Marketing Analysis

Where Meridian Lives

Destination: *Downtown*

Bonneville Research

Meridian Idaho Downtown Redevelopment Plan

The Meridian Downtown Redevelopment Plan is committed to promote a high quality of life for all residents. It has two overall Goals, which are to ensure that Downtown Meridian:

Goal 1 - Preserves and enhances the character and small town feeling of Downtown Meridian by:

- developing a safe, walk able, mixed-use downtown
- encourages development of a vibrant downtown commercial corridor
- provides a public realm that focuses on human interaction and safe pedestrian circulation
- supports infill development that creates intimate places for people and art
- encourages a mix of ground floor retail and services with offices and apartments above
- provides an easy, safe and convenient to access jobs, opportunities and facilities for everyone

Goal 2 – Promotes environmentally, economically, and socially sustainable infill, rehabilitation and redevelopment to:

- promote a regionally competitive and successful downtown
- support integrated redevelopment that preserves significant structures and street character
- demand sustainable development that fits in architecturally and economically
- meet the challenges of economic and population growth
- improve the environment and protects the Meridian's environmentally sensitive areas

The *Redevelopment Plan* also utilizes in its land use concept, general design guidelines and specific requirements:

1. Mixed land uses - through the requirement of vertically mixed-use redevelopment.
2. Compact, clustered community design - through density of development along the Meridian Avenue.
3. Range of housing choice and opportunity - with apartment living along Meridian Avenue.
4. Walk able neighborhoods - by requiring pedestrian connections to parking and adjacent residential neighborhoods and limiting vehicular access to parking along the heavy pedestrian area of Meridian Avenue.
5. Distinctive, attractive communities offering a sense of place - planning for public open space and art, and requiring high quality landscaping and building materials.
6. Future development strengthened and directed to existing communities using existing infrastructure - through a combination of infill and rehabilitation as well as encouraging shared parking approaches .
7. Transportation option variety - by providing for and requiring accommodations for bicycles.

Information is presented in three sections:

1. Section one looks at the Meridian Downtown market area and presents key economic and demographic information for 2009 and projects key data to 2014.

2. Section two examines the key Meridian Downtown market potential and seeks to answer the following key questions:

    - What is the market potential of the Meridian Downtown?
    - Why?

3. Section three examines the key Meridian Downtown market potential and seeks to answer the following key questions:

    - Who could or should be establishing a business in the Meridian Downtown?
    - Why would they want to establish a business in the Meridian Downtown?
    - How the Meridian Downtown area:
        - Is different from what they will experience from anyone else,
        - Is different from what they already have, and
        - Is something that their customers will value, and
    - What is keeping them from establishing a business in the Meridian Downtown

Meridian Downtown Market Potential

The following commercial market opportunities for the Meridian Downtown are defined by:

1. Demand - the number of consumers in the defined market area, the income, family size and purchasing characteristics of those potential customers.

2. Supply - the current retail sales within the Meridian Downtown market area within those categories.

3. Gap - the difference between Demand and Supply. Can be a positive number (opportunity for new retail expansion) or negative (possible current retail oversupply).

The following commercial market area for the Meridian Downtown are defined by the following general customer shopping patterns. For example:

- **Neighborhood Shopping Primary Market Area**

    A "Neighborhood" center provides for the sale of convenience goods (foods, drugs and sundries) and personal services (laundry, dry cleaning, barbering, shoe repairing, etc.) for the day-to-day living needs of the immediate neighborhood. It is built around a supermarket as the principal tenant. In theory, the neighborhood center has a typical gross leasable area (GLA) of 60,000 square feet. In practice, it may *range in size from 30,000 to 150,000 square feet. A Neighborhood center occupies 3-15 acres and has a five minute drive time market area.*

- **Community Shopping Primary Market Area**
  The "Community" center provides a wider range of facilities for the sale of soft lines (wearing apparel for men, women and children) and hard lines (hardware and appliances). Many are built around a discount apparel store, a home improvement store or a discount department store as the major tenant, in addition to a supermarket. In theory, its typical size is 150,000 square feet of gross leasable area (GLA), but in practice, it may range in size from 100,000 to 350,000 or more square feet. A Community center occupies 10-40 acres and has a ten minute drive time market area. A limited number of businesses were considered relevant for the Meridian Downtown.

- Regional, Super Regional and other Shopping Primary Market Areas were not considered relevant for the Meridian Downtown.

A Primary Market Area is the area from which 60-80% of the center's sales originate

DEMOGRAPHIC AND ECONOMIC ANALYSIS

FIVE MINUTE DRIVE TIME NEIGHBORHOOD SHOPPING PRIMARY MARKET AREA DEMOGRAPHIC SUMMARY

A "Neighborhood" center provides for the sale of convenience goods (foods, drugs and sundries) and personal services (laundry, dry cleaning, barbering, shoe repairing, etc.) for the day-to-day living needs of the immediate neighborhood. It is built around a supermarket as the principal tenant. In theory, the neighborhood center has a typical gross leasable area (GLA) of 60,000 square feet. In practice, it may range in size from 30,000 to 150,000 square feet. A Neighborhood center occupies 3-15 acres and has a five minute drive time market area.

The market areas is predominately owner occupied family households.

Neighborhood Shopping Market Area Demographic Summary – Five Minute Drive Time

Year	2000	2009	2014
Population	88,389	124,971	145,598
Households	31,101	45,032	52,828
Families	23,446	33,303	38,729
Average Household Size	2.79	2.73	2.72
Owner Occupied HUs	24,313	34,600	40,078
Renter Occupied HUs	6,788	10,432	12,750
Median Age	31.4	32.3	32.4

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2009 and 2014, Bonneville Research 2010.

Forty five (45%) percent of the households in the market area have annual incomes of $75,000 or greater.

Neighborhood Shopping Market Area Demographic Summary – Five Minute Drive Time	2000		2009		2014	
	Number	Percent	Number	Percent	Number	Percent
< $15,000	2,812	9.0%	2,341	5.2%	2,785	5.3%
$15,000 - $24,999	3,447	11.0%	2,667	5.9%	2,899	5.5%
$25,000 - $34,999	3,746	12.0%	3,365	7.5%	3,402	6.4%
$35,000 - $49,999	6,128	19.6%	5,984	13.3%	5,779	10.9%
$50,000 - $74,999	7,714	24.7%	10,527	23.4%	12,138	23.0%
$75,000 - $99,999	4,043	13.0%	9,753	21.7%	12,844	24.3%
$100,000 - $149,999	2,392	7.7%	7,184	16.0%	9,203	17.4%
$150,000 - $199,999	481	1.5%	1,912	4.2%	2,237	4.2%
$200,000+	437	1.4%	1,299	2.9%	1,541	2.9%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2009 and 2014, Bonneville Research 2010.

Average household income in the Neighborhood market area is almost $80,000 and the 2009 median disposable income is $52,638.

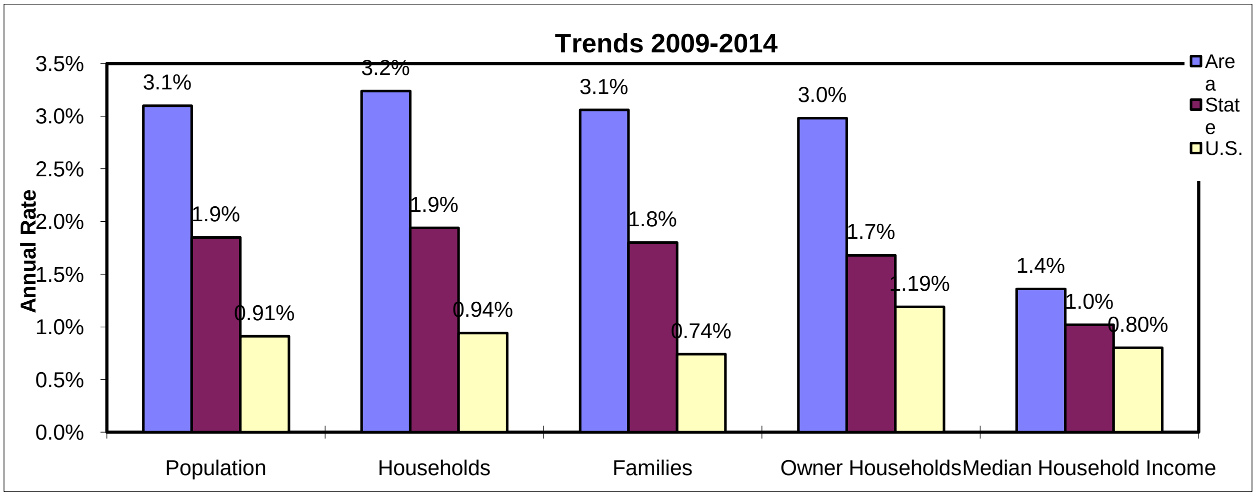
Neighborhood Shopping Market Area Demographic Summary – Five Minute Drive Time	2000	2009	2014
Median Household Income	$48,414	$68,661	$73,462
Average Household Income	$57,200	$79,140	$82,159
Per Capita Income	$20,595	$28,813	$30,097

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2009 and 2014, Bonneville Research 2010.

