hill neighborhood residents (40 participants)
- January 25: Representatives of a variety of student groups (15 participants)

Matrices summarizing results from the focus groups are provided in the Appendix. General findings from the focus groups included:

- **University Hill business district strengths** include its diversity, proximity to the campus and the mountains, its unique feel and tradition, and its compact scale.
- **University Hill business district weaknesses** include its run-down appearance, lack of security, lack of sit-down dining, lack of greenery, parking inaccessibility, presence of drug dealers, lack of retail diversity and a sense that there is little or no marketing targeted at specific groups – *i.e. students and residents both feel as though they are not marketed to.*
- **Suggested areas of enhancement** for the Hill Business District in order of importance as indicated by the focus groups and one-on-one interviews are:
 1. **Diversify the retail mix** – Property owners, businesses, residents and students were unanimous in expressing a sense of dissatisfaction with the existing retail mix. Most frequently expressed was a desire for a nice sit-down restaurant. There is also a demand for an up-scale food market, a hardware store, a bank, a 24-hour coffee shop as well as extended hours for the drug store, a copy center, a movie theatre, and quality nightlife for those under 21.
 2. **Improve street appeal** – Concern is expressed that building exteriors are not well maintained and there is a perception that absentee landlords are negligent in building upkeep. Several people mentioned there is no continuity among building exteriors and it was pointed out that the businesses didn't do much holiday decorating (apart from what the city provides).
 3. **More Green and Outdoor Access** - All focus groups expressed a desire for more green spaces, outdoor patio seating and either a pedestrian mall or designated days in which traffic is not allowed on 13th Street. A plaza, fountain, ice rink or other gathering place would be beneficial. There was also desire expressed for improvements to the alley that runs between Broadway and 13th – to make it safer, brighter and more pedestrian friendly.
 4. **Parking Management** – Residents and business owners expressed a need for more accessible parking on the Hill. There is parking available behind Jones

Drug, but access is confusing and the lot is underutilized. It was also mentioned that there is little signage directing motorists to available parking.

- 5. Resolve Zoning Issues** – Many business and property owners expressed concern over lengthy and protracted zoning processes. Several business owners mentioned that getting variances for patio seating was a long process that resulted in such a limited amount of seating that the outdoor seating plan became too cost ineffective to implement. There is also concern that the 1,500 sq. ft. limitation on restaurant size as a use-by-right is an impediment to attracting upscale restaurants. City staff indicated that zoning has evolved to balance concerns between the business district and the neighborhood – it is a sensitive issue.
- 6. Security and Lighting** – All the focus groups expressed concern over safety issues on the Hill, especially at night. Lighting in selected areas is poor. Some members of a sorority house indicated the lighting in the tunnel under Broadway to the campus is bad and therefore poses a threat to people walking that route after dark. They would also like to see an emergency box put in the underpass for increased security. Some business owners mentioned a desire to install security cameras in high vandalism areas. All the focus groups indicate the police presence is inadequate, and that they would like officers from the Hill sub-station to be more visible – specifically walking the Hill beat. It was also mentioned by all focus groups that drug dealing goes on regularly which is perceived as a threat, an impediment to business and one of the primary reasons the Hill is perceived to be an undesirable business district.
- 7. Improve collaborative marketing** – There is a sense that the business district is not asserting a collaborative effort to attract new markets or new investors. Business owners expressed a desire to regain diverse patronage, especially Hill residents. Hill merchants generally operate on an individual basis in terms of marketing and store hours. Some business owners and operators expressed a desire for a collaborative advertising effort and some cohesion in terms of store operating hours. The formation of a merchant’s association and/or strengthening of the Alliance to enhance marketing was mentioned.
- 8. Visibility:** Improve signage and a gateway from Broadway – Business owners mentioned there is no effective signage along Broadway for approaching traffic to be made aware that they are entering a business district. It was mentioned that a gateway arch along Broadway would help heighten awareness that motorists are entering a business district.
- 9. Special Events** – Support was evidenced for developing a more aggressive schedule of special events and collaborating promotions with University activities.

University Hill Action Group (UHAG)

The community outreach process for the University Hill market-based plan occurred at the same time that a community assessment was prepared by the University Hill Action Group (UHAG). UHAG is a 15-member task force that convened several community forums to develop a comprehensive action plan to improve the University Hill neighborhood. UHAG's five strategic goals for reviving the University Hill neighborhood include:

- Clean up The Hill and keep it clean;
- Set standards for neighborly behavior, communicate them to newcomers, and when required, enforce them fairly and consistently;
- Improve the physical conditions on The Hill on both public and private properties;
- Broaden the commercial mix to better serve the community; and
- Promote a sense of community among University Hill neighbors.

While the UHAG report defers detailed recommendations for the Hill business district to the market-based plan, suggested improvements include:

- Support events that appeal to students and other young people;
- Encourage and facilitate the development of new businesses on the The Hill;
- Support Hill events that attract people from surrounding areas;
- Encourage creation of two new Hill property owner associations;
- Create a Hill business improvement district; and,
- Re-energize the Hill bar operations group.

IV. COMMUNITY ATTITUDES

As part of the University Hill Market-Based Plan, a direct mail survey was distributed to 1,600 households located within a 10-minute walking distance of the Hill business district in December of 2000. The survey area was bounded by Marine Street to the north, 6th Street to the west, Baseline Road to the south and Broadway to the east. Surveys were mailed with a prepaid return envelope. The City of Boulder provided resources to mail and tabulate the surveys. 303 surveys were returned, a return rate of nearly 19%.

Profile of Survey Respondents: 82.8% of the survey respondents were non-students. 68.4% of non-students indicated that they had lived in the Hill neighborhood for more than 5 years, demonstrating significant stability within the neighborhood. Among student respondents, 51.1% indicated that they had lived in the neighborhood for 2 years or less. Non-student respondents tended to be older (74.4% are over 40 years of age) while 71.4% of students are less than 25 years of age.

