

SIoux CITY

DOWNTOWN PARTNERS STRATEGIC PLAN



PROGRESSIVE URBAN MANAGEMENT ASSOCIATES

1201 E. Colfax Avenue, Suite 201
Denver, Colorado 80218
720.668.9991
www.pumaworldhq.com

June 2016 – FINAL PLAN

DOWNTOWN PARTNERS STRATEGIC PLAN

PREPARED BY PROGRESSIVE URBAN MANAGEMENT ASSOCIATES, INC.

I. Executive Summary	1
II. Process to Develop the Strategic Plan	2
a. Downtown Partners Strategic Plan	
b. Market Considerations	
c. Stakeholder Priorities	
i. Focus Groups	
ii. Online Survey	
iii. Outreach Conclusions	
d. Organizational Capacity	
III. Strategic Plan Framework & Action Plan	10
a. Community	
b. Economy	
c. Environment	
IV. Organizational Implications	14
a. Staffing	
b. Budget	
c. Structure – New 501(c)3	
d. SSMID Renewal	
e. Downtown Plan	
Appendices	
1. Notes from Roundtable Meetings	
2. Online Survey Summary	

I. EXECUTIVE SUMMARY

The 2016 Downtown Partners Strategic Plan finds downtown Sioux City poised at a key crossroads of opportunity. National trends support new investment and growth in downtown markets. Sioux City is just beginning to experience these trends with new interest in downtown residential, office and retail segments.

The Strategic Plan aims to guide Downtown Partners over the next five to ten- year investment cycle. Key objectives of the Strategic Plan include:

- Grounding recommendations in market realities;
- Gaining alignment and consensus on future priorities from a variety of stakeholders; and
- Making sure that the Strategic Plan matches the organizational capacity of Downtown Partners.

The strategic planning process included extensive engagement with downtown stakeholders that attracted nearly 750 individual sets of opinions for downtown improvements. Key conclusions from stakeholder outreach included:

- **Downtown Is Still a Work in Process:** Three of the four top stakeholder priorities reveal a desire for a downtown that has many more business, retail and restaurant options than today.
- **The Riverfront is a Priority:** Activating the emerging riverfront area was the top priority.
- **Housing is a Near Term Market Opportunity:** Market considerations and responses to the outreach process reinforce the importance of advancing housing development in the next investment cycle.

Based upon market considerations and the priorities revealed from the outreach process, the Strategic Plan places program emphasis on a “product development” approach to the management of downtown – continuing to emphasize economic development tactics that attract businesses and investment that improve the area’s overall destination appeal and vitality. To implement this approach, the following operational construct for Downtown Partners is proposed:

Activity	Community	Economy	Environment
Goal	Unify and strengthen the influence of downtown’s various stakeholder groups.	Attract new investment to downtown, including new businesses, jobs and housing.	Place-making improvements to make downtown more walkable, bikeable and livable.

For each of the suggested activity centers, the Strategic Plan provides detailed recommendations for tactics, work program, budget and board involvement through committees. Additional suggestions are provided for modifying Downtown Partner’s organizational structure, SSMID renewal and the need for a downtown plan that would ideally be completed by the City, Downtown Partners and other interested agencies.

II. PROCESSTO DEVELOP THE STRATEGIC PLAN

A. Downtown Partners Strategic Plan

Founded in 1988, Downtown Partners is a 501(c)4 non-profit organization with the mission of creating a vibrant and growing downtown Sioux City. Similar to other downtown management organizations found throughout the nation, Downtown Partners is funded primarily by property owner assessments that are collected by a self-supporting municipal improvement district (or “SSMID”). The organization is guided by a 15-member board of directors that represents a variety of commercial, retail and civic interests in downtown Sioux City. Staffing includes a full time executive director and a part time administrative assistant.

Downtown Partners work program is currently organized around its last organizational strategic plan that was completed in 2013. Four major activity areas were identified, including Communications, Economic Development, Transportation and Livability. The organization maintains a volunteer committee structure to advance each of the activity areas.

By mid-2015, the Downtown Partners board of directors decided that there was sufficient progress in implementing the 2013 Strategic Plan and changes in market conditions to warrant an update. A national search was undertaken and Denver-based Progressive Urban Management Associates (P.U.M.A.) was selected to facilitate the plan update. P.U.M.A. is an economic development and planning firm that specializes in strategic planning for downtown management organizations and SSMIDs. In the past 23 years, the firm has assisting more than 200 client communities located in 35 states. As presented in P.U.M.A.’s strategic planning approach, overall objectives for the plan update included:

- Create an organizational Strategic Plan incorporating today’s market realities and dynamics and looking forward through the next five to ten-year investment cycle.
- Create consensus and alignment for the mission and work program among diverse stakeholders.
- Engage SSMID ratepayers, business and civic leaders and other stakeholders in a participatory process to create the Strategic Plan.
- In concert with the Downtown Partners board of directors and staff, develop recommendations to guide the organization’s evolution and enhance its value proposition over the next several years.