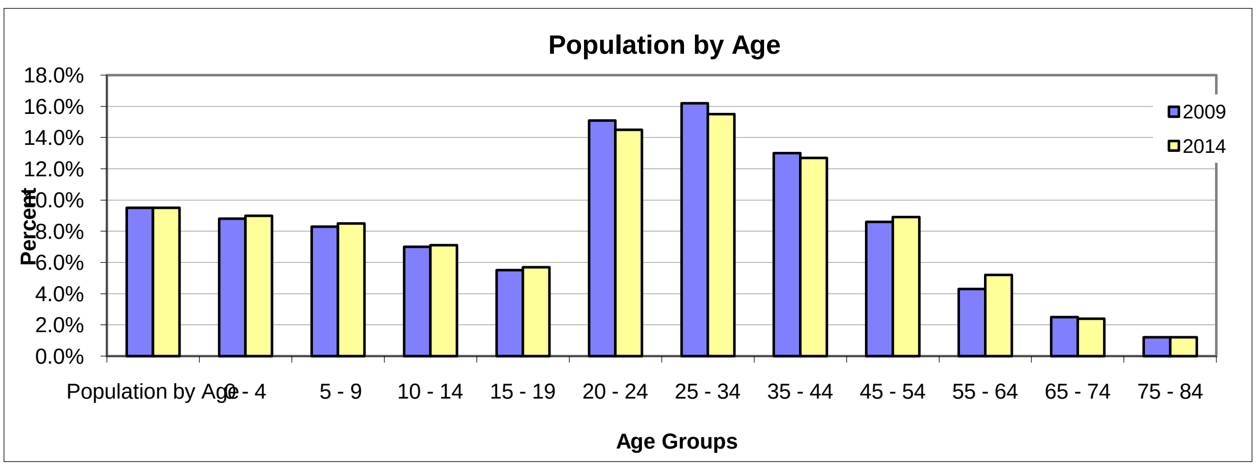
The Neighborhood market area is growing faster than the state and the country as a whole.

Neighborhood Shopping Market Area Demographic Summary – Five Minute Drive Time	Neighborhood Market Area	State of Idaho	National
Population	3.10%	1.85%	0.91%
Households	3.24%	1.94%	0.94%
Families	3.06%	1.80%	0.74%
Owner Households	2.98%	1.68%	1.19%
Median Household Income	1.36%	1.02%	0.80%

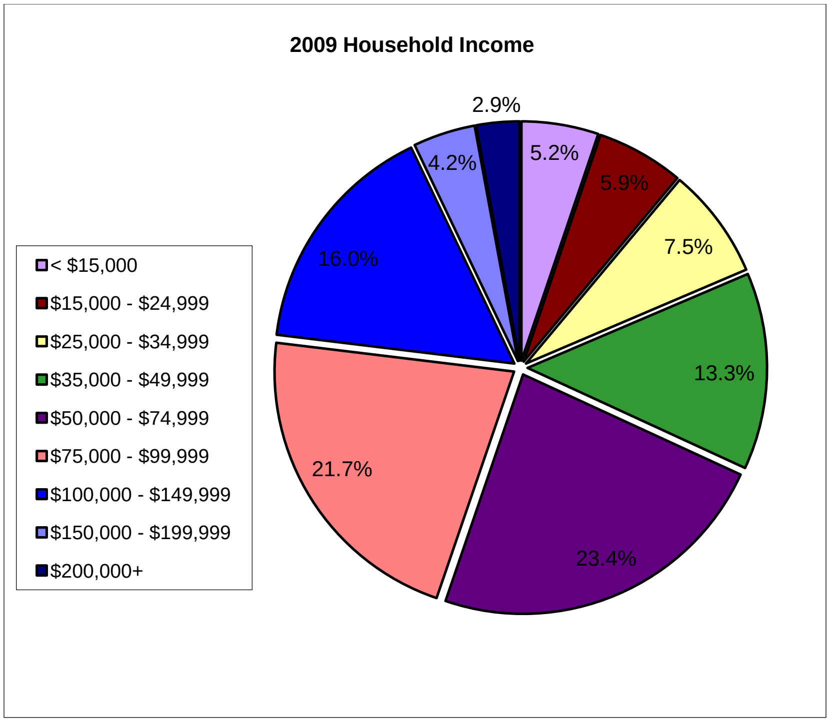
Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2009 and 2014, Bonneville Research 2010.



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2009 and 2014, Bonneville Research 2010.



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2009 and 2014, Bonneville Research 2010.



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI BIS forecasts for 2009 and 2014, Bonneville Research 2010.

Summary of Demographic and Economic Findings – Neighborhood (5 min) shopping area:

1. The Neighborhood shopping (5 min) market area has excellent income, age and other demographics.
2. The growth trends in the market area are excellent.
3. The Neighborhood market area is predominately owner occupied family households.
4. Forty five (45%) percent of the households in the market area have annual incomes of $75,000 or greater.
5. Average household income in the Neighborhood market area is almost $80,000 and the 2009 median disposable income is excellent at $52,638.
6. The Neighborhood market area is growing faster than the state and the country as a whole.

2. NEIGHBORHOOD SHOPPING PRIMARY MARKET AREA RETAIL POTENTIAL SUMMARY

Meridian Downtown Market Potential

The commercial market demand for the Meridian Downtown is defined by the number of consumers in the defined market area, the income, family size and purchasing characteristics of those potential customers. The following chart presents the retail potential analysis for the five minute - Neighborhood shopping primary market area for Downtown Meridian.

Section two examines the key Meridian Downtown market potential and seeks to answer the following key questions:

1. What is the market potential of the Meridian Downtown?
2. Why?
3. Who could or should be establishing a business in the Meridian Downtown?
4. Why would they want to establish a business in the Meridian Downtown?
5. What is keeping them from establishing a business in the Meridian Downtown
6. How is the Meridian Downtown area:
   - different from what they will experience from anyone else,
   - different from what they already have, and
   - something that they will value

Neighborhood Consumer Spending - Meridian Five Minute Drive Time Market Area

2009 Neighborhood Consumer Spending shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue.

Neighborhood Consumer Spending	
Apparel & Services: Total $	$18,812,841
Average Spent	$1,920.07
Spending Potential Index	77
Computers & Accessories: Total $	$2,530,797
Average Spent	$258.30
Spending Potential Index	113
Education: Total $	$13,418,054
Average Spent	$1,369.47
Spending Potential Index	109
Entertainment/Recreation: Total $	$34,878,570
Average Spent	$3,559.76
Spending Potential Index	110
Food at Home: Total $	$46,813,707
Average Spent	$4,777.88

Spending Potential Index	105
Food Away from Home: Total $	$35,681,412
Average Spent	$3,641.70
Spending Potential Index	109
Health Care: Total $	$37,312,585
Average Spent	$3,808.18
Spending Potential Index	101
Household Furnishings & Equip: Total $	$21,701,943
Average Spent	$2,214.94
Spending Potential Index	102
Investments: Total $	$14,231,883
Average Spent	$1,452.53
Spending Potential Index	101
Retail Goods: Total $	$263,650,327
Average Spent	$26,908.59
Spending Potential Index	105
Shelter: Total $	$170,877,958
Average Spent	$17,440.09
Spending Potential Index	112
TV/Video/Sound Equipment: Total $	$12,828,704
Average Spent	$1,309.32
Spending Potential Index	108
Travel: Total $	$19,976,777
Average Spent	$2,038.86
Spending Potential Index	110
Vehicle Maintenance & Repairs: Total $	$9,865,904
Average Spent	$1,006.93
Spending Potential Index	108

Source: Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI*, Bonneville Research 2010.*

