

CITY OF RENO

DOWNTOWN ACTION PLAN



DRAFT

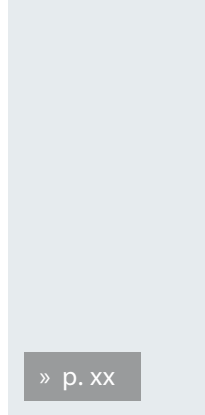
February 14, 2017

PREPARED BY

Progressive Urban Management
Associates and Economic and Planning
Systems

DRAFT

CONTENTS



0 EXECUTIVE SUMMARY

1 BACKGROUND

Project Initiation & Purpose
Process
Past Downtown Planning Efforts

2 MARKET ASSESSMENT SUMMARY

Key Market Opportunities
Market Assessment Highlights
Catalytic Site Opportunities

3 COMMUNITY ENGAGEMENT SUMMARY

Advisory Committee
Working Groups
Interviews and Community Online Survey
Charrette

4 PLANNING FRAMEWORKS

Connectivity (Transit, Bike/Ped)
Catalytic Site Opportunities
Quick Wins

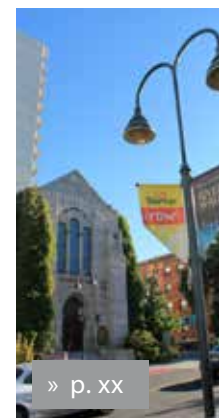
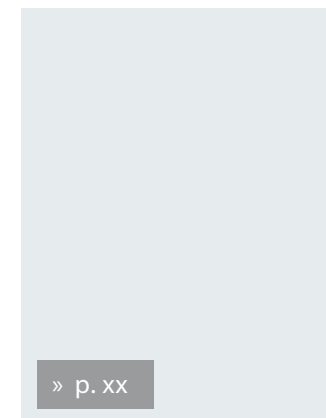
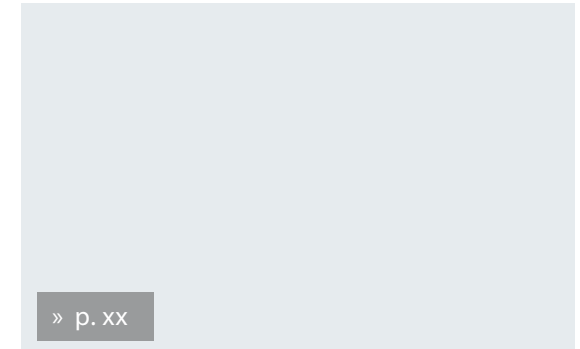
5 RELATIONSHIP TO CITYWIDE MASTER PLAN

6 ACTION PLAN/IMPLEMENTATION

Economy
Environment
Experience
Sources of Funding
Measuring Progress
Management Organization
Case Studies

7 APPENDICES

Market Assessment
Survey Results



EXECUTIVE SUMMARY

SUB TITLE

to be written after the February 15, 2017 City Council Meeting



01

BACKGROUND



BACKGROUND

PROJECT INITIATION & PURPOSE

Downtown Reno is the center of the Truckee Meadows region and has traditionally reflected the area's economic prosperity. Reno was founded to serve growing trade related to mining and agricultural activities in the region. The legalization of gambling in Nevada in the 1930's shifted the economy of Reno as it became a destination for hotels and casino gaming. The downtown area grew up around the gaming activities, with several casinos in downtown, but also served as a commercial center for the region and included residential areas. The character of downtown Reno shifted in the 1970's as large casinos, covering several city blocks, were built in the core and the construction of I-80 split the core from the University of Nevada Reno (UNR) campus to the north. Since then, the economic prosperity of downtown has been largely dependent on the strength of the casinos in the core and their ability to drive visitation. The surrounding uses mostly became smaller hotels/motels and tourism related retail needed to support the tourism/gaming activities. The introduction of gaming on Indian reservations in the late 1990's and national declines in gaming revenues began to impact the downtown Reno casinos and the rest of the downtown area. Downtown Reno is no longer a reflection of the surrounding community, as the region has rebounded from the national economic recession in 2008 and 2009.

The City of Reno has implemented several programs and made large investments in the downtown area over the past 20 years to address the conditions in the city's core. These investments include streetscape improvement, special events, special assessment districts for police and other services, and burying the railroad right-of-way downtown to eliminate dangerous at grade crossings. These investments coupled with improvements to the Truckee River, creation of cultural amenities including museums and art galleries, and the Reno Aces Ballpark, drove reinvestment in the urban core prior to the economic recession. However, the Great Recession had a major impact on Reno and the region, further affecting gaming revenues as well as non-gaming driven tourism. Even as the region has begun to rebound, investment in the urban core has been sluggish.

The deteriorating conditions of downtown has prompted the City of Reno to better understand the current market opportunities in downtown as part of the larger Downtown Reno Action Plan effort aimed at addressing the decline of the downtown area. The market assessment report in the appendix of this document presents detailed information on the demand and feasibility of real estate market activity in downtown in order to identify opportunities and barriers related to development that need to be addressed in the action plan strategies.

THIS ACTION PLAN ADDRESSES:

- *Connectivity throughout downtown to UNR and Truckee River*
- *Pedestrian friendliness of downtown*
- *Creating a clean, safe, and vibrant downtown*
- *The excess of weekly motels with substandard living conditions as well as blighted properties*
- *Homeless and transient population*
- *Downtown property values*

PROCESS

Progressive Urban Management Associates (P.U.M.A.) and the City of Reno staff worked collaboratively to chart and complete an action plan process with the following major components:

Review Prior Plans

P.U.M.A. reviewed all prior and evolving planning efforts that were made available to ensure that this process would compliment such efforts. A brief summary of the plans and planning projects is included on the following pages.