PROFILE OF SURVEY RESPONDENTS	All Respondents (303)	Non-Students (251)	Students (49)
Length of Residence in the Hill			
Less than 1 year	7.7	5.7	18.4
One to 2 years	11.7	7.7	32.7
Two to 5 years	21.1	17.8	36.7
More than 5 years	59.1	68.4	12.2
Age			
18 to 25 years	13.0	1.6	71.4
25 to 39 years	23.6	24.0	20.4
40 to 59 years	37.9	44.4	6.1
More than 60 years	25.6	30.0	2.0
Gender			
Male	42.2	43.7	42.9
Female	55.4	56.3	57.1
Own or Rent?			
Own	77.0	87.1	24.5
Rent	23.0	12.9	75.5

Frequency of Visits to the Hill Business District: 53.7% of all respondents indicated that they visit the Hill business district once a week or more, including 47.0% of non-students and 87.8% of students.

Frequency of Visits to the Hill Business District	All Respondents	Non-Students	Students
Once a week or more	53.7	47.0	87.8
About once a month	23.3	25.7	10.2
About four times per year	12.3	14.9	0
About one visit per year or less	4.0	4.8	0
Never	6.7	7.6	2.0

Reasons for Visiting the Hill: Shopping is the number one reason for visiting the Hill, mentioned by 54.8% of respondents. Other primary attractions are walking (54.1%) and restaurants (51.9%).

Reasons for Visiting the Hill	All Respondents	Non-Students	Students
Shopping	54.8	54.3	56.3
Walking	54.1	52.2	64.6
Restaurants	51.9	45.7	83.3
Personal Services	32.9	34.5	25.0
Entertainment	29.0	23.7	56.3
Work on the Hill	7.1	6.5	10.4
Other	3.5	4.3	0

Mode of Transportation to the Hill: 56.8% of respondents indicated that walking is their primary mode of transport to the Hill business district.

Mode of Transportation to the Hill	All Respondents	Non-Students	Students
Walk	56.8	55.1	64.6
Auto	32.1	35.2	16.7
Bike/Skateboard	8.4	7.2	14.6
Transit	2.8	2.5	4.2

Reasons for Avoiding the Hill: For respondents that avoid visiting the Hill business district, primary reasons include lack of diverse retail (19.5%), unclean (16.5%), lack of restaurant options (15.0%) and lack of parking (14.3%, including 25.0% of students).

Reasons for Avoiding the Hill	All Respondents	Non-Students	Students
Lack of diverse retail	19.5	20.5	12.5
Unclean	16.5	17.1	12.5
Lack of restaurant options	15.0	14.5	18.8
Parking is not available	14.3	12.8	25.0
For students only	12.0	12.8	6.3
Intimidating	12.0	12.0	12.5
Poor lighting	4.5	4.3	6.3
Other	6.0	6.0	6.3

Other Boulder Business District Visited as Least Once a Month: 77.8% of respondents visit the Pearl Street Mall and 67.7% visit the Basemar shopping center.

Other Boulder Business Districts Visited at Least Once a Month	All Respondents	Non-Students	Students
Pearl Street Mall	77.8	75.6	89.6
Basemar	67.7	68.3	66.7
North Boulder	37.4	39.8	22.9
Crossroads Mall	33.3	31.3	41.7
UMC	19.5	11.8	60.4

Improvements that Would Encourage Visits to the Hill: Top improvements that would encourage respondents to visit the Hill more often include more diversity in restaurants (53.5%, evenly supported by both non-students and students), more diversity in shopping (52.2%, with a higher concentration of support from non-students), and a Farmer's Market (41.4%, supported by both non-students and students). More accessible parking ranked as the next improvement (31.0%, with a higher concentration of support from students). Cleaning up the Hill environment, including both maintenance and disruptive street behaviors was the highest rated open response (27.9%).

Improvements that Would Encourage Visits to the Hill Business District	All Respondents	Non-Students	Students
More diversity in restaurants	53.5	53.1	55.1
More diversity in shopping	52.2	55.1	36.7
Special events: Farmer's Market	41.4	42.0	36.7
More accessible parking	31.0	29.0	40.8
Other: Clean it up!	27.9		
Special events: general	23.9	21.6	34.7
Special events: Holiday events	21.9	20.0	32.7
Special events: Oktoberfest	18.2	13.9	38.8
Better information on what exists	12.1	12.2	12.2
Special events: Foot/bike races	8.8	8.2	10.2
Nothing! Leave it alone!	8.4	8.2	10.2
Special events: Tailgate parties	8.4	4.1	30.6
Special events: CU Homecoming	6.1	3.3	20.4

V. COMPARABLE BUSINESS DISTRICTS

The consultant team and the project steering committee identified five regional business districts with which University Hill directly competes as a center for retail and services. The comparable business districts identified include North Broadway shopping district, Basemar shopping complex, Pearl Street Mall, University Memorial Service (UMC), and Crossroads Mall. A summary matrix of the comparable business districts is provided in the Appendix.

The comparable business districts have the following attributes:

- **North Broadway** is a unique mix of shops, located between Balsam and North. It is anchored by 2 upscale strip centers that serve practical daily living needs, i.e. a bakery, wine shop, health food grocery, and bank, among others. It is primarily a residential shopping area that is accessed both by foot and car. It is a vibrant area that fills a wide array of consumer needs. According to businesses interviewed, a few businesses have moved from the University Hill to North Broadway in search of a more sophisticated clientele. North Broadway may be an area for the Hill to look at in terms of its thriving retail and business environment.
- **Basemar Shopping Center** is a strip center that fills the retail and service needs of residents and students alike. Located at the intersection of Baseline and Broadway, it is at the south end of University campus and about ½ mile from the Hill. It is a mix of national restaurant chains and locally owned small businesses. Student patronage ranges from “a lot” at Wild Oats market to “about 10%” at the florist, to “almost none” at the cleaners. Basemar serves a practical niche with a mix of neighborhood services.