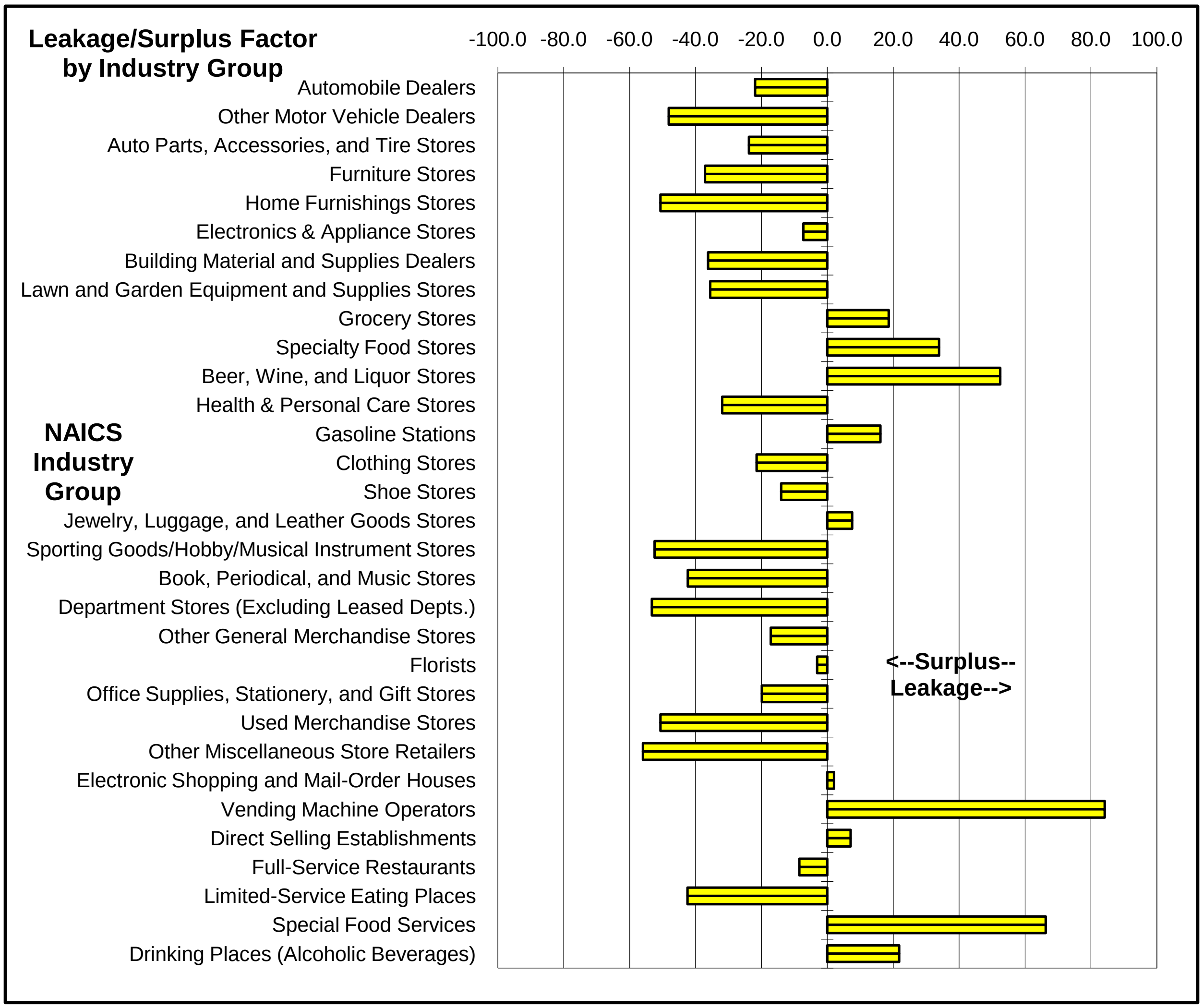
Data Note: The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Neighborhood Market Potential - Meridian Five Minute Drive Time Market Area

2009 Neighborhood Market Area Retail Potential shows the Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. North American Industry Classification System (NAICS) is used to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

Neighborhood Shopping Market Area Industry Summary – Five Minute Drive Time	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus / Leakage Factor	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	$1,349,017,844	$2,032,910,325	-$683,892,481	-20.2	1,350
Total Retail Trade (NAICS 44-45)	$1,139,573,776	$1,697,538,047	-$557,964,271	-19.7	994
Total Food & Drink (NAICS 722)	$209,444,068	$335,372,278	-$125,928,210	-23.1	356

Source: Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI*, Bonneville Research 2010.*



Source: Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI and infoUSA®, *Bonneville Research 2010.*

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Neighborhood Market Potential - Meridian Five Minute Drive Time Market Area

The following Market Area Retail classifications show a positive retail potential (the Demand exceeds the Supply (retail sales).

Neighborhood Shopping Market Area Industry Summary – Five Minute Drive Time	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap (Demand - Supply)	Surplus / Leakage Factor	Number of Businesses
Food & Beverage Stores (NAICS 445)	$172,368,004	$114,479,145	**$57,888,859**	**20.2**	54
Grocery Stores (NAICS 4451)	$160,875,151	$110,410,692	**$50,464,459**	**18.6**	22
Specialty Food Stores (NAICS 4452)	$2,693,113	$1,329,919	**$1,363,194**	**33.9**	25
Beer, Wine, and Liquor Stores (NAICS 4453)	$8,799,740	$2,738,534	**$6,061,206**	**52.5**	7
Gasoline Stations (NAICS 447/NAICS 4471)	$178,936,239	$129,232,415	**$49,703,824**	**16.1**	38
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	$6,662,061	$5,729,418	**$932,643**	**7.5**	16
Nonstore Retailers (NAICS 454)	$30,475,369	$22,588,673	**$7,886,696**	**14.9**	20
Electronic Shopping and Mail-Order Houses (NAICS 4541)	$8,650,551	$8,304,071	**$346,480**	**2.0**	7
Vending Machine Operators (NAICS 4542)	$5,948,111	$510,489	**$5,437,622**	**84.2**	3
Direct Selling Establishments (NAICS 4543)	$15,876,707	$13,774,113	**$2,102,594**	**7.1**	10
Special Food Services (NAICS 7223)	$8,249,030	$1,670,083	**$6,578,947**	**66.3**	5
Drinking Places - Alcoholic Beverages (NAICS 7224)	$15,552,434	$9,994,929	**$5,557,505**	**21.8**	16

Source: Consumer Spending data are derived from the 2005 and 2006 Consumer Expenditure Surveys, Bureau of Labor Statistics. ESRI*, Bonneville Research 2010.*

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. ESRI uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector

Summary Neighborhood Shopping (5 min drive time)	**Demand**	**Supply**	**GAP**
• Food & Beverage	$172.4M	$114.5M	$57.9M
• Grocery Store	$160.9M	$110.4M	$50.5M
• Gasoline Station	$178.9M	$129.2	$49.7M
• Non Store Retail	$30.5M	$22.6M	$7.9M
• Special Food Svcs	$8.2M	$1.7M	$6.6M
• Beer, Wine & Liq	$8.8M	$2.7M	$6.1M
• Drinking Places	$15.6M	$9.9M	$5.6M

Translating that retail demand gap into the number of potential retail stores is the next challenge.

Downtown Meridian Retail Mix

Bonneville Research estimates the potential capture rate of each individual store (there will always be some leakage due to travel, internet, mail-order, and other sales. Using sales per square foot estimates from ICSC and information on typical store sizes the number of potential new retail stores and the retail mix is then estimated.

Neighborhood Shopping Market Area Industry Summary – Five Minute Drive Time - 2010	Meridian Marketplace Retail Potential	Potential Capture Rate	Sales per Sq Ft (ICSC)	Potential Store Size	Typical Store Size	# Potential Retail Stores
Motor Vehicle & Parts Dealer	$48,700,000		na	na		
Food and Drink	$57,900,000	50%	$650	44,538	3,500	13
Apparel & Services	$7,900,000	30%	$425	5,576	3,500	2
Health & Personal Care	$2,521,889	70%	$550	3,210	1,500	2
Grocery Store	$50,500,000	50%	$850	29,706	45,000	1
Specialty Food	$6,600,000	70%	$550	8,400	3,500	2

Source: ESRI, ICSC*, Bonneville Research 2010.*

Summary of Neighborhood Market Potential Findings – Meridian Downtown Marketplace Retail Mix - 2010.

Who could or should be establishing a business in the Meridian Downtown?

- Motor Vehicle & Parts Dealer - One Dealer
- Food and Drink - At least thirteen (13) stores/restaurants/Café/Bars of approximately 3,500 sq ft
- Apparel & Services - Two (2) stores of approximately 3,500 sq ft
- Health & Personal Care - Two (2) stores /shops 1,500 sq ft each
- Grocery - One (1) store of approximately 45,000 sq ft
- Specialty Food - Two (2) stores /shops 3,500 sq ft each

3. ESTABLISHING A BUSINESS IN THE MERIDIAN DOWNTOWN

Why would someone want to establish a business in the Meridian Downtown?

Locating a business is a big step and Meridian needs to spend a lot of time providing information to potential business on the opportunities and advantages of locating in the Downtown. A business owner will choose to locate in the Meridian downtown because they think they can make more money there than other available sites. It is incumbent on Meridian to be able to demonstrate clearly that the product or service the entrepreneur is contemplating will be more successful by choosing to locate in the Meridian Downtown because:

The Meridian Downtown area is:

- Different from what they will experience from anyone else,
- Different from what they already have, and
- Something that their customers will value and seek out.

Some of the support activities necessary might include the following:

- Advice on business options and opportunities
- Business skills training
- Business planning support
- Start-up funding
- Ongoing support from a mentor
- Access to a wide range of free and discounted products and services.

What is keeping them from establishing a business in the Meridian Downtown?