Market Assessment

P.U.M.A.'s sub-consultant, Economic and Planning Systems (EPS) conducted a far-reaching market assessment with a wide range of data inputs. Conditions and trends in Reno were compared to P.U.M.A.'s global trends research. Key findings of the market assessment determined the direction and order-of-magnitude opportunity, as well as niche opportunities, within various market sectors. A summary of the market assessment is included in this plan starting on page xx. The full document is located in the appendix.



Community Engagment

P.U.M.A. engaged the community to ensure an understanding of shared values and aspirations related to downtown. Efforts, which attracted more than 1,400 business, resident and community voices, included establishing Working Groups made up of a variety of downtown stakeholders, meeting with focus groups convened by interest area, an online survey, and community open houses. A summary of the community engagement, including key themes that emerged, is included in this document starting on page xx.

Develop a physical planning framework

Drawing on the above inputs, P.U.M.A developed a physical planning framework for investments in the public realm that support and enhance market opportunities in downtown including a downtown environment that is in sync with community values. The development framework maps are a key component of this Plan. These maps are presented starting on page xx. Suggested physical framework enhancements in the Action Plan are closely tied to the Experience and Environment components of the Action Plan.



Action Plan

P.U.M.A. prepared an Action Plan that synthesizes the previous four steps, and represents the heart of this Plan. The Action Plan includes numerous projects identified in previous planning efforts, as well as many new ideas, with priority given to those with the greatest potential to advance community values and Reno's mission. It is an action list for Reno in both the near and longer term. It includes actions that the City of Reno will lead, as well as actions involving a newly proposed organization that would play an important advocacy and support role. The Action Plan begins on page xx of this document.

Implementation

Finally, P.U.M.A. worked with City of Reno officials to consider the organizational implications for downtown, such as how to align city staff, resources and committees to fit with the plan priorities. Financing options and leadership priorities are also identified. Implementation is the final section of this plan, starting on page xx.

PAST DOWNTOWN PLANNING EFFORTS

Many planning efforts have been completed over the last twenty years. A significant purpose of this Downtown Action Plan is to align and achieve consistency with related, recent planning efforts. Below is a summary of specific goals, recommendations, and priorities from previous plans that are consistent with the highest priorities in this plan.

Urban Land Institute Study 2016

The focus of the ULI study was the Virginia Street Corridor from UNR through downtown south to S. McCarran Boulevard. The major recommendation from this study that is relevant to the Downtown Action Plan is to create the physical link between downtown and the University District.

Operation Downtown

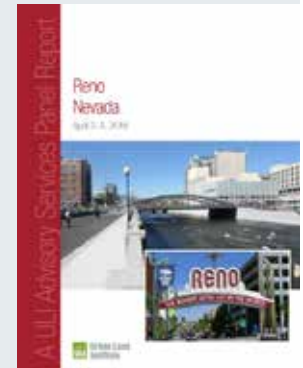
This is an initiative created by Reno Mayor Hillary Schieve that includes a strong social justice component focused primarily on finding solutions for homelessness, including low-income housing. The vision states "Downtown Reno will become a greater cultural, social and economic hub of our valley. We must encourage investment in people, social support services, safety, open spaces, housing and commercial ventures and cultural venues. By bridging the University, the Truckee River and south to Plumb Lane, downtown Reno will be the hub of a new dynamism that will catapult the entire City to share in the rebirth." This action plan provides several recommendations consistent with Operation Downtown.

Re-Trac Corridor Study 2008

The concept of the ReTrac study included providing amenities for edge treatments to improve livability along the corridor. It also included Transit Oriented Development and streetscape concepts for the 2nd and 4th Street corridors; master plan concepts for mixed-use infill with mid and low-rise building types; new downtown pedestrian and bicycle "loops" to the Truckee riverfront, and background economic, traffic, and historic preservation analyses.

Mayor's Institute on City Design 2013

The Mayors' Institute on City Design (MICD) is a program that conducts a series of intimate, closed-door symposia intended to offer a small group of invited mayors a better understanding of the design of American cities. Participation is limited to sixteen to twenty people: half are mayors and half are urban design, development, and planning experts. Recommendations from the MICD relevant to the Downtown Action Plan included:



- Encourage/incentivize UNR to invest and develop in downtown in lieu of on-campus development as the Virginia corridor must undergo a grand makeover to gain a singular identity that is presently lacking.
- Imaginative public-private endeavors should be formed and new visualizations created to demonstrate the ways in which UNR can activate the city with a collection of classrooms and knowledge hubs.
- Current opportunities include building UNR residential space on adjacent casino parking garages, which are under-utilized. Also, consider redeveloping rather than demolishing existing hotels/motels into student housing. This adaptive re-use approach presents great opportunities for partnerships between the city, UNR, and property owners, even without eminent domain.
- Conceive of new 'micro urban areas' that coalesce student housing, classroom space, and city amenities. UNR should develop curriculum around specific urban sites.
- Study the hockey rink plaza at Virginia Street on the north bank of the river as an opportunity to create a much-needed focus for a downtown UNR campus. Explore how adjacent buildings can be inhabited by UNR to join City Hall in remaking that space—connecting down to the river. This could become a spatial symbol of a new City-UNR partnership. Virginia Street, as a connector, needs an anchor at the south end to draw the UNR community from its main campus up north to a place of arrival downtown

IBM Smarter Cities Challenge Report 2013

The goal of the IBM challenge was to help Reno “craft a data-driven strategy for economic development as the City looks to diversify its economy. By applying advanced analytics and using open data, the City of Reno aims to improve coordination among policymakers, citizens, higher education institutions, businesses and investors.” Some of the challenges identified in this plan still exist today in Reno such as a lack of collaboration across different parties, policymakers, citizens, higher education institutions, businesses and investors.” Findings and recommendations relevant to this Action Plan include:

- Individual entities work in silos instead of together as a unified region.
- Multiple economic development agencies and authorities represent different parts of the region, resulting in fragmented economic development.
- The existence of different visions and objectives among the various agencies dilutes the message.
- The region continues to struggle with investment in education, specifically K-12.
- Businesses considering relocation and investment in the region often cite the lack of a qualified workforce as a barrier
- A system of systems and strong governance model will empower the region to make fact-based decisions that will improve public

services and attract, retain and grow business. This will help to move the region forward on its journey toward revitalization.