Findings from the strategic planning process follow.

B. Market Considerations

The 2016 Downtown Partners Strategic Plan finds downtown Sioux City poised at a key crossroads of opportunity. National trends support new investment and growth in downtown markets. Sioux City is just beginning to experience these trends with new interest in downtown residential, office and retail segments. While P.U.M.A. did not complete a full market analysis of downtown, the firm did bring an understanding of market opportunities from its award-winning global trends research that has been utilized in other downtown market throughout the Midwest, including recent planning efforts Sioux Falls, Rapid City and Lincoln. The following narrative captures key near term market opportunities for downtown Sioux City as identified by P.U.M.A.

Residential Renaissance

Downtowns across the country are experiencing an economic renaissance fueled by Baby Boomers and Millennials who increasingly prefer urban environments. Vibrant downtowns are poised to capitalize on economic opportunities and deepen the demand for downtown housing by offering jobs, amenities and activities that respond to the needs of these demographics. Walkable urban environments in both large and small cities will often command a housing premium over suburban counterparts.

Interviews with real estate and development professionals in Downtown Sioux City revealed significant demand for quality housing, with near zero vacancy and wait lists noted at existing downtown residential properties. P.U.M.A. suspects that there is pent-up demand for housing in Downtown Sioux City and that several hundred units could be built and absorbed within the next five to ten-year investment cycle.

Also in Sioux City's favor, downtown is starting to gain the interest of urban-oriented developers from larger cities such as Omaha and Minneapolis. This is also indicative of a national trend – as top tier urban markets become more popular and built-out, savvy developers and investors are increasingly looking to emerging and “neglected” second tier markets to capitalize on less expensive real estate and construction pricing. Overall, downtown residential is likely the top investment opportunity in Downtown Sioux City moving forward.

Changing Workforce and the “Rebound Wave”

The national workforce is changing in countless ways that are, for the most part, positive for downtowns. Boomers (people over 50) are retiring in greater numbers, while Generation X (age 35 to 50) is taking the reins and Millennials (age 20 to 35) are coming into the workforce with highly sought-after skills and talent. By 2020, Millennials will make up more than 50% of the national workforce, meaning that any city that want to remain economically relevant will need to retain and attract this demographic. Both Boomers and Millennials have fueled downtown population growth over the past decade and are poised to continue to populate urban environments. Companies are under increased pressure to consider operating in cities that have a high concentration of skilled talent.

College-educated young adults aged 25 to 34 are twice as likely to live within three miles of a city's downtown core, but an increasing number can no longer afford to live near the downtown core of superstar cities like Chicago, Minneapolis and Denver. Rising downtown real estate prices in first-tier cities have priced out the very demographic that will be the main driver of economic growth in the foreseeable future. This creates an opportunity for smaller, more affordable cities to attract the "Rebound Wave" Millennials who are moving out of big cities – as long as they can offer jobs that match their skillset and amenities that cater to their unique preferences.

Sioux City has the ability to take advantage of the rebound wave in large part due to the affordability and high quality of life that Sioux City currently offers. During the strategic planning process, P.U.M.A. met several dozen young, skilled and highly motivated individuals that had moved back to Sioux City after moving away to other cities for college and/or job opportunities. Many are moving back to be close to family and/or grow a family in a familiar environment with schools, parks and other amenities that are perceived as better options than those provided in larger urban markets. They are also intrigued at the opportunity to create innovative businesses (i.e. craft brewing, co-working spaces, technology-related, etc.) that add new dimensions to Sioux City.

Millennials rebounding to smaller cities are not just looking for more affordable housing, but for an environment where they can be engaged and have civic impact. The organization Sioux City GO is a manifestation of this in Sioux City.

Shifts in Transportation & Mobility

Vehicle expense and demographic changes are shifting behaviors away from cars and towards other transportation modes such as walking, biking, transit, and ride sharing. Cities are increasingly using their "walk scores" as a measure of economic competitiveness and "walkable real estate" can command value premiums of 50% to 100%. Currently, over 1,000 cities globally have bike share programs, the fastest growth of any mode of transport in history. America's two largest demographic groups – Boomers and Millennials – are primarily responsible for changing transportation habits. Boomers are simplifying and downsizing, often moving to walkable urban areas. Millennials are seeking walkable and bikeable environments in proximity to jobs and lifestyle amenities. These shifting transportation preferences should encourage downtowns to invest in street designs that give greater emphasis to bicycles and pedestrians.

In Sioux City, stakeholder focus groups revealed that improving mobility options, place-making and connectivity should be a top priority. Downtown is currently characterized as auto-centric; however, there are several efforts underway that could establish more balanced options, including bike lanes, enhanced landscaping and green space, traffic calming on wide streets and the development of a "Complete Streets" policy.