- **Pearl Street Mall** is a regional destination for both local and national visitors. It provides a variety of retail and dining options. It is considered the primary entertainment center for Boulder County. In recent years there has been a proliferation of national chains, displacing some locally owned businesses. Pearl Street has been mentioned by several of the people interviewed by the consulting team as a good example of an inviting pedestrian mall with a healthy retail mix and a pleasant outdoor ambiance. The prevailing sentiment is that although the Mall has several desirable characteristics, the majority of people interviewed do not want the Hill lose its character in an effort to become a “Mall clone”.
- Currently undergoing expansion, the **University Memorial Center (UMC)** houses a variety of student-based organizations, as well as computer labs, a credit union, a commuter lounge and the student newspaper. The UMC is also home to the University bookstore. There is also a food court located within the UMC that consists of fast-food restaurants. The food court is primarily used during the lunch hour, although a couple of restaurants do stay open fairly late at night. New construction is oriented mostly to meeting and teaching facilities, with some modest expansion of the bookstore and food court. The UMC caters primarily to students and people affiliated with the University.
- **Crossroads Mall** is, along with the Hill, the only business district in Boulder that shows a decrease in sales tax revenue. It has marginal tenants and an unsure future. It is currently undergoing a renovation process designed to maintain its viability in order to effectively compete with Flatirons Crossing.

The Hill’s Differential Advantages

In comparison to other business districts, University Hill would appear to have several distinct differential advantages:

- Unique sense of place – historic “Main Street” architectural ambiance and an intimate pedestrian scale
- Unique sense of tradition -- spirited center of culture, activism and expression and link between University and neighborhood
- Proximity to the university campus
- Locally owned and operated businesses
- Underserved markets all located within a 10-minute walking distance of the district – University students, workers and Hill residents

VI CONCLUSIONS: UNIVERSITY HILL AND THE MARKETPLACE IN 2001

Based upon the preceding economic profile, stakeholder perspectives, responses to the community survey and analysis of comparable business districts, the following observations will influence the University Hill business district's niche marketing strategy and overall development for the next several years:

- 1. The University Hill business district's economic lethargy threatens its long term vitality.** As evidenced by declining sales tax revenues, rundown storefronts and a weak retail mix, the Hill is experiencing a period of stagnation. The trend is particularly worrisome since the Hill's troubles come during a period of unprecedented regional prosperity and growth. If not reversed, the Hill's misfortunes could be accelerated if the regional economy slows down.
- 2. The Hill has emerged as a one-dimensional destination in a multi-dimensional marketplace.** The economic profile reveals several vital primary markets for the Hill business district, including University students, workers and neighborhood residents. Each of these markets carries substantial disposable income and each is predisposed to patronize the Hill; however, the Hill's current retail mix is not relevant to its markets. The Hill is perceived as catering to a narrow segment of the student population, offering fast food, alcoholic beverages and low cost impulse retail.
- 3. The Hill is particularly vulnerable to individual business and policy decisions.** One of the Hill's greatest strengths – its intimate scale – also creates extreme vulnerabilities. The heart and soul of the Hill business district is the one block of 13th Street bounded by College and University. The character, mix and vitality of this one block influences the remainder of the business district. Undesirable businesses or policies can harm this fragile commercial environment. Currently, this block does not adequately serve nor invite the multiple captive market opportunities that are available to it.
- 4. The Hill's multiple markets share a vision for new uses and services.** The Hill's three major markets – University students, workers and neighborhood residents – share a similar vision for the Hill business district. This vision, which can be characterized as a "*community gathering place*", can accommodate a variety of urban uses that attract each market segment, including quality restaurants, up-scale food market, hardware store, bank, 24-hour coffee shop, copy center, more diverse entertainment venues and community events such as a Farmer's Market and seasonal ice rink.
- 5. City regulatory policies may impede the development of desirable uses.** Zoning, particularly the 1,500 square foot threshold for restaurants as a use-by-right, may be a disincentive for attracting the types of uses that are desirable to the Hill's multiple markets. City use and site review processes are perceived by

property owners and investors as onerous, encouraging an unintended “path of least resistance” investment pattern that results in marginal uses and property improvements. Any reform in these policies should respect the delicate balance between encouraging business development and strengthening the livability of surrounding residential areas.

- 6. The Hill must reconnect to its traditional markets.** The first step to revitalize the Hill business district must be based upon reconnecting with its traditional markets – University students, workers and neighborhood residents. These captive markets are all located within a 10 to 15-minute walking distance of the Hill business district. By reengaging these markets, the Hill can attract new businesses and vitality within the constraints of its existing infrastructure. If the Hill’s traditional markets are reconnected, then this success will attract secondary markets from beyond.
- 7. Success will require a unified commitment from a renewed public/private partnership.** The process of reconnecting with its traditional markets will require an enduring financial and political commitment from the Hill business district’s primary stakeholders, including property owners, businesses, residents, the University of Colorado and the City of Boulder.

Based upon the preceding analysis and conclusions, the University Hill Market-Based Plan offers a business district niche strategy and recommendations for moving forward. Recommendations are provided for:

- Marketing
- Environmental Improvements
- Regulatory Climate
- Business Recruitment
- Public/Private Partnerships

The niche strategy and recommendations are provided in the Part 2 report, dated March 2001.