River Core Action Plan 1996

Although this plan is now over 20 years old, the vision is still quite relevant and much positive change has occurred along the Truckee River as a result of this plan: “To create vibrant, market driven entertainment and mixed-use development in the Truckee River Corridor which reflects Reno’s cultural heritage and attracts residents and visitors to the river by implementing adopted and community-supported plans, policies and actions.” The philosophy/goals of this plan are also still quite relevant today and all that are listed below are included in this Action Plan:

- Downtown River Corridor should serve the residents of Reno.
- Capitalize on existing infrastructure (River Walk, Streetscapes, Parking Gallery, etc.).
- Encourage development of cultural facilities.
- Bring residents to the river by enhancing cultural events/activities.
- Encourage active uses along river corridor (no passive public spaces).
- Start small (not less than one block) to enhance success.
- Pursue multiple projects along the core area.
- Ensure all projects are oriented towards river.
- Ensure all projects have active first floor activities.
- Provide flexible financial support to development that also optimizes the City’s long-term economic well-being.
- Develop the river corridor as an entertainment activity center.
- Provide property owners and businesses the opportunity to participate.
- Encourage upscale market rate housing to support River Corridor activities.

Redevelopment District Streetscape Master Plan 1996

Although this plan is now over 20 years old, the goals are still relevant to creating a pedestrian friendly and attractive downtown:

- Create safe, hospitable and logical pedestrian circulation zones and linkages primarily through improved street lighting.
- Develop a common “thread” of unity which ties all subdistricts together visually and thematically.

- Develop a priority based system for evaluating public expenditures for streetscape improvements over the greatest distance.
- Encourage private investment in facade upgrades by leveraging public expenditures in streetscape improvements.
- Create a clean, visually simple and unifying streetscape.
- Reflect historic themes in the streetscape palette.
- Define design variations to achieve greatest benefit from monies invested.
- Establish treatments for landscaping and pedestrian utilization of the railroad corridor.



02

MARKET ASSESSMENT SUMMARY



MARKET ASSESSMENT SUMMARY

INTRODUCTION

Economic and Planning Systems (EPS) conducted a broad-reaching market assessment with a wide range of data inputs. Conditions and trends in Reno were compared to P.U.M.A.'s global trends research. This market assessment report presents detailed information on the demand and feasibility of real estate market activity in downtown Reno in order to identify order-of-magnitude opportunities and barriers related to development addressed in the action plan strategies in Chapter 5.

STUDY AREA

Evans Avenue to the north, Wells Avenue to the east, California Avenue and Moran Street to the south, and Keystone Avenue to the west. This area is the primary focus of the Action Plan.

FIG. X STUDY AREA



DOWNTOWN INFLUENCE AREA

EPS, in consultation with P.U.M.A. and City staff, also created a second study area—the Downtown Influence Area—to assess the demographic and market conditions within the larger central portion of Reno. This area serves as the market capture area for growth in the region that can be attracted or redirected to the central part of Reno. The boundaries of the Downtown Influence Area are the northern portion of the McCarren Loop to the north, US-395 to the east, Plumb Lane to the south, and McCarren Blvd (Hwy 659) to the west, as shown in Figure 2

SUMMARY OF FINDINGS

The economy and conditions in Downtown Reno have been driven by the gaming industry for decades. The decline of the gaming industry led to disinvestment in the infrastructure that supports both gaming and non-gaming related economic activity and tourism. A portion of the hotel inventory has transitioned mostly to low quality and low rent short term housing, rented on a weekly and monthly basis. These converted motels serve as de-facto housing for Reno's lower income residents despite lacking the basic amenities for residents, such as kitchens, and, typically being more expensive than longer-term rentals. However, due the lower overhead requirements and less stringent rental terms, this short-term housing has attracted both residents needing affordable housing and transients, as well as people struggling with drug and alcohol issues. (seeking its 24 hour environment.?)

Prior to the economic recession, there was momentum for new development in downtown with the addition of two high-end condo towers, entertainment uses, and the Reno Aces Ballpark. The economic recession halted this growth, and rippled throughout the region. Since the recession, the deteriorating conditions in downtown, along with other factors, have pushed demand for development in central Reno to the areas outside of the Study Area. The Midtown area of Reno is an example of this, as it is capturing new housing development and retail development. Interest in central Reno is beginning to move into the Study Area in areas separated from the casinos and the services for homeless and transient activity. Housing demand, especially for multifamily apartments, is growing and likely can drive demand for housing in the Study Area, but the community must address issues related to negative or less favorable perceptions.



The findings from the analysis of economic, demographic, and real estate market trends and conditions are described below.



1. Housing demand within central Reno is growing, however the downtown Study Area has not captured this demand as of yet.