While Sioux City as-a-whole has a "car-dependent" walk score of 41 out of 100, the core of downtown is viewed as "very walkable" at 88. This independent and objective measure suggests that downtown could increasingly market around its walkability and aim to strategically carry out more improvements that further elevate this rating.

C. Stakeholder Priorities

The strategic planning process included extensive engagement with downtown stakeholders that attracted nearly 750 individual sets of opinions for downtown improvements. After sifting through the data collected from the various focus groups and an online survey, priorities for improving downtown become very clear.

i. Downtown Stakeholder Focus Groups

Downtown stakeholder focus groups were held on March 23 and 24 included the following areas of interest: 1) Property Owners, 2) Merchants, 3) Major Downtown Employers, 4) Siouxland Chamber of Commerce, 5) City Council, 6) Downtown Residents, 7) Tourism, 8) City Departments, 9) Board Members, 10) Entrepreneurs and Downtown Partners Task Force Members, 11) Commercial Brokers and Realtors, and 12) Historic Preservation. In total over 119 stakeholders participated.

Common themes that arose from the focus groups are summarized below, and a complete transcript of focus group discussions is included as [Appendix 1](#).

Increase market rate housing options:

- There is a low supply of market rate rentals available
- Expand the options for more family friendly and multi-generational housing
- Focus on cleaning services, trim trees and maintain landscaping
- Enhance the variety of restaurants available
- Assist in addressing the panhandling issue

Improve property owner accountability and engagement:

- Encourage stakeholders to upgrade property facades and use design standards
- Strategically recruit businesses/jobs; diversify mix
- Support and incentivize mixed use properties
- Promote company and business investment in downtown

Emphasis on place-making through:

- Amenities for living including a grocery
- Pedestrian friendly design
- Gathering places/public spaces
- Greening, parklets
- Cleanliness of streets
- Wayfinding

Improve infrastructure to enhance the curb appeal:

- Focus on curb appeal for residents, visitors and employees.
- Promote alternatives – walk, bike, transit, connections



- Maintain and repair what we have

Involve the “rebounders”:

- Tap into the energies and skills of the young professionals
- Prepare a path for rebounders to help infiltrate the community and local decision-making

ii. Online Survey

Following the focus groups in April 2016, an online survey was developed to collect broad stakeholder input on priorities and improvements to Downtown Sioux City over the next 5 to 10 years. There were a total of **616 responses**. The following analysis presents the survey’s key findings and results.

Key Findings

- The top three factors that respondent’s considered most important in *improving Downtown Sioux City over the past five years* were: **New Restaurants & Retail, New Businesses & Jobs, and Festivals + Events/Farmer’s Markets.**
- The five most common words used to describe respondents’ ten-year *vision for Downtown Sioux City* were: **Vibrant, Fun, Clean, Entertainment, and Destination.**



- The top five actions respondents chose as *very important steps for achieving their vision* for Downtown Sioux City were: Activate the riverfront (make it more appealing, active and user-friendly) (69%), Support/Incentivize business start-ups and entrepreneurs (58%), Improve the parking experience for customers and visitors (58%), Develop more outdoor green space/pocket parks/places to gather (53%), and Promote a fresh image/brand for Downtown (50%).
- When asked to choose the *single most important action* to achieve the vision, the top five choices were:
 1. **Activate the riverfront, make it more appealing, active and user-friendly – 19%**
 2. **Encourage more nightlife, restaurants and clubs, create entertainment niche – 13%**
 3. **Support/incentivize business start-ups and entrepreneurs – 13 %**
 4. **Attract neighborhood serving retail and amenities (such as a grocery store, dog park)– 10%**
 5. **Promote a fresh image/brand for Downtown Sioux City– 9%**



Respondent Characteristics

Survey respondents were asked to select up to two responses that characterized their primary interest(s) in Downtown. The majority of survey respondents categorized themselves as living within the greater Sioux City area and/or as a Downtown visitor. About 30% of respondents work Downtown. Other characteristics of respondents include:

- Female (60%); Male (40%)
- White (92%); Other (3%); African American (0.7%); Asian or Pacific Islander (0.7%); Hispanic (3%)
- Less than \$50k (21%); \$50-\$100K (37%); \$100K to \$200K (32%) and more than \$200K (10%)
- Most common home zip codes: 51104 (32%), 51106 (27%), 57049 (8%)
- 54 respondents live across the river in South Dakota; 19 live across the river in Nebraska.