University Hill Market-Based Plan:

Steering Committee Roster

Co-Chair: Matt McMullen, UHGID (Architectural Manoeuvres)

Co-Chair: Mathew Larson, UHGID (University of Colorado student)

Dee Andrews, University Hill resident

Bill Bennett, Fox Theatre

Zane Blackmer, Rockrimmon Real Estate Corp

Gary Cook, University Hill business district property owner

Dan Corson, Boulder City Council

Ann Dagdelen, College Corner

Court Dixon, Kinsley & Company

Bill Elwood, University Hill business district property owner

Sergi Gomis, University Hill resident

Mark Heinritz, The Sink

Trish Jimenez, City of Boulder/UHGID

Byron Koste, University of Colorado Real Estate Center

Richard Lopez, Boulder City Council

Mike Mansfield, City of Boulder/UHGID

Daniel Metsch, Point West Properties

Barry O'Callahan, Colorado Book Store

Gordon Riggle, Boulder City Council

Tito Roberts, Jones Drug

Terry Rodrique, University Hill resident

Ron Stump, University of Colorado

Molly Winter, City of Boulder/UHGID

Consultant Team:

Brad Segal, P.U.M.A.

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Pamela Phox, P.U.M.A.

Erika Lindholm, market analyst

**New Business Recommendations from
University Hill Business District Focus Groups**

TYPE OF BUSINESS	Residents	Sorority/ Fraternity	Student Leaders
	<u>#of responses</u>	<u># of resp. not counted</u>	<u># of responses</u>
Sit-down restaurant	21	X	4
Movie theatre (family-friendly and first runs)	12	X	5
Bank	8	X	4
Up-scale grocery	8	X	
Hardware Store	2	X	
Resident-oriented businesses and services	5		6
Sophisticated unique businesses/quality boutiques			
Intimate bookstore	3		
Live performing arts theatre	3		
Dentist	1		
Jamba Juice	1		
Noodles&Co.	1		
24-hour services: coffee bar, drug store, copy center		X	
Anchor retail chain store		X	
Coffee shop/laundromat combination		X	
18+ dance club/All-age activities			9
Brewery			6
Breakfast restaurant			4
Post office			1

University Hill Market-Based Plan: Summary of Focus Groups

	Steering	Sorority/	Bus/Prop	Residents	Student
University Hill Business District Strengths	Comm.	Fraternity	Owners		Leaders
Diversity of Population	X	X	X	X	
Proximity to Campus	X	X	X		X
Proximity to Neighborhoods and Amenities	X		X	X	X
Historic Character	X		X	X	
Independent Businesses	X	X	X		
Compact/Sense of Scale/Walkable			X	X	X
Meets Practical Needs		X	X		
Entertainment Mix	X	X			
City Council/Attitudes(today)			X	X	
Access to Underutilized Parking			X		
Sense of Connection/Tradition/Soul			X		
Media/Boulder Camera (today)			X		
Fast, Cheap Food - Open Late		X			
Coffee Shops					X
Gathering Place	X				
University Hill Business District Weaknesses	Steering	Sorority/	Bus/Prop	Residents	Student
	Comm.	Fraternity	Owners		Leaders
Run-down appearance	X	X	X	X	X
Lack of retail diversity	X	X	X		X
"Hooligans"/Panhandling/Loitering/Hill Rats	X	X		X	X
Inadequate lighting/unsafe	X	X	X		X
Image problem	X	X		X	X
Inadequate parking (development disincentive, perception, not visible)	X		X	X	X
Lack of continuity of retail hours/Closes too early	X	X			X
Lack of sit-down dining	X	X		X	
Businesses do not have a collaborative marketing plan/Don't care			X	X	X
Inadequate police presence		X	X		
Perceived as exclusively for youth			X	X	
Security-vandalism, bums, drug dealing	X				X
Not enough green		X		X	
Out of sync with area demographics	X				
Not visible from Broadway	X				
No main access	X				
Storefronts obscured	X				
Nothing to do for under 21					X
Fails expectations: mix, service, look					X
Perception that it caters to Greeks					X
Too Many Bars				X	
Improvements to the Hill Business District	Steering	Sorority/	Bus/Prop	Residents	Student
(listed in order of importance as identified by each group)	Comm.	Fraternity	Owners		Leaders
	# of responses	(# of resp. not counted)	# of responses	# of responses	# of responses
Strengthen retail mix & services - keep business district unique	7	X	7	6	6
Security - strengthen police presence/install security cameras	6	X	4	4	2
Improve Marketing:invite diverse markets/improve advertising	3	X	3	3	
Improve street appeal (patio seating, lighting, facades, alley improvements, more green)		X	7	9	4
<i>Create a gathering spot/plaza/fountain</i>					11
Parking - create better access/signage/increase supply/new garage	7		6	12	
Create pedestrian mall		X		4	8
Resolve zoning issues to encourage new development	6			9	
Outdoor concerts/special events		X			8
Traffic management - make Hill more pedestrian friendly	1	X			
Improve business practices/attitudes (hours, merchandising, service)	2				5
Improve storefront design, provide some continuity	2				
Involve the University and the City of Boulder as partners	1				
Visibility: Improve signage and gateway from Broadway			4		
Create more office space			1		
Assist new businesses				7	
Create paths/linkages to neighborhood				4	
Restore bookstore windows				1	
Eliminate payphones				1	
Establish historic district				1	
Extend blue light system					1

UNIVERSITY HILL COMPARABLE BUSINESS DISTRICTS

Prepared by Progressive Urban Management Associates 1/01

Business District	Niche	Lease Rate sq. ft./yr.	Pedestrian?	Historic?	Business Mix	Market
Basemar	Neighborhood retail and services (chains and independents)	\$21	no	no	Locally owned neighborhood services mixed with some national restaurant chains	Local student/residential
North Broadway	Upscale n'hood retail and services	\$40	no	no	Independent retail	Local
UMC	Student Union	\$18 office space, pre-renovation; food space by commission; non-food: \$43 min \$60 max	on campus	no	Student services and national chain restaurants	Student
Pearl Street Mall	Upscale retail destination	\$40-\$50 triple net on 1100 & 1200 blk; \$30-36 on 1300 & 1400 blks	yes	yes	Bistro restaurants; upscale clothiers; home furnishings; mainly national but some locals	Regional/National
Crossroads Mall	Retail Destination	\$25 triple net + CAM \$14 fee	n/a	no	National clothiers; home furnishing; books and electronics all moderate to low price	Local/regional

University Hill Market-Based Plan

Part 2: Niche Strategy and Recommendations

Final Draft
March 2001

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Prepared for the
University Hill General Improvement District
by
Progressive Urban Management Associates, Inc.