The majority of population and household growth in the larger Downtown Influence Area between 2000 and 2010 occurred in the Study Area. Since 2010, this has shifted dramatically, as the Influence Area has increased in the annual rate of growth while the Study Area has decreased. The Influence Area (inclusive of the Study Area) captured 18 percent of housing unit growth in the City since 2010, while the Study Area captured 5 percent – down from 9 percent from 2000 to 2010.



2. Demographic compositions within the Study Area and Influence Area are moving in diverging directions, which is an indication of the differences in market conditions in and out of the Study Area.

The majority of population and household growth in the larger Downtown Influence Area between 2000 and 2010 occurred in the Study Area. Since 2010, this has shifted dramatically, as the Influence Area has increased in the annual rate of growth while the Study Area has decreased. The Study Area has an older and lower income population than the rest of the Influence Area and the City. It is also less ethnically diverse and less educated, and has more single person households. Population growth in the Study Area has been minimal (629 people) since 2010 and the majority of new residents (62 percent) are over the age of 65. Meanwhile, the Influence Area has grown by 2,615 residents. The number of residents over the age of 65 also increased significantly in the Influence Area (1,891 new residents) but so did the millennial population (25 to 34 years old) which increased by 1,300 residents.



3. The housing market in Reno has rebounded from the economic recession and there is increasing demand for new housing, especially multifamily rental housing.

The average rental rates within Reno are the highest they have ever been and have grown by 14 percent in past two years. At the same time the apartment vacancy rate is less than 3 percent indicating a lack of rental inventory. For-sale home prices are increasing at similar rates, but are still 30 percent lower than their peak in 2006.



4. Demand for retail is strong and growing in the Influence Area and has been driven by food and beverage establishments.

The average retail rents in the Influence Area are higher than in the City and Study Area. The vacancy rate within the Influence Area has decreased from 11.6 percent to 6 percent since 2012. The Influence Area also captured 26 percent of the new retail space added to the City from 2007 to 2015. This capture occurred outside of the Study Area. However, recent and planned developments indicate the Study Area, specifically in the neighborhoods south of the Truckee River, are becoming attractive to new retail. This area recently attracted a West Elm furniture store to the Post Office redevelopment, which also includes a market called The Basement, with a mixture of small boutique retailers and food vendors. Patagonia also plans to open a store in this area in the next year.



5. Office demand in Downtown is low and there has been little new office development in the past decade.

Downtown Reno represents 40 percent of the office inventory of the city. However, the Study Area lost a minimal amount of office space inventory from 2007 to 2015, while the Influence Area grew slightly by 10,000 square feet. The Downtown area, however, has begun to attract smaller, start-up type employment activity along First Street (between Virginia Street and Washington Street) known as Startup Row. This activity has yet to result in new office development.



6. Visitation patterns in Reno are shifting as visitation to Reno grows while gaming revenues continue to decline.

Gaming activities are driving less direct visitation; however casinos hotels still play a large role in supporting tourism. The casino hotels represent the majority of the hotel inventory in the city and still attract significant visitation for both gaming and other entertainment options. Large events, such as bowling related trips to National Bowling Stadium and conventions, currently drive a significant amount of the traffic tracked by the Reno Sparks Convention and Visitors Authority (RSCVA). Bowling related trips represent 31 percent of room nights and Conventions and Groups represent 30 percent of the room nights, as tracked by the RSCVA. In the future, RSCVA believes that Conventions and Groups will be an increasingly important market segment, forecasting that its proportion of room nights will increase to 40 percent in fiscal years 2015 to 2020. Over this same time period, RSCVA forecasts that Bowling will decline to 15 percent of room nights. Visitation has grown in recent years after large decreases during the economic recession and despite a declining hotel inventory. The decline in gaming since 2000 and the overall decline in travel in the recession had a major impact on the Study Area. Many of the small and non-gaming hotels/motels struggled due to decreased gaming traffic and the corresponding decrease in room night demand. As a result, many of the lower value motels shifted to allow weekly and monthly rental, and larger hotel/gaming establishments closed. Some of these larger establishments are being renovated to become non-gaming hotels. The Whitney Peak Hotel was a conversion hotel/casino that opened in 2014. The Siena Hotel and Casino is currently being renovated into a Marriott Renaissance Hotel. A new build Courtyard by Marriott also recently opened in the Study Area. These efforts illustrate the demand for visitation that is non-gaming related.

MARKET OPPORTUNITIES AND CONSTRAINTS

Housing as a Transformative Element

Recent economic growth and its relative affordability have driven housing demand in Reno in recent years. The Influence Area captured 18 percent of housing growth in the city since 2010. There is demand for multifamily rental apartments that would greatly add to the consumer base in downtown and increase the day and night time population in the area.

Based on forecast growth by the Truckee Meadows Regional Planning Agency, the City of Reno is expected to grow by 32,000 housing units over the next 20 years. Using the recent capture rate of new housing units in the Influence Area of 18 percent, there is demand of 292 units per year in the Influence Area, which is a total of 1,462 units over a five-year period. The Influence Area has the potential to capture up to 23 percent of new housing growth in Reno in the coming years, which would equate to demand for 1,840 units over the next five years.

The Influence Area has attracted and will continue to attract millennials, a market segment with preference for rental units. Reno is also attractive to empty nesters and early retirees drawn to housing products (both rental and for-sale) in a vibrant, walkable environment. The condo developments in downtown, the Montage and Palladio, were successful in attracting these types of residents (and other types) when built. Both millennials and empty-nesters could drive the demand for multifamily homes, both rental and condo, downtown. There is also a large need for affordable rental units for residents earning less than 60 percent of the Area Median Income in Reno. A large portion of lower income residents live in the central part of Reno. Unfortunately, most of these residents often live in substandard housing. High-quality, income restricted affordable housing development projects, either through new construction or rehabilitation, would help address blight, replace substandard housing, and increase the vibrancy of the downtown area.