Off Street Parking

One of the issues that seemed to be voiced frequently during the Charrette process was the lack of off-street parking in downtown Meridian. Bonneville Research therefore has prepared estimates the likely off street parking required for each individual store that likely may be supported in the Meridian Downtown.

Because of the limited availability of public transportation in Meridian, no allowance was made for shoppers that use other transportation than a vehicle. Using parking standard of 3 stalls per 1,000 sq ft of retail space estimates for the number of potential new retail stores and the retail mix is then derived.

Meridian Downtown Marketplace Retail Parking Requirements - 2010

Meridian Marketplace Total Retail Expenditures - 2010	Potential Store Size	Potential Retail Stores	Parking Standard @ 3 per 1,000 sq ft	Parking Requirements
Food and Drink	44,538	13	0.003	**134**
Apparel & Services	5,576	2	0.003	**17**
Health & Personal Care	3,210	2	0.003	**10**
Grocery Store	29,706	1	0.003	**89**
Specialty Food	8,400	2	0.003	**25**
Drinking Places	9,722	3	0.003	**29**
Beer, Wine & Liquor	13,556	0.33	0.003	**41**

Source: ESRI, ICSC*, Bonneville Research 2010.*

Strategies for Encouraging Business Developments in Downtown Meridian

Downtown Residential Development

In order to maximize the value of the "Meridian Downtown" brand and to support residential growth, downtown Meridian Downtown needs to create a special critical-mass district of unique residential living units, retail shops and dining venues, supported by events that carry out the brand's theme. Whether participating in family outings or engaging in free time activities, residents and visitors want an experience.

Revitalizing the historic Meridian Downtown core into an entertainment district will fulfill that need much better than shopping at the mall or eating at a roadside, chain restaurant.
The top priority should be creation of a downtown residential district.

Downtown Retail Development

A second priority should be creation of a downtown dining/entertainment district. Visitors prefer a dining experience, not just eating out. They like a single location restaurant run by the owners with outside dining and signature dishes. Unique retail shops with artisans in residence for the parents and shops for the kids. Family events with music and dancing or light recreation. Special downtown events add to the vitality of the downtown. For example, classic car shows, or Meridian Downtown's heritage events. We recommend the recruitment of outside event organizers to promote and stage downtown events.

Creating an entertainment district component to the downtown with a new mix of shops, restaurants, event and performance venues, loft living spaces and resident services is just as important for the residents of Meridian Downtown as it is for the visitors. Visitors do not like to hang out where residents are not present, and the citizens of the greater Meridian Downtown community deserve to have an animated, exciting place to hang out, meet their friends and be entertained. Other than its people, the heart and soul of any community is its downtown.

This all adds up to the strong foundation for creating a pedestrian-oriented shopping and dining district that will lure residents and visitors alike. Local household incomes have been rising much faster than inflation. This increased income and demand for retail - especially restaurants, will support a revitalized downtown.

One of the most important factors influencing a visitor's decision about a destination is convenience. This begins with the ease of planning the trip and extends through the actual experience. With Meridian Downtown, the brand needs to be supported by amenities that make the visitor's experience easy and enjoyable. This would include:

- New signage and way finding
- Gateways to downtown's "Historic District".
- Visitor information kiosks
- Downtown Wi-Fi
- Convenient parking
- Convenient public restrooms

The forces that have led to this transformation include changing market demands, shifting public policy, new urban design ideas, creative financing solutions, and cultural changes that are occurring as the tastes and attitudes of the Depression-era generation yield to those of baby-boomers, echo boomers, and beyond. This applies to their "quest for community," and creation of gathering places. The elements most commonly identified as missing by younger generations are what sociologist Ray Oldenburg has referred to as "third places."

> *Third places are the traditional gathering places found outside the home (our "first place") and the workplace (our "second place"). Third places include cafes, pubs, town squares, small retail shops, village greens, and entertainment venues.*

The need for these "third places" is exemplified by the Gen-xers hanging out at the mall and seniors using them for morning walks. Creating a "third place" can put a community on the map and give it a focal point, a heart, and identity. After all, besides its people, the heart and soul of any community is its downtown.

Can a redeveloped downtown Meridian Downtown compete with existing shopping malls and big box stores? The challenge for the Meridian Downtown is to not compete, but be unique and special. For Meridian Downtown, what needs to be developed is a downtown that does not revolve around neighborhood retail, but is instead driven by destination retail, entertainment, events, and an active nightlife all located in a compact, intimate, and beautifully landscaped setting – a true gathering place. A place where local residents feel safe. A place where visitors have a variety of dining and shopping options. A place where everyone can congregate after business hours for dining and entertainment. Successful downtowns will only succeed, if they follow the same principles used by the best major lifestyle retail developers to satisfy consumer demands:

- Great storefront design with exciting visual appeal (exterior displays, beautification, alcoves, etc.)
- Traffic patterns that guide people to stores
- Strategic tenant mix
- Inviting, clean, beautiful, and secure shopping environment
- Ample and convenient parking
- Regular and generous shopping hours
- High-quality marketing, advertising, and management

What brings people back is the authentic and casual public setting, which a town center provides for meeting, mingling, strolling, and people watching. What fuels the commercial success of a town center is the right mix of tenants, customers, and foot traffic.

The other component of a successful downtown redevelopment project revolves around experiences. Experiential draws can be theater, artists in action (art studios, arts incubators), street vendors and entertainers, farmers' markets, and thematic restaurants and retail shops. The recommendations made in this plan will achieve these goals, but patience is required. The average revitalization program takes 10 to 30 years to complete.

The following are the primary infrastructure-related recommendations:

- Creating and identifying off-street parking
- Widening sidewalks
- Planting trees
- Constructing restrooms
- Creating performing arts venues
- Changing street directions
- Applying architectural standards
- Acquiring public art
- Offering free Wi-Fi
- Attracting new businesses with reduced rent and other concessions.

Downtown Meridian Downtown currently lacks the destination retail mix needed to attract locals or to satisfy the expectations of overnight visitors. Tourists will not go where locals are not present, so it is important to make sure that Meridian Downtown residents are active, engaged, and highly visible. How many times have you looked for a place to stop and eat in an unfamiliar town, only to pass by several fine-looking restaurants just because there didn't appear to be many locals inside?

As lease agreements are negotiated, property owners should seek to reach agreements with retailers on specific, consistent business operating hours, including evenings and weekends. It is important to make sure that businesses are open seven days a week and during evening hours. There are a number of programs designed to assist retailers in covering the personnel costs of remaining open for extended hours. One is a job-share program, where part-time workers move from business to business to cover lunch hours and errands.

Having the right mix of businesses downtown will fail, if they are closed during evening hours, events, or generated as a result of having created a bustling and vibrant gathering place downtown. In all the cities we have researched, this was not a major problem. People are moving back into downtowns like never before. This move is being fueled by a baby-boom generation looking to retire, down-size, yet have access to urban amenities and entertainment. These people expect a very high quality residential living environment. Loft apartments and condos are bringing downtowns back to life across the country.

DEMOGRAPHIC AND ECONOMIC NOTES:

Below are the principal, accessory, and conditional uses permitted in this plan, and uses that are not permitted.

Principal Uses:

- Retail businesses
- Personal service establishments
- Banks and financial institutions on the ground floor, so long as any drive-through window does not have access or egress directly onto Meridian Avenue, is well buffered from adjacent residential areas, and incorporates proper traffic circulation and signage controls
- Food consumption establishments (except drive-in or carry out restaurants)
- Package stores and taverns
- Artist studios and artistic instruction space on all floors except for the ground, street level floor
- Business, professional and governmental offices located above commercial uses, not occupying the ground floor other than "retail or customer service functions" like Post Offices, Auto Registration, etc.
- Residential uses not occupying the ground floor, and which may be located on the same floor with other permitted uses
- Public assembly facilities and spaces, theaters and cinemas, where the use is integrated into mixed-use buildings with retail frontage along Meridian Avenue
- Medical professional offices on the ground floor, provided they do not occupy more than 50% of the total ground floor of a building, do not face Meridian Avenue and do not displace or preclude retail frontage along Meridian Avenue.
- Off-street parking and loading spaces
- Fences, walls and hedges
- Satellite dish antenna (receive only)
- Outdoor cafes including temporary outdoor dining on the public sidewalk as long as it does not inhibit pedestrian traffic.
- Sidewalk displays
- Artist studios and artistic instruction space that are accessory to art galleries, art supplies stores and other arts-related retail uses, provided they do not occupy more than 33% of the total area of the ground floor and provided that all windows facing Meridian Avenue or any side street are maintained with a retail display focus
- Public utility facilities required to provide direct service of the utility to the consumers such as transformers and pumping stations, but not warehouses, service or storage and treatment yards

The following uses are expressly prohibited in the Downtown Meridian zone:

Except as otherwise expressly permitted, used and new automobile and truck dealerships and rental agencies thereof.