PART II:

(rev. 3/27/01)

**NICHE STRATEGY AND RECOMMENDATIONS
TO IMPROVE THE UNIVERSITY HILL BUSINESS DISTRICT**

**I. UNIVERSITY HILL BUSINESS DISTRICT
NICHE STRATEGY**

Based upon the University Hill Market-Based Plan Competitive Analysis, which included an economic profile, stakeholder perspectives, a community survey and analysis of competitive business districts, the following observations were found to influence the business district's niche strategy and overall development for the next several years:

1. The University Hill business district's economic lethargy threatens its long term vitality.
2. The Hill has emerged as a one-dimensional destination in a multi-dimensional marketplace.
3. The Hill is particularly vulnerable to individual business and policy decisions.
4. The Hill's multiple markets share a vision for new uses and services.
5. City regulatory policies may impede the development of desirable uses.
6. The Hill must reconnect to its traditional markets.
7. Success will require a unified commitment from a renewed public/private partnership.

The resulting recommended niche strategy for the Hill business district:

The Hill business district must first and foremost reconnect to its traditional markets – Hill residents, university students and workers.

This niche strategy offers the following advantages for the Hill business district:

- Attract markets that are located within a 10 minute walking distance of the Hill business district and are predisposed to patronizing it;
- Capitalize on the substantial amount of disposable income offered by traditional Hill residents and an increasingly affluent and more sophisticated student population;
- Develop new business concepts, special events and other activities that appeal to the common interests of both residents and students;
- Attract new consumers, businesses and investment within the constraints of the Hill's existing infrastructure;
- Take advantage of cost-effective marketing channels that can deliver information about Hill businesses and activities directly to selected markets.

If successful in reengaging its traditional base, the Hill can then more effectively compete for a broader market share within Boulder and the region.

II. RECOMMENDATIONS

To implement the niche strategy and improve the University Hill business district, the Market-Based Plan outlines recommendations in 5 inter-dependent categories:

- Marketing;
- Environmental Improvements;
- Regulatory Climate;
- Business Recruitment; and,
- Public/Private Partnership.

1. Marketing

A series of grassroots marketing initiatives are recommended to deliver information about Hill businesses and activities directly to the primary markets identified by the niche marketing strategy.

10% Marketing Fund: To finance recommended marketing tactics, a “10% marketing fund” supported by Hill businesses is suggested. All Hill businesses would be asked to contribute 10% of their annual individual marketing budgets into a Hill business district marketing fund. To encourage and leverage contributions for the fund, it is recommended that the City of Boulder offer matching funds for the first \$35,000 raised by Hill merchants. An annual marketing fund of \$50,000 to \$75,000 is projected, although marketing efforts could commence with a lesser amount.

The marketing fund would finance part time staff and/or a marketing agency to undertake the following activities:

University Hill Business District Web Site: The web site would provide a central focus for University Hill activities, including:

- Business directory;
- Calendar of events (updated weekly);
- Community activities (updated weekly);
- Illustrations of current and planned environmental improvements;
- Economic profile and investment information;
- Links to a variety of affiliated organizations, including neighborhood groups, the University of Colorado, City of Boulder, etc.

Neighborhood and Student Marketing: Several marketing channels exist to disseminate information on Hill businesses and activities in a cost effective manner. Options include:

Neighborhood

- Weekly electronic newsletter update, distributed through Hill neighborhood and University web sites;

- Quarterly newsletter distributed as a supplement to neighborhood newsletters, plus distributed to civic organizations throughout Boulder as a public relations tool;
- Quarterly neighborhood forums, inviting residents to react to and suggest new business and environmental improvements for the Hill;
- Annual survey of neighborhood residents to pinpoint key business and environmental issues and track progress to recapture this market.

Students/University

- Distribute flyers and/or newsletters through the Colorado Book Store, UMC Bookstore and other on-campus locations to provide current information on Hill businesses and activities;
- Invest in collaborative promotions and events tied to specific University activities (i.e. beginning of classes, Parent's Week, Homecoming, etc.). Promotions and events should be marketed through direct channels to students, including advertising in the university newspaper;
- Offer discounts and frequency promotions to University workers (i.e. 10% off with University employment identification);
- Lunchtime promotions by restaurants targeted to University workers;
- Annual survey and/or focus groups of students to track changes and trends in student consumption needs and patterns.

Special Events: Special events can be an effective tool for reengaging Hill markets, particularly events that position the Hill as a community gathering place and appeal to both resident and student markets. Based upon community input through focus groups, one-on-one meetings and the direct mail survey, a Farmer's Market event opportunity emerged:

- **Farmer's Market:** A University Hill Farmer's Market was rated as the third highest improvement priority by both residents and students in the community survey (41% overall, 42% by residents and 37% by students). The Farmer's Market concept has been discussed for years, but never successfully implemented on the Hill. Downtown Boulder hosts an existing successful Farmer's Market on Wednesdays and Saturdays. If pursued on the Hill, the market should seek a different day, such as Thursday or Friday. The Market could also differentiate itself from existing area markets by offering an arts and crafts component, or themes consistent with major University and neighborhood events. The Market could be staged in a UHGID parking lot or on 13th Street.

Other special event opportunities should be investigated and evaluated on the ability to build a stronger sense of community and attract both neighborhood and student markets. An example of an event that appeals to the Hill's multiple markets is the University Hill Downhill, a family foot race to be held in June of 2001.