The existing conditions in the Study Area are a potential barrier to housing development. Issues related to safety and cleanliness, both real and perceived, in the downtown area are currently a barrier to attracting new residents. Some areas within the Study Area are beginning to attract new housing development including small, namely infill projects south of the Truckee River and a casino hotel conversion to apartments on the western edge of the core of the downtown. However, these areas are far enough removed from the cleanliness and safety issues that are more present near the large casinos on the eastern edge of downtown.

Potential Action Plan Strategies

- Catalytic housing development north of the Truckee River to bridge Midtown and Downtown.
- Public and private investments in amenities that support Downtown living including pedestrian amenities, lifestyle amenities such as a dog park, and improvement in perception of safety.
- Building on recent activity south of the Truckee River and help foster the development of a locally oriented retail and dining area through increased promotion and events.

The University of Nevada Reno as a Major Economic Driver of both New Housing and Employment Demand

UNR has a total enrollment of approximately 20,000 students. Eighty-five percent of students live off-campus and an estimated 55 percent of students live in rental units. Despite the demand for housing generated by the University, the college age population (18 to 24 year old) decreased significantly in the Influence Area from 2010 to 2016. This drop in population signals a decrease in the interest or the ability of UNR students to live in or around Downtown.

There is a demand for new student oriented housing, and it could be a catalytic use in Downtown. Enrollment at UNR is expected to grow by 2,000 students in the next five years. Based on current rates, 55 percent of these new students (1,100 students) will be renters needing housing. This could generate demand for 1,100 new bedrooms, which would represent 250 to 500 new housing units depending on household sizes. As well, a successful project in the Study Area could increase demand from a proportion of students currently choosing other options, who may desire to live in higher quality units, closer to downtown and the University.

The University is making investments in integrating its activities more directly into Downtown and has major plans to bridge the gap between the Downtown core and the campus. UNR created the Innovation Center in the southern part of the Study Area. The Innovation Center is a collaborative work space and start-up business incubator. The UNR 2014 Master Plan calls for the creation of the University District between Downtown and UNR, with the goal to catalyze the area with University induced uses aimed at creating a safe and secure mixed-use neighborhood.



Potential Action Plan Strategies

- Designation of a student district that can bridge the University, Downtown and Midtown, with a mixture of student housing, student-oriented retail, and entertainment options.
- Enhanced walking and biking streets between the University and Downtown and the Truckee River.
- Explore providing land use incentives and provide political support for student housing development projects in the Study Area.
- Designation of an Innovation District or Corridor with enhanced infrastructure and amenities to support entrepreneurial activity.

Diversifying the Tourism Draw

Tourism and gaming will always be a major part of the downtown economic base. Visitation to Reno is growing, driven by major events and attractions as well as access to outdoor recreation and the Lake Tahoe Area. Downtown Reno has the potential to diversify its tourism related infrastructure and amenities to attract a broader spectrum of visitors. The City can attract new visitors by building on existing strengths, including its reputation as an arts destination, its access to the Truckee River, and its other cultural institutions (art museums, performing arts center, etc.), and by further emphasizing these authentic and locally driven cultural and natural aspects of Reno.

Potential Action Plan Strategies

- Public-private partnerships to address Downtown cleanliness and safety issues.
- Continued integration of arts into public spaces.
- Further promotion of the arts and increase in arts related events and activities.



03

COMMUNITY ENGAGEMENT SUMMARY



COMMUNITY ENGAGEMENT SUMMARY

THE COMMUNITY'S TOP PRIORITIES

As part of the Downtown Area Master Plan planning process, the City of Reno and P.U.M.A. undertook a significant community engagement effort. This section summarizes the main activities and outcomes of that process.

The list below is a compilation of the feedback from all community engagement and input from the Project Advisory Committee. Understanding community priorities can help the City of Reno align their efforts and select actions that fit both the community-wide values and the City's capacity. The top priorities for improving Downtown Reno are outlined on this page and the next:

1. **SOCIAL ISSUES:** Reduce the transient/homeless population.
2. **REDEVELOPMENT:** Redevelop blighted and/or vacant properties, and preserve 'real' historic buildings.
3. **SAFETY:** Improve the cleanliness, safety and the perception of safety in downtown.
4. **CONNECTIONS:** Enhance connections to UNR, the Truckee River, and Surrounding Neighborhoods.

5. **KEY STREETS:** Improve key streets for pedestrians and bicyclists.
6. **MIXED-USE:** Attract new housing, jobs, and neighborhood serving retail and amenities.
7. **EMPLOYMENT:** Create and promote new jobs and innovation.

Efforts which attracted more than 1,400 business, resident and community voices, included establishing Working Groups composed of a variety of downtown stakeholders, meeting with focus groups convened by interest area, an online survey, and community open houses. To the right in the grey box is a summary of the participants for the various engagement opportunities that took place.