Detailed results from the online survey are provided in **Appendix 2**.

iii. Outreach Conclusions

Several operational implications for Downtown Partners are revealed from survey conclusions, including the following:

- **Downtown Is Still a Work in Process:** Three of the four top stakeholder priorities reveal a desire for a downtown that has many more business, retail and restaurant options than today. For Downtown Partners, this suggests a “product development” approach to the management of downtown – continuing to emphasize economic development tactics that attract businesses and investment that improve the area’s overall destination appeal and vitality.
- **The Riverfront is a Priority:** While Downtown Partners has rightfully focused on complete streets and greening improvements within the boundaries of the SSMID, activating the emerging riverfront area was the top priority from the survey. The riverfront should be increasingly considered in Downtown Partners’ advocacy, planning and improvement efforts, both in developing strong physical connections to the riverfront and in promoting uses that will make the riverfront a fun and engaging destination.
- **Housing is a Near Term Market Opportunity:** Market considerations and responses to the outreach process reinforce the importance of advancing housing development in the next five to seven-year investment cycle. Downtown Partners can assist new housing development by helping to attract amenities and services that will make downtown more livable. In addition, the organization can advocate for incentives to help launch more housing in the next couple of years to help test and prove this market opportunity.



D. Organizational Capacity

In addition to understanding market opportunities and stakeholder priorities, the Strategic Plan process looked at the overall organizational capacity of Downtown Partners to develop and sustain programming. The organization offers the following constraints and opportunities:

- **Revenue:** The downtown SSMID generates a modest amount of revenue (about \$350,000 annually) to sustain downtown improvements and programming. For Midwest markets similar to Sioux City, this offers a lower tier budget capacity, with budgets of similar SSMIDs ranging from \$250,000 to \$750,000 annually.
- **Staff:** The existing staffing complement for Downtown Partners is lean – with a full time executive director and part time administrative assistant. The organization had significantly downsized about five years ago after concern that too many resources were being allocated to staff as opposed to projects. The pendulum has perhaps swung too far, with limited staff capacity to respond to the diversity of issues that typically are involved in managing a downtown.
- **Leadership:** The board composition of Downtown Partners appears to be well balanced, with a variety of key property and business interests represented. The board offers reasonable gender and age diversity, and there appears to be an appetite among more than half of the board members to continue to be actively involved in the organization. The same dynamics appeared to be in place among the organization’s four working committees, although there was concern voiced about duplication between the “livability” and “transportation” committees. There is also a desire to involve more individuals within the downtown community in the Downtown Partners board and committee structures.

The assessment of Downtown Partners revenue, staff and leadership, suggests the following guiding principles be in place in shaping the 2016 Strategic Plan:

- **Stay Focused on Key Priorities:** To be effective and demonstrate results to ratepayers and other stakeholders, the Downtown Partners work program should remain focused on a handful of top priorities. Many board members were pleased with the limited areas of focus (i.e. four committees) provided by the prior plan.
- **Expand Staff Capacity:** While a large staff complement is not contemplated, additional staff capacity beyond 1.5 F.T.E. should be supported moving forward.
- **Maximize SSMID Value Proposition to Ratepayers:** The periodic 5-year renewal of the SSMID will be undertaken in 2018. The renewal process requires that property owners sign petitions requesting that the SSMID assessment be extended. In anticipation of the next renewal cycle, Downtown Partners will want to continue to foster productive relationships with property owners and promote downtown improvements as they occur.

III. STRATEGIC PLAN FRAMEWORK & ACTION PLAN

The organizational construct for Downtown Partners includes three key activity centers summarized as follows:

Activity Center	Community	Economy	Environment
Goal	Unify and strengthen the influence of downtown’s various stakeholder groups, including property and business owners, employees and residents.	Attract new investment to downtown, including new businesses, jobs and housing.	Make place-making improvements to public spaces, roadways and streetscapes to make downtown more walkable, bikeable and livable.
Initiatives	<ul style="list-style-type: none"> • Communicate with ratepayers and engage property and business owners in downtown marketing and improvement efforts. • Become a “city-building portal” for young professionals and “rebounders” by positioning downtown as the place for young entrepreneurs to start businesses and innovate. • Organize the downtown residential population by engaging residents in efforts to attract new amenities and services that enhance downtown’s appeal for living. 	<ul style="list-style-type: none"> • Establish business support services that compile market & property data and provide policy leadership representing the downtown business community. • Mobilize “city builders” to support entrepreneurship, new businesses by marketing downtown and helping to reduce regulatory barriers that can help small businesses and entrepreneurs to thrive. • Work with civic partners, including the City, to create incentives for housing, entertainment & innovation niches in downtown. 	<ul style="list-style-type: none"> • Advocate for riverfront connections and explore activation options by focusing on urban design and place-making efforts toward the riverfront. • Improve the pedestrian and bicycle experience to support housing and business development by advocating for “complete street” concepts on key corridors that connect different parts of downtown. • Advance the greening of downtown, including more landscaping and trees along streetscapes and park(s), including a central gathering place or “town square park”.
Committees	Community Replaces Communication	Economy Replaces Economic Development	Environment Replaces Livability & Transportation

Detailed work programs for each of the activity areas follow.