2. Environmental Improvements

Improvements to the University Hill business district must include continued attention to the area's physical environment. The district suffers from a poor image, resulting from a combination of disruptive street behavior (i.e. panhandling to drug dealing), inconsistent lighting and a weak retail mix. The district also is handicapped by its lack of visibility from Broadway, its primary access route, and a general perception that parking is difficult to find.

Security/Maintenance/Lighting

- University Hill stakeholders support continued visible patrols by the Boulder Police Department, which has established a storefront location in the business district. Many businesses, property owners and residents suggested more visibility by the patrol during evening hours and early morning on weekends.
- Supplementary security patrols, in cooperation with the Boulder Police, should also be explored. Community policing, deployment of Community Service Aides, greater cooperation between the City and University security systems are viable options for visibly enhancing Hill security.
- Explore the community court option to aid in the enforcement of nuisance crimes, such as aggressive panhandling and loitering. Modeled after community courts that have been deployed in urban business districts throughout the nation, the concept is to create a "storefront prosecutor" in the Hill to expedite enforcement of nuisance crimes. Penalties could include community service to improve the Hill -- i.e. maintenance, graffiti removal, etc.
- Extend the Blue Light security network to the Hill business district. The Blue Light provides for an immediate alert to University and City Police, and, more importantly, is a recognizable security system to the student market.
- Create a weekend maintenance patrol and join with neighborhood groups for seasonal clean-up days. Hill businesses, through their own manpower and perhaps enhanced by the 10% Marketing Fund, should make a greater collaborative effort to keep the business district and adjoining neighborhood area clean. A weekend maintenance patrol should be explored to supplement existing city weekend maintenance staff for a district sweep on Saturday and Sunday mornings. Seasonal clean-up days should be supported in concert with neighborhood groups. The business community could help these periodic clean-up events by purchasing supplies and providing volunteer labor.
- Selective lighting improvements are recommended to enhance overall security on the Hill. Two problem areas identified by Hill stakeholders include the Broadway pedestrian underpass connecting the business district to the University, and the alleys behind 13th Street businesses. The Broadway underpass needs lighting

improvements at the entryway to the Hill business district. To improve both the perception and reality of safety, lighting improvements could be enhanced with the installation of a Blue Light station.

Parking/Signage

Several parking and urban design concepts that were evaluated in the development of the 1996 University Hill Area Plan are recommended to improve the business district, including:

- Acquire right-of-way from 13th Street to provide direct access to the UHGID parking lot currently accessed off of 14th Street. This lot is difficult to find since it requires users to travel one block south of the business district in order to access it. Access from 13th Street can immediately increase the usage of this lot.
- Install wayfinding and directional signs to the Hill along the Broadway corridor. Currently, northbound traffic is not sufficiently informed of the left-hand turn opportunity at College Avenue. The district is easily missed by northbound traffic.
- Install visible gateway landmarks at the key entrances to the business district at the intersections of College and Broadway and Broadway and 13th Street. Gateways should be visible to vehicular traffic and convey a sense of entry. The existing gateway market serves more as subtle public art, as opposed to marking entry to the district.

3. Regulatory Climate

Land use decisions within the University Hill business district are currently guided by the BMS-X (Business Main Street) zoning regulations. BMS-X was originally developed in 1998 by the Boulder planning staff to guide the development of a “new urbanism” commercial node in north Boulder. BMS-X aims to create a traditional “Main Street” atmosphere, encouraging low rise buildings without setbacks and a mixed-use development pattern. BMS-X was also applied to University Hill, replacing its prior zoning designation in an attempt to help strengthen its natural evolution as an “authentic” Main Street environment.

In discussing the University Hill development climate with businesses, property owners and prospective developers, it was found that BMS-X may require additional fine tuning in the Hill business district in order to meet its desired goal of promoting development. Of primary concern are specific uses (i.e. restaurants) and development types that are not allowed as uses-by-right under the current BMS-X. If new development cannot be qualified under use-by-right criteria, City of Boulder use and site review processes are activated. *Use and site review processes are perceived by property owners and investors as onerous, encouraging an unintended “path of least resistance” investment pattern that results in marginal uses and property improvements.*

It is recommended the City of Boulder consider an amendment and/or adjustment to the BMS-X zoning designation to encourage new development in the Hill business district. Such an amendment would also recognize the existence of the Hill's parking district, which differentiates the area from other BMS-X areas. Three specific regulatory revisions are recommended for the Hill business district:

- **Eliminate the 1,500 square foot threshold for new restaurants.** Currently, BMS-X zoning does not allow for restaurants as a use-by-right if they exceed 1,500 square feet. A full-service upscale restaurant was repeatedly mentioned as the most important improvement for the Hill by residents, students and businesses. This type of restaurant will likely exceed the 1,500 square foot limitation. To encourage the type of restaurant that is most desired by the community, it is recommended that size be eliminated for restaurants as a condition for the use review process.
- **Reevaluate FAR and height restrictions.** Property owners and prospective investors contend that FAR (floor area ratio) and height restrictions preclude marketable types of new development in the Hill, including a future parking structure. The City is considering holding a design charrette to test the question of whether the FAR limits are a barrier to redevelopment.
- **Relax restrictions for sidewalk seating.** Sidewalks along 13th Street were recently redesigned to help beautify and enliven the Hill business district. Sidewalk seating could be helpful to add vitality to the area and increase its appeal as a community gathering place. An extensive study in 1998 resulted in recommendations to relax restrictions for sidewalk seating. These relaxed standards should be marketed and applied to Hill businesses. Hill stakeholders are also supportive of the Planning Department's recent provision of a staff liaison in an effort to expedite permitting.