On-line Survey (950+ respondents)

- Working Groups for five topics (100+ attendees)
 - Vibrant Economy
 - Downtown Experience
 - Housing and Livability
 - Public Realm & Urban Design
 - Transportation

Charrette/Community Meetings/Council Presentations (200+ attendees)

PROJECT ADVISORY COMMITTEE

The City of Reno assembled an Advisory Committee to guide the plan process, and offer a “reality check” for the Downtown Action Plan. The committee consists of a group of stakeholders including: City Staff, Downtown employees and residents, Reno Aces, Renown, Reno Police Department, and commercial property and business owners. P.U.M.A. initially engaged the Project Management Committee during a visit to Reno in mid-September 2015 to collect input on their vision for Downtown as well as expectations for the Strategic Plan. Their vision was consistent with most of the other stakeholder groups and the community at large. Their expectations of the Downtown Action Plan are to provide recommendations for:

- Homelessness and affordable housing
- How to deal with blight
- Challenges with the weekly motel rentals
- Lack of consistency on how buildings are determined to be historic (i.e. any building 50 years old can cause delay in redevelopment process)
- Lack of reinvestment in properties, particularly on Virginia Street
- Some business feel like they are not getting the services needed in some areas from the Special Police Assessment District because time is focused on “hot spots”

STAKEHOLDER AND FOCUS GROUP MEETINGS/INTERVIEWS

In addition to meeting with the Project Advisory Committee, P.U.M.A. held numerous stakeholder and focus group interviews/discussions on June 15-16 and August 24-26, 2016. More than 50 stakeholders participated, representing the following downtown groups:

- Business owners
- Deveopers/Builders
- Operation Downtown
- Regional Downtown Alliance (RAD)
- Historical Resources Commission
- University of Nevada Reno
- Reno Police Department
- City and Planning Staff
- The Eldorado Group
- ACTIONN
- Residents

Common themes for improving Downtown Reno expressed by the stakeholder and focus groups can be broken down into the categories of Social, Physical, and Organization. These included:

Social

- Creating an innovation culture by working with UNR and creative industries
- Must address the transient and homelessness issues to improve the perception of safety on the street
- Arts & Culture scene is a major asset that attracts people downtown
- Outdoor/health wellness orientation – potential support from Renown Health and St Mary's
- Additional activation of River and Wingfield Park



Physical

- Much of downtown is a “blank canvas” with a lot of room for improvement
- Continue to activate the major physical asset of the Truckee River
- There is plenty of parking in downtown but it needs to be promoted and better managed
- Great natural setting.... “Be Reno!”
- The City owns a lot of land that they can leverage/partner for catalytic development
- Better connect UNR with downtown physically and economically



- Must improve the street level activity
- Need for a small/midsized grocery story
- Encourage the casinos to open up to street with outdoor seating, also provides eyes on the street
- Lack of high end retail – new West Elm may attract other retailers
- Open a portion of the Bowling Stadium to the public to enliven this area
- Need for class A office space
- Additional need for technology/innovation space (there is major fiber in the I-80 corridor)
- Potential for dog park downtown



- Several vacant or underutilized lots provide opportunity for major mixed use development
- Repurpose the old transit center/city plaza

Organization

- Create a special district that could fund downtown ambassadors, social outreach and “river rangers”
- Potential for new investors – ample private money available
- Potential tools: code enforcement, penalty tax/assessment on vacant/blighted properties?
- Create a penalty/disincentive for vacant or blighted properties
- Opportunity for tax abatements
- Additional incentives to attract more businesses
- Need to attract stronger private sector partnerships

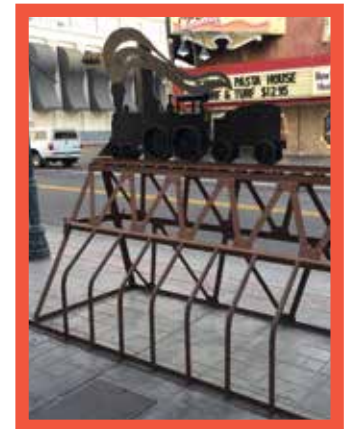


WORKING GROUPS

Working Groups with a total of 97 participants were held on August 30-September 1, 2016. The groups included: 1) Vibrant Economy 2) Downtown Experience 3) Housing and Livability 4) Public Realm & Urban Design & 5) Transportation. The highest rated improvements of each of the groups are listed below.

Vibrant Economy

- Create a more walkable community
- Train police to be ambassadors
- “Broken window theory” – clean up the easy stuff
- Attract Tourism for Millennials – more cultural tourism, more collaboration
- Connect to UNR
- Increase the amount of public art, capitalize on Burning Man
- Promote mixed-use development



Downtown Experience

- Improve the resident entity downtown with additional density
- Safety - Improvements that get to the basic issues. Mental health and homelessness that lead to the perception that downtown is unsafe
- Connectivity - Need to do a lot of work physically and psychologically. There are many interesting things, but they are not connected
- Infrastructure - high speed fiber, sewer and water
- Attention to preserving building or structures that are iconic, rather than cloning them.
- Connect to University

Housing and Livability

- Target derelict buildings for redevelopment
- Provide inclusionary housing goals
- Utilize code enforcement tools to make it more costly to hold onto blighted buildings



- Establish a dog park and a community garden on ReTrac lids
- Use city-owned land for improvements/catalytic development
- Get UNR more involved – provide student, faculty, and staff housing downtown

Public Realm & Urban Design

- New emphasis on east-west corridors such as 2nd and 4th Streets
- Emphasize and enhance the Truckee River
- Overall beautification through streetscape and other public realm improvements
- Lake St. as a bike/pedestrian/complete street corridor
- ReTrac improvements



Transportation

- Connect to the Truckee River trail with street infrastructure and improve connectivity to surrounding neighborhoods
- Need to maintain the Truckee River trail – provide enhanced maintenance and lighting/ADA
- Street car UNR to Convention Center, Airport, Sparks
- Clean, safe, well-lit and patrolled transit modes that connect the heart of UNR and Midtown (reconnect UNR to downtown) bike/pedestrian/transit
- The City/RTC Fee structure for development is too easy for suburban development vs. urban – massive costs to the city – must favor city/downtown improvements better
- Tactical urbanism to test activation concepts (bike treatments – parklets)
- 24/7 parking enforcement
- Shared mobility plan (bike/car/transit) Need bike signal priority buttons



INTERVIEWS AND COMMUNITY ON-LINE SURVEY

In September 2016, an online survey was developed to collect broad stakeholder input on priorities and improvements to Downtown Reno over the next 5 to 10 years. There was a total of 967 responses. The following summarizes the survey's key findings and results. Detailed survey results can be found in the appendix.