A. Community Work Program

Goal: Unify and strengthen the influence of downtown’s various stakeholder groups, including property and business owners, employees and residents.

Activities:

1. **Communicate with ratepayers and engage property and business owners in downtown marketing and improvement efforts.**
 - ✓ Ongoing communication with property and business owners, including one-one-one meetings, small group meetings and periodic “community updates” on issues of general concern.
 - ✓ Maintain and update Downtown Partners website, Enews and social media tools.
 - ✓ Seek to involve property owners, businesses and other stakeholders in committees.
 - ✓ Consider assigning communications role to each board member – i.e. one property owner contact per month for each board member.
 - ✓ Begin SSMID renewal education process in the second half of 2016 and develop renewal operating plan by the first quarter of 2017.
2. **Become a “city-building portal” for young professionals and “rebounders” by positioning downtown as the place for young entrepreneurs to start businesses and innovate.**
 - ✓ Get millennials, residents and “rebounders” connected to Downtown Partners committees.
 - ✓ Become a clearinghouse on opportunities for millennials – downtown-focused jobs, housing, social connections and networking.
 - ✓ Create a series of events (in collaboration with SCGO) that are aimed at building a thriving millennial community passionate about downtown.
 - ✓ Consider mobilizing volunteers beyond Downtown Partner committees – i.e. monitor City Council meetings, help Downtown Partners staff to monitor and develop issues/positions on policies, etc.
3. **Organize the downtown residential population by engaging residents in efforts to attract new amenities and services that enhance downtown’s appeal for living.**
 - ✓ Create a downtown residents’ sub-committee as an outgrowth of the Community Committee to periodically discuss resident issues and identify project priorities.
 - ✓ Consider designating one or more Downtown Partner board seats for a downtown resident.
 - ✓ Mobilize residents through the resident’s sub-committee to advocate for city services and improvements that will make downtown more livable.
 - ✓ Consider sponsoring periodic community-building social events within downtown.

Organizational Capacity

Will require an allocation of staffing from both the executive director and a new full time program manager. Funding needed to support communications platforms, SSMID renewal efforts, information gathering for “city building portal” and periodic community-building events. The Downtown Partners Communication Committee would become the Community Committee providing insight and stakeholder energy for initiatives.

B. Economy Work Program

Goal: Attract new investment to downtown, including new businesses, jobs and housing.

Activities:

1. **Establish business support services that compile market & property data and provide policy leadership representing the downtown business community.**
 - ✓ Create and maintain a detailed downtown “market opportunity profile” and inventory of space & buildings, including key demographic stats, plus ongoing measures for vacancies, lease rates, sales, etc.
 - ✓ Coach/counsel small businesses on where/how to locate in downtown.
 - ✓ Liaison to City to resolve permitting and regulatory issues.
 - ✓ Coach/counsel property owners on how to structure flexible leases for retail and innovation concepts.
 - ✓ Become part of and central to Sioux City’s innovation network – ongoing relationships with business and millennial-focused groups.
 - ✓ Develop website content/page(s) that promote new business support efforts.

2. **Mobilize “city builders” to support entrepreneurship, new businesses by marketing downtown and helping to reduce regulatory barriers that can help small businesses and entrepreneurs to thrive.**
 - ✓ Position downtown as the regional center of innovation and entrepreneurship – develop consensus and partnerships with economic development partners such as the regional Chamber.
 - ✓ Utilize business support services (#1 above) and focus on innovation and entrepreneurial sectors.
 - ✓ Partner with local colleges to establish a downtown presence and curriculum that supports innovation and business development.
 - ✓ Help support an emerging culture of innovation and co-sponsor events and social activities with like-minded groups, such as SCGO.

3. **Work with civic partners, including the City, to create incentives for housing, entertainment & innovation niches in downtown.**
 - ✓ Advocate for a set of financial incentives that can help to jump start investment in the housing, entertainment and innovation niches within downtown. Incentives could include targeted tax abatements, tax increment financing, revenue share from sales taxes and parking, and others.
 - ✓ Advocate for a city-funded revolving loan fund that aims to assist in activating downtown buildings. Eligible uses could include façade improvements, tenant finish and underwriting the front-end of leases that introduce innovative businesses with high growth potential.

Organizational Capacity

This activity center will require a significant reallocation of effort and resources for Downtown Partners. The business support services concept will require time from the executive director and creates the need for moving from a part-time administrative assistant to a full time program manager. Program funding is required to establish and maintain the “market opportunity profile” and other information services. The Downtown Partners Economic Development Committee becomes the Economic Committee with primary oversight for this activity.

C. Environment Work Program

Goal: Make place-making improvements to public spaces, roadways and streetscapes to make downtown more walkable, bikeable and livable.