- "Carry-out" restaurants.
- Any industrial process, manufacture, assembly or treatment.
- Automobile service stations, repair shops and car washes.
- Lumber, fuel and building material storage works and lawn and garden shops over 10,000 sq ft.
- Wholesale laundries, dyeing and cleaning works.
- Arcades and amusement centers where more than ten percent (10%) of the retail floor area is devoted to such use.
- Any process or storage use that may be noxious or injurious by reason of the production or emission of dust, smoke, refuse matter, gas fumes, noise, vibration or similar substances or conditions.
- Billboards or signs painted or mounted upon the exterior side or rear walls of any principal or accessory building or structure, except as permitted under 17-17.11.i.4, and/or freestanding signs.
- All residential, service, commercial or industrial uses not specifically permitted in this zone.
- Except as expressly set forth herein, Automobile “drive-in” or “drive-through” features in connection with any food sales, restaurant, bank or any other food, personal service or business establishment of any kind.
- Adult bookstores and amusement facilities.
- Any exterior storage of goods and materials.

Parking

- A 50% shared parking allowance will be made for combining weekday uses with evening/weekend uses in the same building. Office and general retail uses are considered to be weekday uses, while residential and restaurant uses are considered to be evening/weekend uses. 50% of the parking requirement of the evening/weekend use of the building may be met through parking provided for the weekday use.
- Parking shall not be constructed between buildings and Meridian Avenue, or otherwise fronting Meridian Avenue.
- The primary access points to parking lots and facilities shall be from streets other than Meridian Avenue. Curb cuts across sidewalks along Meridian Avenue are discouraged and shall in no instance exceed one per block (or, if only part of the Meridian Avenue edge of a block is included in the redevelopment area, one per such portion), located centrally to the block face.

Our interviews with Meridian community interviews and Charrette processes show that even before the current economic downturn, retail functions in downtown Meridian have been suffering. Vacancies and low-quality retail uses have negatively affected the perceived Meridian quality of life, sense of safety and local pride. Meridian civic leaders have responded by creating the Meridian Downtown Improvement District and constructed the Meridian City Hall in the Downtown area.

Shifts away from retail is often incremental, when individual units get new, non-retail uses such as for office space or even residential accommodation. Public policy often responds by consolidate and attempts to regenerate the retail offering. There may be cases however where this may not be possible or even desirable. Adding housing helps to support retail thresholds, but in many cases this will not be sufficient to change the structural trends that underpin long-term retail change. Nor is it realistic to assume that local residents will necessarily support local services.

Strategies for downtown retail redevelopment generally:

- Attempt to enable imaginative thinking about alternatives such as affordable workspace, adaptable building typologies, social infrastructure or the creation of attractive new residential environments;
- Seek small scale additions and upgrading of individual buildings seeking to revive the character and identity of the retail stock and add residential accommodations;
- Incentivize a new employment, by encouraging needed additional investment, such as in retrofitting of retail centers for affordable employment space.

It is worth considering alternative strategies and tools for those ex-retail spaces to create attractive transformation options. If long-term changes in the operation of the retail market are negatively affecting downtowns, conceptualizing them as primarily retail-driven places can impede innovative solutions, whereas other downtown functions (leisure, local services, meeting places, employment space) might offer equal or more potential. There are cases where a more proactive planning approach could actively seek for such alternatives, and acknowledge an ensuing change in the retail hierarchy in planning policy.

Potential barriers in retail and downtown policy should be removed by a review and reconsideration of the retail role of the downtown to see if requirements for retail space, associated parking, transportation impact fees, and the maintaining of retail frontages can be reduced. Such an approach needs to be based on detailed analysis reflecting the policies and aspirations of the Meridian Downtown Redevelopment Plan as well as changing trends and emerging opportunities on the ground.

Strengthen Downtown Meridian

Because of Meridian's historical growth pattern, there is not always a clear structure of a nodal downtown with clearly defined edges. Instead, it is the edge condition itself that is ubiquitous. Different former 'commercial areas' have gradually merged, especially along main thoroughfares which often had retail, manufacturing, showrooms and various other commercial uses. This 'transition zone' is the primary site for redevelopment because of retail decline. Intensification often takes places at such edges as low-density lower-value land-uses get replaced by residential development. However the process usually happens in an unplanned manner, through incremental, developer driven projects. Too often, this leads to low quality development with little added value for the locality. It is such small-scale projects that give 'intensification' it's bad name. It is seen to erode local character and, by failing to provide for new public spaces and social infrastructure. Moreover the distinction between actual downtown and surrounding suburban areas gets blurred, while the transition to suburban streets is often badly designed.

Our experience in other communities dealing with the transition between downtowns and more suburban streets show that:

- A strategy can be to accept contraction of retail functions and to invest in alternative uses instead, such as social infrastructure (schools, health or sports facilities, community services) or well-planned workspaces where there is demand. Investing in non-use specific loft buildings with generous ceiling heights could be one way to create an adaptable downtown edge that can respond to changing economic needs and uses;
- Residential developments must be attractive for families with children or elderly people. The challenges are to create good residential ground floors, to manage the transition to suburban side streets, and imaginatively design;
- Development of small new public spaces which become civic gathering points beyond the retail shopping cores. This includes deliberate strategies for greenery, since loss of green character through edge of downtown development is often cause for local concern.

This suggests that the edges of downtowns would profit from more proactive planning and design strategies so that these locations are strengthened, with existing qualities maintained and new qualities added. This is not about fixing or freezing those edges once and for all – the urban process is dynamic and the role of such locations may shift over time. The challenge is to create strategies that reflect the character of these edge areas and encourage a positive intensification process that is open to changing needs.

Improvements to social infrastructure such as playgrounds, schools, health facilities and public space investments are an important way to generate tangible 'public value' from the intensification process.

At the moment new residential development and intensification through residential conversions are often associated with adding pressure on existing services rather than their improvement. But it is possible to integrate social infrastructure into the very heart of residential development projects, in conjunction with public space improvements. An increase in numbers of residents can actually improve service levels by helping to sustain or expand the critical mass needed for social infrastructure investment. Integrating social infrastructure provision in the housing intensification process show that:

- strategic use of social infrastructure such as health or sports facilities or schools can be the backbone of regeneration projects, enhancing the public realm in ways that enable increased new housing development – this may include provision for certain target groups such as large families or the elderly;
- this can be the driver to reposition areas on mental maps of Meridian residents and visitors by tapping into emerging lifestyle trends such as the active outdoor leisure economy;
- this requires typologies, designs and strategies that successfully integrate e.g. education, sports and health provision in comprehensive urban design and architectural projects.

This suggests that more daring combinations of social infrastructure with residential accommodation are technically possible and potentially beneficial. Investments in social infrastructure, whether for community facilities or other public projects need to be linked in the planning and design process, and funding models to further developed to maximize potential in the light of changing economic circumstances. This requires very proactive planning process by municipal and regional planning and economic development authorities.

Barriers to increasing density in Meridian

Even before the current slow-down in building rates, there were concerns about whether the planning system and the development sector would be able to achieve long-term housing growth in line with the ambitions set in targets – both nationally and in Meridian. A range of factors were considered:

- *An existing low density* - Meridians existing downtown density is generally a lower to moderate density typical of suburban communities. This sets a baseline against which the planning and development systems may be influenced by public sentiment as they assess proposals for higher density housing or mixed use development. Public opinion may be prejudiced against higher density levels may influence planning applications.
- *Laissez-Faire planning control* - The property owner driven and laissez-faire approach to development decision making, may clash with a more pro-active public sector driven approach to plan-making and project delivery.
- *Low public transport accessibility levels* - A particular defining characteristic of Downtown Meridian is the lack of public transportation. This has serious implications for residential and retail density levels.
- *Affordable housing provisions* - The delivery of affordable housing is often tied to the development of private sector housing, where a proportion of affordable housing is usually required subject to a range of conditions. This is often seen to drive down the viability of new projects. New delivery vehicles for affordable housing in which Local Authorities themselves can take the lead in delivery, may be required.
- *Competing land-uses and adjacency effects* - Planning policies include provisions on land use such as downtown retail or industrial activities. Their underlying assumption is that downtowns and employment zones play an important role for their local communities, and policy aims to protect and enhance this role. This can prevent some sites from being redeveloped for moderate or higher density housing. In protected employment areas, this might be exacerbated if adjacency effects, such as noise, dust or visual amenity, prevent good quality residential development outside the actual protected area.
- *Heritage* - Downtown Meridian may have buildings or areas of historical which are locally cherished for their contribution to local character and identity. These may or not be protected through an historical listing designation. Whereas heritage ought to be seen as a positive ingredient of future area change, sometimes it is unnecessarily seen to cast a policy shadow on surrounding properties, which can be inhibit new development.
- *Land assembly issues* - Downtown Meridian is characterized by multiple, fragmented and irregular property ownerships. Assembly among multiple private sector partners is often required to create viable redevelopment sites and the ability to achieve higher density housing development may be limited.