The top three factors that respondents considered *most important in improving Downtown Reno over the past five years* were:

1. Truckee River improvements
2. New businesses and jobs
3. New restaurants and retail

The five most common words used to describe respondents' *vision for Downtown Reno in the year 2025* were:

1. Safe
2. Clean
3. Vibrant
4. Walkable
5. Fun

Total Respondents: 967

The top five actions respondents chose as ***very important steps for achieving their vision for Downtown Reno*** were:

1. Redevelop blighted and/or vacant properties (82%)
2. Reduce homelessness and provide improved social services (80%)
3. Improve the safety of downtown (including better lighting) (75%)
4. Make downtown Reno more walkable and bikeable (64%)
5. Create incentives to restore historic buildings and façades (52%).

When asked to choose the **single most important action** to achieve the future vision for Downtown Reno, the top five choices were:

1. Reducing homelessness/providing improved social services (24%)
2. Redeveloping blighted and/or vacant properties (23%)
3. Improving the safety of downtown (including better lighting) (14%)
4. Making Downtown Reno more walkable and bikeable (8%)
5. Attracting retail and amenities that serve the neighborhood (7%)



CHARRETTE SUMMARY

A 3-day design charrette (workshop) was held September 27-29, 2017. Community members were encouraged to stop in for informal participation and input as well as attend scheduled presentations. There were over two hundred attendees in the course of three days.

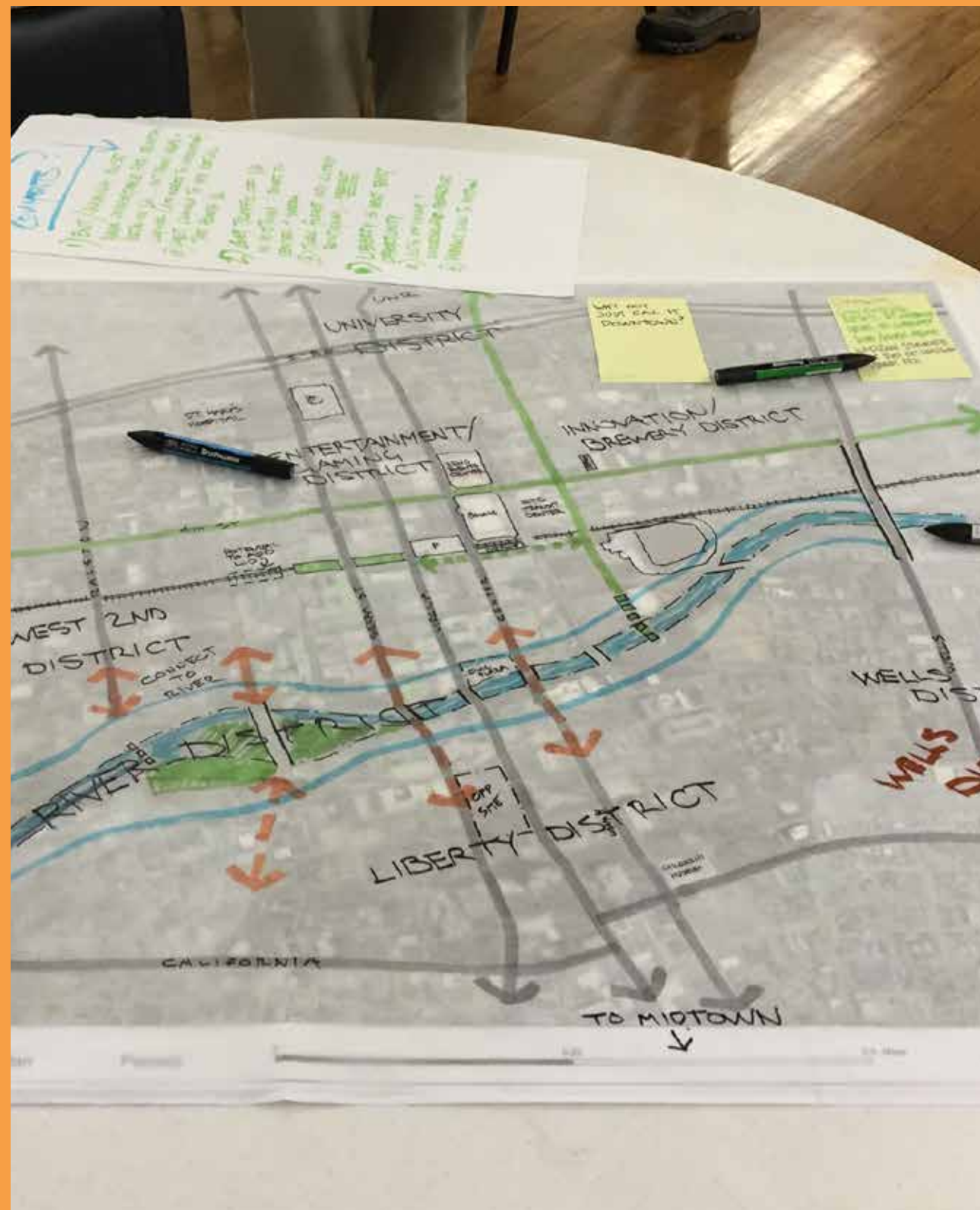
Preliminary framework plans and design ideas began to take shape and were presented and discussed with the community, Working Groups, City Council, Planning Staff, and Public Safety officials.