Activities:

1. **Advocate for riverfront connections and explore activation options by focusing on urban design and place-making efforts toward the riverfront.**
 - ✓ Anticipating the completion of Interstate 29 improvements by 2020, make riverfront activation and connections a primary focus of the Downtown Partners Environment Committee.
 - ✓ Consider partnering with the city to commission design studies to identify downtown-to-riverfront connections for a variety of modes (i.e. pedestrians, bikes, vehicles, etc.).
2. **Improve the pedestrian and bicycle experience to support housing and business development by advocating for “complete street” concepts on key corridors that connect different parts of downtown.**
 - ✓ Continue to advance design plans to look at converting many of downtown’s streets from one-way to two-way traffic and/or three-lane to two-lane, while introducing bicycle and pedestrian improvements.
 - ✓ Consider temporary and/or “tactical urbanism” installations that demonstrate improved uses of public space. Look at Sioux Falls experience with a temporary narrowing of a three-lane street to two-lanes.
 - ✓ Evaluate the feasibility for introducing bike share to Sioux City, particularly as riverfront plans evolve.
3. **Advance the greening of downtown, including more landscaping and trees along streetscapes and park(s), including a central gathering place or “town square park”.**
 - ✓ Continue to champion the “greening” of downtown, including stronger emphasis on permanent landscaping and green spaces along key corridors and near activity centers.
 - ✓ Evaluate the feasibility for converting a municipal surface parking lot into a “town square” that can be programmed year-round and serve as a gathering space for the entire city. See “Main Street Square” in Rapid City for inspiration.
 - ✓ Take care of the basics and increase the SSMID maintenance fund for supplemental cleaning services, including litter pick-up, landscape maintenance and summer weed removal throughout downtown.

Organizational Capacity

Continued leadership by the Downtown Partners executive director and members of the Environment Committee, which replaces the pre-existing Transportation and Livability Committees. Increased program funding needed to increase expenditures on basic maintenance activities. Funds should also be reserved for occasional planning or design expertise that may be needed to advance specific urban design concepts.

Existing SSMID funding support for the trolley, planters and holiday décor remain in this category.

IV. ORGANIZATIONAL IMPLICATIONS

The 2016 Strategic Plan recommends several organizational adjustments to Downtown Partners, creating implications for staffing, budget, structure and SSMID renewal.

A. Staffing

Downtown Partners currently supports a staffing complement of 1.5 F.T.E., including a full time executive director and part-time administrative assistant. The new areas of emphasis suggested for the organization, particularly a concentrated effort to attract new investment, businesses and jobs, and a focus on providing a “city-building portal” for millennials and others that are “rebounding” or otherwise rediscovering the downtown, requires an increase in day-to-day staff capacity.

Balancing the need for additional staffing with the constraints of Downtown Partner’s budget, the Strategic Plan suggests an increase in staffing from 1.5 to 2.0 F.T.E. A redefinition of the part-time administrative assistant to a full time project manager creates the principal adjustment. The proposed project manager will have many duties related to the adjusted Downtown Partners work program, including:

- Supporting the executive director in the delivery of business support services, including maintaining and updating data for the recommended market opportunity profile, connecting small business prospects to counseling resources and working with property owners and brokers to determine the best space options for new businesses.
- Collect and disseminate information resources expected for the “city building portal”, including listings of downtown housing, employment opportunities, educational options, etc.
- Developing content for Downtown Partners website and enews, plus managing social media platforms.
- Becoming part of Sioux City’s innovation network by developing ongoing relationships with organizations and individuals connected to appropriate business and millennial focused groups.
- Plan and coordinate events oriented to community-building and fostering entrepreneurship within the downtown.

In addition Downtown Partners staffing, additional funding allocations are recommended to outsource services related to the execution of the Strategic Plan, including:

- Continued funding for a local full service marketing agency to develop and maintain Downtown Partners communications mediums.
- Increased funding for a local contractor to provide maintenance services throughout Downtown.
- One-time funding allocation to contract with an economics firm to develop the market opportunity profile.

Professional development is recommended for Downtown Partners staff. The executive director should participate fully in programming provided by the International Downtown Association, and the program manager should attend local and regional forums that further his/her skills.