This study contributes to this discussion by an evaluation of the scenarios and analysis of the obstacles to delivering different housing typologies identified in the study.

Parking Lots

The provision of parking is necessary for the commercial district. However, the placement and quantity of parking impact on the sustainability and walk ability of Meridian . The following guidelines describe the location and design of parking facilities, and encourage use of shared parking facilities.

- Shared parking is parking which is available to more than one building or land use. In general, different types of land uses may create different demands for parking throughout the day. For example, restaurants may require more parking in evenings while office buildings need parking during the day. To prevent the wasteful duplication of parking facilities that could serve more than one group of users, shared parking is encouraged. When compatible land uses are within 700' of each other, parking may be shared, reducing the amount of parking required for each land use and cost for development.
- In general, the preferred location of parking is below or behind buildings.
- Parking lots are required to have clear pedestrian access routes within them and to Meridian Avenue. Pass-through walkways, those connecting parking located behind buildings to the sidewalk, shall be provided to rear parking lots and to pedestrian walks leading to surrounding residential districts. These walks shall have clear signs and markings for orientation and a high degree of passive surveillance, overlooking windows, and adequate lighting for security.
- For office development 25,000 square feet or more, preferred parking shall be provided for carpools/vanpools serving building occupants. (For more information see LEED® Sustainable Sites credit 4.)
- For residential development, secure, sheltered bike parking shall be provided for residents.
- In order to facilitate bicycle commuting, secure bicycle storage shall be provided at all buildings for at least 15% of building occupants.
- Parking lots shall be landscaped with trees to provide shade with one tree for every three parking spaces.
- Subdivide surface parking lots into smaller areas through the use of landscaping and other visual elements. Landscaping shall be hardy and able to withstand soot and gas fumes.
- Landscaping shall be designed to remove contaminants from and encourage infiltration of stormwater runoff according to stormwater BMPs (Best Management Practices), for example, curbs surrounding landscaped areas should be perforated and graded to drain water into the planted areas for filtration.

Bonneville Research

Meridian Idaho Downtown Redevelopment Plan

Absorption estimates for the Meridian Downtown:

Absorption is generally considered the rate at which rentable space is filled.

Gross absorption is a measure of the total square feet leased over a specified period with no consideration given to space vacated in the same geographic area during the same time period. Net absorption is equal to the amount occupied at the end of a period minus the amount occupied at the beginning of a period and takes into consideration space vacated during the period.

Overview:

Throughout 2009, the Treasure Valley and the Meridian Submarket continued to feel the effects of a weakened local and national economy. Unemployment within the Treasure Valley declined slightly to 9.5% and the office market has felt the impact through declining rental rates and increasing vacancy.

Boise/Meridian Market Area Employment

The Boise/Meridian Metro Area has experienced the following employment trends since the 2000's Recession.

- Between 1998 and 2008 the Boise/Meridian Metro area economy grew at an annual rate of 5.8% - 103rd fastest in the nation
- At $24.03 Billion, the Boise/Meridian Metro Area represents 45.6% of the Idaho Gross State Product (GSP)
- Employment peaked in the first quarter of 2007
- Since then 28,900 jobs have been lost
- These losses represent 10.4% of the workforce
- The employment peak reached in the first quarter of 2007 is expected to be reached again in the first quarter of 2013 - Three Years!
- It must be noted that due to growth in the workforce, reaching the employment peak of 2007 does not mean full employment in 2013!
- Unemployment in the Boise/Meridian Metro Area is expected to drop to 7.7% in 2011 and drop again to 6.1% in 2013.

Forecast:

Demand for commercial office space is driven by employment growth.

Therefore demand for new office space in Meridian will come from specialty areas that are experiencing employment growth. Currently that is coming from two areas - government, not for profits, businesses involved in alternative energy and medical.

Inventory - The Meridian submarket is the second largest with just over 1.1 million of Class A office space, and ranks #3 just behind the West Bench in total office space.

2009 Year-End Commercial Office Submarket	Building Count	Inventory SF	Direct Vacant SF	Sublease Vacant SF	Total Vacant SF	Vacancy Rate 2009 SF
Meridian	58	1,820,857	391,392	10,545	401,937	22.1%
West Bench	78	2,232,968	599,739	6,162	605,901	27.1%
Downtown	55	3,470,472	385,876	31,102	416,978	12.0%
Nampa	35	774,371	58,153	0	58,153	7.5%
Market Total	411	13,980,900	2,436,154	81,118	2,517,272	18.0%

Source: Colliers Paragon, Year-End Market Review, 2010

Net Absorption - Commercial Office - Silverstone Plaza, at 124,000 sq ft of Class A space, developed by the Sundance Company, helped Meridian achieve a net positive absorption of 56,724 sq ft in 2009.

If Meridian is able to maintain the positive absorption of 56,724 sq ft of office space per year, it will take it seven (7) years to absorb current vacant space.

2009 Year-End Commercial Office Submarket	Total Vacant SF	Vacancy Rate 2009 SF	Absorption 2009 SF	Years to Absorb Vacant Property @ 2009 Rate
Meridian	401,937	22.1%	+56,724	7 years
West Bench	605,901	27.1%	-231,862	
Downtown	416,978	12.0%	-83,465	
Nampa	58,153	7.5%	+13,834	4.2 years
Market Total	2,517,272	18.0%	-323,486	

Source: Colliers Paragon, Year-End Market Review, Calculations Bonneville Research, 2010

Rental Rates - Commercial Office - Throughout 2009 building owners reduced lease rates and offered other incentives to be competitive. The following chart presents Full Service Asking Rental Rates.

2009 Year-End Commercial Office	Average Full Service Asking Rates by Building Class			
Submarket	All Classes	Class A	Class B	Class C
Meridian	**$19.32**	**$19.62**	**$15.90**	**n/a**
West Bench	$14.93	$16.79	$13.57	$12.50
Downtown	$17.33	$19.20	$17.49	$13.08
Nampa	$15.61	$19.21	$12.62	$18.00
Market Total	$17.21	$18.83	$15.92	$13.37

Source: Colliers Paragon, Year-End Market Review, 2010

Commercial Office Opportunity:

Medical Office - Despite deep office-using job losses in recent years, healthcare jobs have posted steady gains through the recession. The combination of aging baby boomers and potential healthcare reform has increased demand and will draw more investors to this segment in the near term.

Notwithstanding any healthcare reform, the ongoing maturation of the U.S. population will continue to support the need for Medical Office space. Population growth in the 55-plus age population group alone will necessitate an additional space by the end of 2013, above and beyond normal absorption trends.

Retail:

Inventory - The Meridian submarket is the fourth largest retail center with almost 3 million square feet of retail space.

2009 Year-End Retail Submarket	Building Count	Inventory SF	Direct Vacant SF	Sublease Vacant SF	Total Vacant SF	Vacancy Rate 2009 SF
Meridian	61	2,981,101	189,818	0	189,818	6.4%
West Bench	62	3,255,980	441,145	32,056	437,201	14.5%
Central Bench	31	1,222,345	236,850	40,224	277,074	22.7%
Nampa	86	4,137,553	657,863	3,000	660,863	16.0%
Market Total	345	16,295,688	2,059,952	78,800	2,138,752	13.1%

Source: Colliers Paragon, Year-End Market Review, 2010

Net Absorption - Retail - The Eagle Road Corridor absorption jumped from 13,992 sq ft in 2008 to 97,562 sq ft in 2009.

If Meridian is able to maintain the positive absorption of 97,562 sq ft of retail space per year, it will take it two (2) years to absorb current vacant space. At the 2008 absorption rate of 13,992 it will take 13.5 years.

2009 Year-End Retail Submarket	Total Vacant SF	Vacancy Rate 2009 SF	Absorption 2009 SF	Years to Absorb Vacant Property @ 2009 Rate	Years to Absorb Vacant Property @ 2008 Rate
Meridian	189,818	6.4%	+97,562	2 years	13.5 years
West Bench	437,201	14.5%	-157,316		
Central Bench	277,074	22.7%	-34,551		
Nampa	660,863	16.0%	-15,399		
Market Total	2,138,752	13.1%	-323,486		

Source: Colliers Paragon, Year-End Market Review, Calculations Bonneville Research, 2010

Previous analysis reported the following:

Downtown Meridian Retail Mix

Bonneville Research estimates the potential capture rate of each individual store (there will always be some leakage due to travel, internet, mail-order, and other sales). Using sales per square foot estimates from ICSC and information on typical store sizes the number of potential new retail stores and the retail mix is then estimated.