4. Business Recruitment

A variety of new business concepts appear to appeal to both the Hill resident and student markets. Most frequently requested new business concepts include:

- Sit-down upscale restaurant;
- Movie theater (family-friendly, first run and art films);
- Bank;
- Upscale grocery;
- Hardware store;
- Resident-oriented businesses and services;
- Sophisticated independent businesses/unique boutiques;
- Activities for students and teens that are under 21 years of age.

Additional business concepts that appeal to both neighborhood residents and students should be encouraged.

To help recruitment new businesses to the Hill, the following business recruitment tools are recommended:

- **Hill real estate and parking database:** A current real estate database should be compiled and maintained, including a listing of available space and contact names for brokers and/or property owners. The database should also include a listing of available parking resources allowing different properties to trade and/or lease off-site parking.
- **Hill economic profile:** The Market-Based Plan's Competitive Analysis can be packaged as an economic profile to help prospective businesses evaluate market opportunities on the Hill. The Competitive Analysis should be available in a variety of formats, including an electronic file on the proposed Hill web site.
- **Hill business support services:** Business support services should be identified to help prospective businesses to develop viable business plans and loan applications. Sources of business support services may include the University of Colorado, local Small Business Development Center, local banks and others.

A revamped Hill Alliance business group (discussed below) could provide a key portal of entry for new investors, providing general business-to-business orientation on local market opportunities and resources.

5. Public/Private Partnerships

The process of reconnecting with its traditional markets will require an enduring financial and political commitment from the Hill business district's primary stakeholders, including property owners, businesses, residents, the University of Colorado and the City of Boulder. Options for creating an effective public/private partnership organization to market and manage the Hill business district include:

Revitalize the Hill Alliance: The Hill Alliance, a 501(c)(6) non-profit organization, is the traditional voice and marketing arm of the business community. In recent years the Alliance has languished, due in part to a lack of focus and participant "burn out" resulting from the fatigue of managing undercapitalized and volunteer-driven programs.

A revitalized Alliance will require:

- A renewed sense of purpose;
- Representative and relevant leadership; and
- Financial resources.

It is recommended that the Alliance become the core of a new public/private partnership charged with advancing the Hill business district. Suggested guidelines for revamping the Alliance include:

- Charge the Alliance with implementing specific portions of the Market-Based Plan. The Alliance should be the primary entity to carry out proposed marketing and business recruitment initiatives, and it should monitor progress by other agencies to implement environmental improvements and regulatory reforms.
- Reconfigure the board of the Alliance to ensure that it is directly accountable to Hill stakeholders and can remain relevant to Hill markets. The Alliance board should include a majority of Hill business and property owners, but it should also include representation from neighborhood residents, the University, the City and students. A board of 11 to 15 persons is recommended.
- Finance Alliance activities with the 10% Marketing Fund plus actively seek additional sources of funds for Alliance activities, including community improvement grants, event sponsorships, etc. Part-time or contract staff should be secured to protect the Alliance from the cycle of volunteer burn-out that has afflicted it in the past.

Consider a Future Business Improvement District (BID): As the Hill Alliance and its new marketing initiatives evolve, the creation of a BID should be considered for the Hill business district. A BID creates a localized property tax to finance maintenance, marketing and management improvements for a business district. Downtown Boulder formed the City's first BID in 1999.

A BID is premature for the Hill business district today. BIDs work best in business districts that have benefited from a tradition of private sector marketing and organization. Before a BID can be organized on the Hill, business and property owners will need to witness visible results from collaborative marketing and management initiatives. The prospects for a BID will also brighten if new stronger businesses can be attracted to the area. Today, the Hill business district has a tax value of \$6.8 million, generating \$6,800 from each mill taxed in a BID. The area's BID revenue potential will grow if the area improves and increases in value.

The 10% Marketing Fund is envisioned as a financing bridge for marketing and management activities until the time that a BID becomes feasible. The University Hill BID concept should be reevaluated in 3 to 5 years.

Promote Community-Oriented Businesses Through a CDC: The community may want to consider the formation of a community development corporation (CDC) that could acquire real estate and support the creation of community-oriented businesses.

CDCs are 501(c)(3) non-profit organizations that are initiated on a grassroots level. They tackle public benefit projects and other redevelopment activities in areas that have difficulty attracting private capital. Typical CDC activities include:

- Facilitating and/or constructing affordable housing;
- Assisting in the growth and development of small businesses; and,
- Developing underutilized and/or blighted real estate.

Several of the business concepts identified by both the Hill resident and student markets may benefit from the active involvement of a CDC. For example, a University Hill Community Arts Center could evolve to showcase a combination of film, live theater and community-based programming. A CDC could obtain equity from residents, secure grants from government and foundations, obtain a bank loan and offer a tax break to a property owner to acquire, renovate and operate a building suitable for this type of use.

III. IMPLEMENTATION

Actions Proposed for the Next Six Months:

Activity	Tasks (Responsibility Center)	Est. Cost <1>
<p align="center">Marketing</p> <p>1. Create the 10% Marketing Fund</p>	<p>Obtain funding commitments from both Hill businesses and matching funds from the City of Boulder. Goal is to raise \$50,000 (\$25,000 from Hill businesses and \$25,000 from the City), although a lesser amount would be adequate to initiate marketing efforts. (Hill Alliance, City/UHGID & CMO)</p>	<p>\$ to \$\$</p>
<p>Environmental Improvements</p> <p>1. Increase Visibility of Hill Security</p> <p>2. Explore Expansion of Blue Light System</p> <p>3. Enhance Weekend Maintenance Crews</p> <p>4. Design and install new wayfinding and directional signage.</p> <p>5. Improve Access to 14th Street Parking</p>	<p>Explore options for increasing the visibility of the Boulder Police on the Hill, plus options for supplementary security. (City/DUHMD/PS & Police)</p> <p>Identify options for installing new Blue Light stations in the Hill commercial district and at the Hill entrance to the Broadway underpass. (City/DUHMD/PS & Police, University of Colorado)</p> <p>Improve efforts to deploy visible maintenance crews sponsored by Hill businesses. (Hill Alliance, University Hill Residents)</p> <p>A new viable wayfinding and directional signage system to the Hill business district should be designed and installed, particularly along the Broadway corridor. (City/DUHMD/PS & Trans.)</p> <p>Determine feasibility for acquiring right-of-way access to 14th Street lot from 13th Street. (City/Transportation)</p>	<p>None</p> <p>\$ to \$\$</p> <p>None to \$</p> <p>\$\$ to \$\$\$</p> <p>Feasibility: None to \$</p>
<p>Regulatory Climate</p> <p>1. Amend zoning to encourage restaurants.</p> <p>2. Encourage sidewalk seating.</p>	<p>Amend zoning to eliminate the 1,500 square foot use review threshold for restaurants. (City/Planning)</p> <p>Market and utilize relaxed standards that were developed during the 1998 study process. (City/Planning & Development Review)</p>	<p>None</p> <p>None</p>
<p>Business Recruitment</p> <p>1. Compile Hill real estate and parking database.</p>	<p>Develop a current real estate and parking database, including available space and contact names for brokers and/or owners. (University of Colorado)</p>	<p>None to \$</p>
<p>Public/Private Partnerships</p> <p>1. Revitalize the Hill Alliance.</p>	<p>Reconfigure the Alliance board, adopt specific portions of the market-based plan, raise the 10% Marketing Fund, convene a half-day “resurrection” planning retreat. (Hill Alliance, City/DUHMD)</p>	<p>None to \$</p>

<1> **Estimated Costs:** \$ = less than \$50,000; \$\$ = \$50,000 to \$100,000; \$\$\$ = more than \$100,000

Actions Proposed for the Next 6 to 18 Months:

Activity	Tasks (Responsibility Center)	Est. Costs <1>
Marketing		
1. University Hill Business District Web Site	Create a web site for the University Hill business district to provide timely information on Hill events, promotions and businesses. (Hill Alliance)	\$
2. Neighborhood and Student Marketing	Initiate neighborhood and student marketing recommendations from the market-based plan. (Hill Alliance, University Hill Residents, University of Colorado)	\$
3. Evaluate Feasibility for New Special Events	Evaluate the feasibility for staging a regular Farmer's Market and/or other events in the Hill business district. (Hill Alliance, University Hill Residents, City/DUHMD/PS)	Feasibility: None to \$
Environmental Improvements		
1. Explore adding supplementary security patrols.	Identify options for increasing the uniformed security presence on the Hill, including the deployment of Community Service Aides. (City/Police, University of Colorado)	\$ to \$\$
2. Explore community court concept.	Evaluate the potential for establishing a community court in the Hill business district to prosecute nuisance crimes. (City/Municipal Court)	Feasibility: None to \$ Create Court: \$ to \$\$
3. Improve Access to 14 th Street Parking Lot	Acquire right-of-way access to 14 th Street lot from 13 th Street. (City/Transportation)	\$\$\$
Regulatory Climate		
1. Reevaluate FAR and height restrictions.	Convene a design charrette to evaluate the FAR and height restrictions of the BMS-X zone as they apply to the Hill business district to ensure that these restrictions do not impede new development. (City/Planning & DUHMD/PS, Hill Alliance)	None to \$
Business Recruitment		
1. Compile a Hill economic profile.	Utilizing market information from the Market-Based Plan and the real estate and parking database, package a Hill economic profile that can provide timely market information to prospective new businesses and investors. (Hill Alliance)	None to \$
Public/Private Partnerships		
1. Explore the creation of a Hill CDC.	To promote the development of community-oriented businesses, the creation of a Hill community development corporation (CDC) should be explored. (University Hill Residents, Hill Alliance)	\$ to \$\$\$

<1> **Estimated Costs:** \$ = less than \$50,000; \$\$ = \$50,000 to \$100,000; \$\$\$ = more than \$100,000

Actions Proposed for 18 Months to 5 Years:

Activity	Tasks (Responsibility Center)	Est. Costs <1>
<p align="center">Marketing</p> <p>1. Continue neighborhood and student marketing.</p> <p>2. Stage at least one major new special event.</p>	<p>Continue marketing efforts targeted to reengage neighborhood, student and University workforce markets, including extension of the 10% Marketing Fund. (Hill Alliance, City/DUHMD/PS)</p>	<p>\$ to \$\$</p>
	<p>Produce at least one new special event designed to engage both neighborhood and student markets. (Hill Alliance, City/DUHMD/PS, University Hill Residents)</p>	<p>\$ to \$\$\$</p>
<p align="center">Environmental Improvements</p> <p>1. Improve lighting in alleys.</p> <p>2. Design and install new business district gateways.</p>	<p>Explore and implement options to improve lighting in the alleys behind commercial buildings on 13th Street. (City/Transportation)</p>	<p>\$ to \$\$\$</p>
	<p>Design and install visible gateway landmarks at the key entrances to the Hill business district. (City/DUHMD/PS, Hill Alliance)</p>	<p>\$\$ to \$\$\$</p>
<p align="center">Business Recruitment</p> <p>1. Provide business support services.</p>	<p>Create a business support services program designed to assist existing and new enterprises with business plans and financing. (Hill Alliance, University of Colorado, Chamber of Commerce, SBDC)</p>	<p>\$</p>
<p align="center">Public/Private Partnerships</p> <p>1. Explore the feasibility of creating a BID.</p>	<p>Explore the creation of a business improvement district (BID) to provide a long term source of financing for marketing, business recruitment and environmental improvement efforts. (Hill Alliance, City/DUHMD/PS)</p>	<p>Creation costs: \$ BID budget: \$\$ to \$\$\$</p>

<1> **Estimated Costs:** \$ = less than \$50,000; \$\$ = \$50,000 to \$100,000; \$\$\$ = more than \$100,000