B. Budget

Downtown Partners staff has developed the following 2017 budget that responds to the program priorities and construct envisioned in the Strategic Plan:

	FY17 Budget	Community	Economy	Environment
INCOME				
SMID Revenue	343,800.00	71,491.74	87,782.27	184,525.99
Earned Interest - SNB	200.00	41.59	51.07	107.34
Unrestricted Reserve	0.00	0.00	0.00	0.00
TOTAL INCOME	344,000.00	71,533.33	87,833.33	184,633.33
EXPENSE				
Operating Expenses				
Rent/Utilities	19,000.00	6,333.33	6,333.33	6,333.33
Repairs/Maintenance	2,000.00	666.67	666.67	666.67
Telephone/Internet	3,000.00	1,000.00	1,000.00	1,000.00
Parking	1,200.00	400.00	400.00	400.00
Liability Insurance	4,800.00	1,600.00	1,600.00	1,600.00
Operating Expenses - Other	0.00	0.00	0.00	0.00
Operating	30,000.00	10,000.00	10,000.00	10,000.00
Office Management Expenses				
Supplies	1,200.00	400.00	400.00	400.00
Meetings/Conferences	3,500.00	1,166.67	1,166.67	1,166.67
Membership Dues	1,100.00	366.67	366.67	366.67
Printing/Postage	800.00	266.67	266.67	266.67
Legal/Accounting	4,500.00	1,500.00	1,500.00	1,500.00
Project Management	34,000.00	11,333.33	11,333.33	11,333.33
Equipment/Software	1,000.00	333.33	333.33	333.33
Other Expenses	0.00	0.00	0.00	0.00
Office Management	46,100.00	15,366.67	15,366.67	15,366.67
Projects & Maintenance Expenses				
Trolley	15,000.00	0.00	0.00	15,000.00
Parking Study	500.00	0.00	0.00	500.00
Wayfinding	10,000.00	0.00	0.00	10,000.00
Planters	18,400.00	0.00	0.00	18,400.00
Maintenance	20,000.00	0.00	0.00	20,000.00
Greenspace	10,000.00	0.00	0.00	10,000.00
Holidays	27,700.00	0.00	0.00	27,700.00
Flags	5,000.00	0.00	0.00	5,000.00
Project Management	34,000.00	0.00	0.00	34,000.00
Projects & Maintenance - Other	0.00	0.00	0.00	0.00
Projects & Maintenance	140,600.00	0.00	0.00	140,600.00
Business Support & Data Development Expenses				
Data Development & Maintenance	16,300.00	0.00	16,300.00	0.00
Project Management	55,000.00	27,500.00	27,500.00	0.00
Business Support & Data Development - Other	0.00	0.00	0.00	0.00
Business Support & Data Development	71,300.00	27,500.00	43,800.00	0.00
Marketing & Promotion Expenses				
Skywalk Map	500.00	0.00	0.00	500.00
Social Media/Print	8,800.00	2,933.33	2,933.33	2,933.33
Annual Report	1,200.00	0.00	1,200.00	0.00
Marketing & Promotion - Other	30,000.00	10,000.00	10,000.00	10,000.00
Marketing & Promotion	40,500.00	13,500.00	13,500.00	13,500.00
Event Expenses				
Downtown for the Holidays	5,000.00	2,500.00	2,500.00	0.00
Events - Other	5,000.00	2,500.00	2,500.00	0.00
Events	10,000.00	3,333.33	3,333.33	3,333.33
Sponsorship Expenses				
Gift Certificates	500.00	250.00	250.00	0.00
Sponsorships - Other	5,000.00	2,500.00	2,500.00	0.00
Sponsorships	5,500.00	1,833.33	1,833.33	1,833.33
TOTAL EXPENSE	344,000.00	71,533.33	87,833.33	184,633.33

C. Structure

Currently, Downtown Partners is 100% reliant on funding support from the SSMID. In other downtown markets, a more diversified funding structure has been created to support a wide variety downtown marketing, management and improvement programs. Options evidenced from other cities include:

Type of Revenue	Uses	Affiliate Structure
Special Assessments	Services, Marketing and Management	SSMID
Membership Dues	Advocacy, Leadership Development, Education	501(c)6 or (c)4 non-profit
Foundation and Corporate Grants, Sponsorships	Planning, Public Space Enhancements	501(c)3 non-profit
Sponsorships, Earned Income	Special Events and Festivals	501(c)6 non-profit
Parking Revenue Share	Parking System Improvements, Beautification	For-Profit or Non-Profit Parking Management Company
Federal and Regional Transportation Grants	Transportation Demand Management	Non-Profit Transportation Management Organization
Tax Increment Financing	Management of Municipal Tax Increment Program	Contract with Municipality

For cities that have more than one of the preceding options, most are organized within one holding company or “operating umbrella”. For example, if Sioux City was to add an entity in addition to the SSMID, Downtown Partners would be the logical operating umbrella and any new entity would simply be added as an operating affiliate.

501(c)3 Community Ventures Organization: For Sioux City, a new 501(c)3 non-profit organization is recommended to be added to the SSMID under the operating purview of Downtown Partners. The 501(c)3 is recommended to raise corporate and foundations grants, sponsorships and other contributions to finance planning and capital projects in the downtown. Projects could include a new downtown plan (discussed on page 18) and/or a variety of plans to advance complete streets, streetscape beautification and park enhancement concepts. Capital projects could include new greenspaces, connections to the riverfront, bike share, or more visionary investments such as a Town Square Park.