Neighborhood Shopping Market Area Industry Summary – Five Minute Drive Time - 2010	Meridian Marketplace Retail Potential	Potential Capture Rate	Sales per Sq Ft (ICSC)	Potential Store Size	Typical Store Size	# Potential Retail Stores
Motor Vehicle & Parts Dealer	$48,700,000		n/a	n/a		
Food and Drink	$57,900,000	50%	$650	44,538	3,500	13
Apparel & Services	$7,900,000	30%	$425	5,576	3,500	2
Health & Personal Care	$2,521,889	70%	$550	3,210	1,500	2
Grocery Store	$50,500,000	50%	$850	29,706	45,000	1
Specialty Food	$6,600,000	70%	$550	8,400	3,500	2

Source: ESRI, ICSC*, Bonneville Research 2010.*

Off Street Parking

One of the issues that seemed to be voiced frequently during the Charrette process was the lack of off-street parking in downtown Meridian. Bonneville Research therefore has prepared estimates the likely off street parking required for each individual store that likely may be supported in the Meridian Downtown.

Because of the limited availability of public transportation in Meridian, no allowance was made for shoppers that use other transportation than a vehicle. Using parking standard of 3 stalls per 1,000 sq ft of retail space estimates for the number of potential new retail stores and the retail mix is then derived.

Meridian Downtown Marketplace Retail Parking Requirements - 2010

Meridian Marketplace Total Retail Expenditures - 2010	Potential Store Size	Potential Retail Stores	Parking Standard @ 3 per 1,000 sq ft	**Parking Requirements**
Food and Drink	44,538	13	0.003	**134**
Apparel & Services	5,576	2	0.003	**17**
Health & Personal Care	3,210	2	0.003	**10**
Grocery Store	29,706	1	0.003	**89**
Specialty Food	8,400	2	0.003	**25**
Drinking Places	9,722	3	0.003	**29**
Beer, Wine & Liquor	13,556	0.33	0.003	**41**

Source: ESRI, ICSC*, Bonneville Research 2010.*

Apartments - Resumed economic expansion and accelerating household growth in 2011 and 2012 should set the stage for a healthy rebound in apartment fundamentals.

Since 2007, severe job losses and credit issues reduced demand for housing, but because fewer families could qualify for single family homes, demand for rental units has grown.

By 2013 Boise/Meridian Metro employers will begin to add to payrolls, spurring renter demand and moderating vacancy rises in most submarkets.

Downtown Economic Development Strategies

In order to maximize the value of the “Meridian Downtown”, decisions need to be made to define how the Meridian Downtown area as:

- Different from what they will experience from anyone else,
- Different from what they already have, and
- Something that their customers will value and seek out.

Downtown Meridian needs to create a special district of unique residential living units, retail shops and dining venues, supported by events that carry out these themes of differentiation.

Whether participating in family outings or engaging in free time activities, residents and visitors want an interactive experience. Revitalizing the historic Meridian downtown core into an entertainment district will fulfill that need much better than shopping at the mall or eating at a roadside, chain restaurant.

The key to a vibrant downtown is people on the street. Downtown needs a mix of employees, residents and visitors to fill these hours. Getting all of these different uses downtown is a bit of a chicken and egg scenario. Retail likes to locate where people live and employers like to locate near their employees. But people won’t move into an empty city. Businesses like to locate next to successful businesses. Nobody wants to be the "first" to pioneer a new location.

Redevelopment Cycle Kick-Off

The first step in the "Redevelopment Cycle" is the creation of a catalyst. Many cities have been able to resurrect their urban cores by leveraging specific downtown attractions - something special and unique that residents and visitors can only experience in the city center.

The catalyst attracts more people downtown, generating a higher circulation, influx, and movement of people. A lot of people miss what downtowns have to offer because they are busy driving through it on their way elsewhere.

Meridian has started this process with the establishment of the new City Hall and traffic pattern changes. With the expansion and addition of government services, more people will come downtown.

Additional "Catalyst" efforts are needed however to increase the potential for services and businesses to serve them, thus making it more attractive to live and work downtown.

Employers

The significant generator of foot traffic in downtown Meridian are government employees. The people who work at City of Meridian and other public entities also patronize the restaurants and shops downtown. Without these daytime employees, a central business district cannot survive.

Recruiting and retaining employers and businesses is a top priority.

Opportunities to target include:

- **Medical office**
- **Not for profits**
- **Businesses involved in alternative energy**
- **Government**

Residential

In order to maximize the value of the "Meridian" brand and to support residential growth, downtown Meridian needs to create a special critical-mass district of unique residential living units, retail shops and dining venues, supported by events that carry out the brand's theme. The top priority should be creation of a downtown residential district.

Opportunities to target include:

- **Condo Lofts/Flats** - 1,200 sq ft average size and priced at or around $160,000
- **Townhomes** - 1,400 sq ft average size and priced at or around $175,000

Entertainment/Dining/Retail

A third priority should be the creation/designation of a downtown dining/entertainment/retail district. Downtown needs entertainment attractions and events that build memorable experiences and a personal connection with the place.

These include cafes, pubs, dining, exhibit spaces, events plaza and parks. These hangouts put the soul into a community. These are the activities that keep people (residents and tourists) coming back.

Visitors seek experiences they can't have elsewhere and these are the things that keep people coming back. Tourists like to go where locals are having fun, so an exciting area to hang out, have fun and simply linger is important.

Meridian is known for its niche small businesses, something that falls more into the realm of entertainment, and should be supported as such. Shopping and retail businesses complement entertainment, and shopping is one of the most popular recreation activities. Meridian should focus on retaining these and expanding into other retail sectors that are still unmet regionally.

Opportunities to target include:

- **Food and Drink**
- **Apparel & Services**
- **Health & Personal Care**
- **Grocery Store**
- **Specialty Food**

Recruit and Retain and Expand Downtown Employment

What?

Meridian needs 24-7-365 activity to be a vibrant downtown. That requires residents, employers, retail and entertainment. Employers are the most solid component there today. Employers can be enticed to remain downtown by helping make more office space available and making it easier to build or develop more.

Why?

The greatest population of people in downtown Meridian are daytime employees. Meridian City offices make up a large number of the people who regularly use downtown.

How?

Meridian can retain downtown employers through several programs:

- Relocation assistance to move professional offices to second floors to open up ground level retail.
- Incentives for remodeling businesses downtown instead of moving.
- Support incubator business program downtown
- Subsidize rent to attract professional offices.
- Technical assistance, planning/zoning incentives and expedited business licenses for downtown businesses.

Leadership:

Meridian Economic Development
Meridian City Planning Department
Downtown property owners, employers and employees

Approximate costs:

Programs are initiated and operated within the Economic Development department. Annual expenses for the rent and relocation subsidies can be ramped up as demand grows, up to approximately $20,000 annually or as budgets permit.

Possible funding sources:

Meridian Economic Development Corp (TIF)
Federal Community Development Block Grant (CDBG)

Timeline for implementation: Immediate

Focus Downtown Revitalization Area

What?

Redevelopment of downtown should focus on the building blocks of any city - residential housing, commercial businesses, and entertainment offerings. With these firmly entrenched, support retail and restaurants will naturally emerge. The primary focus should be on a very small Central Business District (CBD) with a secondary focus on the downtown extension areas.

The Meridian Economic Development Corp can target its incentives into the revitalization districts. These districts should eliminate the barriers that often keep investors and small business owners away - unnecessary red tape, unrealistic expectations and unexpected costs. Expedited approvals are key. Typical redevelopment strategies involving local point of sale taxation do not apply in Idaho.

They should also encourage building up by remodeling second stories and encouraging 2, 3 and 4 stories in new construction. Higher density development downtown is only way to accommodate the number and diversity of businesses and residences needed to create this critical mass. Parking should also be reconsidered. In most cases, less parking, not more is the solution to a more vibrant downtown. Still, parking needs to be convenient, and for short term parking, free to support businesses.

Why?

Meridian residents have urban infill much more viable and likely. In a similar fashion, the focus must be tightly centered on just the Central Business District initially, to create the critical mass and high quality of development to be successful, before spreading out.

Redevelopment districts, in cooperation with good planning, encourage the right kind of development in the right places downtown. Thus, a critical mass of housing, businesses and retail can happen in the places where their synergy creates the most benefits. Housing downtown keeps the streets lively and provides a captive audience for the businesses that locate there. Residents are key to attracting new businesses—smart entrepreneurs look at the numbers.

With a commercial/retail redevelopment area, people know to expect something exciting downtown, all within walking distance. Locating this near entertainment and events (the downtown attraction and festival area), retailers can benefit from the influx of people and plan accordingly to stay open for business during these times.

How?

Revitalization areas should have planning and zoning designations that have unique permitted uses and an easier approval process. They also should have different parking requirements to utilize shared parking. Matching grant and loans should be directed only into these areas.

Leadership:

Meridian Economic Development Corp
Meridian City Planning Department
Downtown property owners, employers and employees
Meridian Chamber of Commerce
Boise Valley Economic Partnership

Approximate costs:

Staff time or $50,000 for consultant

Possible funding sources:

Meridian Economic Development Corp
Tax Increment Financing (TIF)

Timeline for implementation: Immediate

Encourage Residential Downtown - Loft, Infill, Live-Work Units

What?

The most important step Meridian can take in economic development is to retain, expand and stimulate new residential development. Residential development should place priority on accommodating older couples whose children have grown and left home and young professionals with dual incomes. New housing should be focused first in the Central Business District.

Residential loft conversions of existing structures will likely be the first product available, and due to current market conditions likely will be a “rental” product.

Projects that have been designed and built as lofts from the ground up, rather than as a conversion of an existing structure should be encouraged as buyers who want to live downtown and like the high ceiling and open floor plan of a loft, but may not interested in living in a converted warehouse or retail building.

High quality development is key to attracting the typical loft or apartment resident.

After downtown saturates the market for higher-end residential properties, it should diversify the mix.

Medium-priced housing can fill in areas outside the Central Business District to get more population downtown and to have an affordable option for single professionals, teachers and policeman and key members of Meridian’s workforce. Creating a non-profit housing corporation may be necessary to achieve this.

Why?

The objective is to revitalize and rejuvenate unproductive, underperforming, blighted, and other targeted areas in the community. It will also help improve the quality and image of City of Meridian as a place to live, work and shop.

Downtown Meridian currently lacks the residential component necessary to support the retail mix needed to attract locals and create the “critical mass” of a happening place. It is important that Meridian has downtown residents who are active, engaged, and highly visible. The access to an active recreation lifestyle and the ability to walk to work and or entertainment will be the main reasons people will seek to live in the area.

How?

Meridian can stimulate residential through several programs:

- Create residential revitalization overlay zone to permit apartments, lofts, condos and live-work units downtown.
- Grants and low-cost loans to property owners wishing to remodel or expand
- Matching grants to convert vacant or under-used upper floors into apartments
- Expedited approvals for new projects.
- Market the city and the brand to developer experienced with this kind of product.
- Create a non-profit community housing corporation to build affordable units.

Leadership:

Meridian Economic Development Corp
Downtown property owners, employers and employees
Meridian City Planning Department
Meridian Chamber of Commerce
Boise Valley Economic Partnership

Approximate costs:

$100,000 annual for grants and loans

Possible funding sources:

Meridian Economic Development Corp (TIF)
Federal Community Development Block Grant (CDBG)
Federal Housing and Urban Development program

Timeline for implementation: Fall 2010

Start Incubator Business Space Downtown

What?

Create an incubator business incentive area. This effort will retain and expand existing and stimulate new commercial development. The business incubator should provide a physical location in which a new business can commence, coupled with support services such as shared facilities and business advice including some or all of the following:

- An identifiable physical space
- Shared office space, access to equipment on a pay-as-you-go basis
- Warehousing and manufacturing space
- Common loading docks
- Break room facilities
- Common reception area.
- Hands-on management assistance
- Access to financing
- Business and technical support services
- A transparent and open application and acceptance process
- Tenancy review and graduation to market rate space

Why?

The objective is to revitalize and rejuvenate unproductive, underperforming, blighted areas of the community. In addition, it will produce healthy firms that create jobs and wealth, strengthen the economy, commercialize new technologies and revitalize the community.

Meridian is blessed with entrepreneurs, many in home based businesses and other fields that don't require people to go "out and about." Downtown Meridian currently lacks the small business component necessary to support downtown residential development and the retail mix needed to attract locals and create the "critical mass" of a happening place. The city also has an unmet demand for downtown office/retail space.

Business incubation is a dynamic process of business enterprise development. Incubators are often used to nurture young firms, helping them to survive and grow during the startup period when they are most vulnerable. The goal of business incubators is to produce healthy firms that create jobs and wealth, strengthen the economy, commercialize new technologies and revitalize communities.

The goal of a downtown incubator however, is to revitalize downtown and that must be clearly understood.

These businesses should be concentrated in the Central Business District downtown, not in different locations, for them to be effective at revitalization.

How?

The steps to achieving this include:

1. Identify partners.
2. Select location and build space. Incubators are typically in inexpensive office spaces. This may require updating an older building with internet, separate offices.
3. Develop support programs and hire staff provide these services.

This should be coordinated with local governments, economic development agencies, universities, community colleges and vocational schools, and private sector firms. The community college has discussed starting an incubator business program, with funding from the state of Idaho. Any effort to stimulate business and employment is encouraged, but the key is to locate this in the Central Business District downtown.

Leadership:

Meridian Economic Development Corp
Meridian Chamber of Commerce
Idaho Department of Commerce
Small Business Administration
Boise Valley Economic Partnership

Approximate costs:

$200,000 incubator space
$100,000 annual new staff salaries
$100,000 annual program operations

Possible funding sources:

Meridian Economic Development Corp (TIF)
Federal Community Development Block Grant (CDBG)
Small Business Association (SBA)
Idaho Department of Commerce

Timeline for implementation: 2010

Encourage Downtown Retail, Outdoor Cafes, etc.

What?

Encourage unique small retailers that make downtown a more pedestrian friendly place and a destination spot for families and travelers. Meridian should focus on locally-owned, niche businesses . Most franchises and large retailers will likely want to locate at the CenterPoint Marketplace or other large regional center.

Why?

Downtown Meridian currently lacks the retail/restaurant “critical mass” for downtown redevelopment. Public investment attracts private investment as business owners see a commitment to their success and future. The objective is to revitalize and rejuvenate unproductive, underperforming, blighted, and other targeted areas in the community. It will also help improve the image of City of Meridian as a place to live, work and shop.

How?

Meridian can offer matching grant programs to:

- Help businesses relocate to the most appropriate locations downtown (retail on main floor, offices above).
- Subsidize rent to help retail businesses during the first critical months of establishment.
- Encourage outdoor dining in the City’s on-street and/or sidewalk right-of-way areas
- Encourage downtown restaurants, retailers and businesses to perk up their facades and sidewalks.
- This includes awnings and umbrellas, flower boxes, outdoor tables and chairs, heating lanterns for dining in cooler weather, lighting, signs, landscaping, outdoor music and better access.
- Florists could use the money to display flowers outdoors. Markets could do the same with fruits and vegetables. Bookstores could put racks of books on the sidewalks. A bakery could serve coffee and doughnuts outdoors.
- Make store and restaurant fronts more transparent, with large window or garage door-like openings that will allow patrons to move freely between the indoor and outdoor spaces.
- Purchase outdoor dining furniture to utilize outdoor dining in the City’s on-street and/or sidewalk right of-way areas.
- Assign beat cops (police officers) to walk or bike key areas and park in highly visible locations to establish a sense of security and stewardship.

In addition, Meridian can adopt policies and develop technical assistance programs to:

Encourage the following types of businesses (not all inclusive):

1. Restaurants
2. Taverns, bars, pubs
3. Outdoor cafes
4. Specialty food
5. Apparel & Services
6. Health & Personal care
7. Independent and locally owned business
8. New retail shops, in targeted sectors, as mentioned in the section on incubator businesses.

Discourage the following types of businesses (not all inclusive):

1. Second hand or rummage stores
2. Sports card shops
3. Pawn shops
4. Payday lenders, check cashing, bail bonds

Leadership:

Meridian Economic Development Corp
Meridian City Planning Department
Meridian Chamber of Commerce
Boise Valley Economic Partnership

Approximate costs:

$50,000 annual grant/loan funding

Possible funding sources:

Meridian Economic Development Corp (TIF)
Federal Community Development Block Grant (CDBG)
Small Business Association (SBA)
Idaho Department of Commerce

Timeline for implementation: 2011

Start a Retail Incubator Program Downtown

What?

This program provides technical and financial assistance to help open businesses with the intent to fill space with well-run businesses that complement the existing mix of retail downtown. Sectors to target are outlined on previously.

Why?

The primary goal is to build wealth and vibrancy in downtown Meridian, by helping people start stores that will be locally owned and well run. It will revitalize and rejuvenate unproductive, underperforming, blighted, and other targeted areas in the community. It will also help improve the quality and image of City of Meridian as a place to live, work and shop.

The "business recruitment" model of economic development has been pursued by downtowns and commercial districts in an attempt to "lure" them to their respective areas. That approach is dated and frankly, not as successful as it could or should be. Building a critical mass in downtown is crucial. Being near other successful retailers, thriving restaurants and high-traffic generators and administrative offices, is important to ensure the best synergies so that ultimately the cash registers ring.

How?

An incubator program requires staffing to start and operate the program. A retail incubator program can offer the following:

- Business owners can choose any space that is consistent with the Meridian General Plan, which identifies the primary retail zones.
- Rent at a reduced rate to program participants to help them build cash flow in the critical early stages of start-up.
- Required training and mentorship program administered by the Small Business Development Center.

Leadership:

Meridian Economic Development Corp
Meridian Chamber of Commerce
Meridian City Planning Department

Approximate costs:

$100,000 annual program operations

Possible funding sources:

Meridian Economic Development Corp (TIF)
Federal Community Development Block Grant (CDBG)
Small Business Administration (SBA)
Idaho Department of Commerce
Property owner rent reductions for phased time period

Timeline for implementation: 2012

Destination: Downtown

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