The new non-profit could be managed with minimal administrative oversight, governed by a small board and meet infrequently, unless project opportunities require more frequent gatherings. To reduce duplication and encourage continuity, the board of the new non-profit could be a sub-set of the existing Downtown Partners board.

Examples of 501(c)3 affiliates in comparable downtowns include Downtown Civic Ventures in Lincoln and Community Ventures in Colorado Springs.

D. SSMID Renewal

The Downtown SSMID is a special assessment district created in 2002 to finance a variety of services and improvements intended to increase values, sales and occupancies in downtown. The Sioux City SSMID is similar to others found throughout Iowa (i.e. Des Moines, Cedar Rapids, Davenport) and many other downtowns in the region (i.e. Omaha, Lincoln, Sioux Falls, Fargo). More than 1,000 SSMIDs exist in downtowns throughout North America.

Like most SSMIDs, the district must be periodically reauthorized by property owners that pay SSMID assessments. The next petition to renew the SSMID will need to occur in 2018.

The Strategic Plan revealed several issues that should be considered during the next SSMID renewal process:

- **Boundaries:** The boundaries of the SSMID should be reviewed to make sure that the district is aligned with changes in the local market. Two areas of adjustment are recommended:
 - ✓ The Mercy Medical Center, located adjacent to the SSMID north of 5th Street and east of Jones Street, should be added to the SSMID. Mercy may be exempt from special assessments; however, it is common for major regional medical institutions that are located within downtowns to participate in a SSMID either through a fee-in-lieu of assessment or a voluntary contribution.
 - ✓ The warehouse and industrial area located at the southeast corner of the SSMID should be reevaluated for inclusion. This area includes several sites that are undergoing and/or planning for mixed-use redevelopment, including new housing.
- **Budget:** If economic conditions continue to improve within the downtown, then an increase in SSMID budget and assessment should be considered in the renewal process. As indicated earlier in the Strategic Plan, the Sioux City SSMID budget is at the lower range of assessment budgets found in comparable cities. The Strategic Plan revealed community priorities for downtown that include a greater investment in new businesses, housing, green space, the riverfront and other amenities. For Downtown Partners to be more impactful in these areas, an increased SSMID budget is a reasonable expectation.
- **Value Proposition:** The Strategic Plan affords the opportunity to frame SSMID renewal as a critical investment and unique opportunity that can take advantage of 1) favorable market conditions and trends and 2) revised and refreshed SSMID initiatives that focus on creating:
 - ✓ A unified voice and more influential downtown,
 - ✓ A stronger downtown economy with resources increasingly targeted to attracting new businesses, jobs, housing and other new investment, and;
 - ✓ Improved aesthetics and livability of downtown, including complete streets, connections to the riverfront and taking care of the basics such as routine maintenance.

E. Downtown Plan

A final recommendation is that Downtown Sioux City should invest in a new downtown plan. Commonly found in other cities, there is currently no downtown plan that is helping civic leaders and the private sector prioritize investments in downtown. An AIA-sponsored RUDAT was convened in the 1990s, and that appears to be the last intervention in guiding downtown's future.

A Sioux City Downtown Plan would aim to help guide the following investment decisions in downtown:

- Build alignment and consensus around a community vision for the future of downtown.
- Offer a comprehensive market assessment to determine overall development potential for housing, retail, restaurants, office, innovation and other uses.
- Provide a physical framework for downtown that identifies key corridors, connections, plazas and parks and provides guidance for the targeted investment of city capital improvement funds.
- Provide an action plan for a stronger public/private partnership between the City, Downtown Partners and other agencies.
- Optimize the leverage from existing financial tools to guide development, plus explore additional tools that may be used in other Iowa cities and throughout the Midwest.
- Package the plan in a way that it can attract new investment and businesses to the entire Sioux City region.

In addition, the plan and the process to develop it should aim to educate the region on the economic value of downtown. Downtowns across the country are increasingly viewed as critical community assets essential to keeping and recruiting skilled talent that is critical to fueling job growth. A downtown plan is an economic development tool that is an important piece of any regional strategy for prosperity and growth.

A new downtown plan should be considered as a near-term priority and could help inform the upcoming renewal of the SSMID. A partnership approach is suggested, including investment from the City, SSMID and major downtown employers. Activation of the 501(c)3 non-profit affiliate of Downtown Partners is recommended in part to secure contributions for a downtown plan.

Recent examples from other cities in the region include:

- Sioux Falls Downtown Plan 2025, completed last year and is undertaken every 10 years
- Rapid City Downtown Plan currently in progress
- Lincoln Downtown Plan was completed in 2007, updated post-recession in 2012, and is currently being considered for further update
- Fort Collins Downtown Plan currently in progress, updating a plan completed in 2004