Frameworks

The main discussion of the charrette revolved around three Framework Diagrams; Districts, Connectivity, and Development. The Frameworks help to guide project development, planning, and decision making over the next five years. The framework summaries are described and illustrated in detail in the following chapter, Planning Frameworks.

04

PLANNING FRAMEWORKS



PLANNING FRAMEWORKS

To implement the vision for Downtown Reno changes to the physical setting, the streets and streetscapes, and the building forms are necessary. As described in the previous chapter, three framework diagrams were prepared during the charrette that include the physical recommendations for Downtown Reno:

» DISTRICTS

» CONNECTIVITY

» DEVELOPMENT

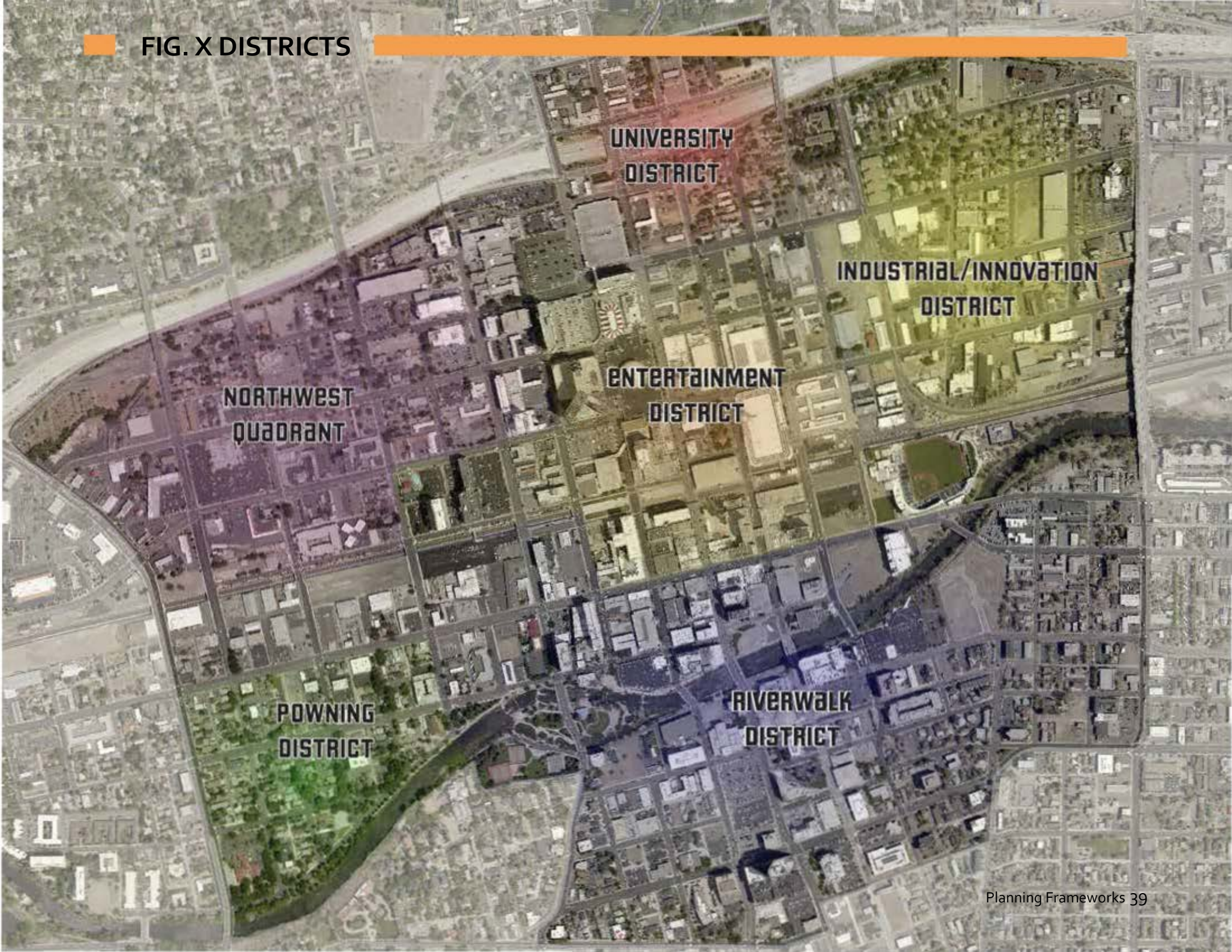
The frameworks are rooted in the core values of the community to create a prosperous, connected, livable, safe/clean, and vibrant downtown.

» DISTRICTS FRAMEWORK

The Districts Framework discussion involved thinking about the study area as six districts and is illustrated in the diagram on the following page.

1. **The Entertainment District** is traditionally the 24 hour gaming area that includes the major hotel casinos in the core, the Events Center and National Bowling Stadium.
2. **Riverwalk District** – The Truckee River is one of Reno’s best natural resources and the catalyst for attracting new mixed use development on both sides of the river.
3. **The Innovation District** encompasses the area east of Evans, north of the railroad, West of Well, and South of Interstate 80. This is already becoming a mixed-use and light industrial environment that is a major attraction to millennials and entrepreneurs in other cities across the country.
4. **The University District** is made up predominantly of UNR but should expand its physical and economic connections to downtown across I-80. There is ample opportunity for student housing and university facilities in downtown.
5. **The Powning District** is an existing stable and predominantly residential historic neighborhood that should remain intact.
6. **The Northwest Quadrant** is an area that is not ready to be defined as a district. It is generally bounded by the railroad tracks to the south, Keystone to the west, I-80 to the north and Ralston to the east. This area has a mix of uses that include casinos, non-profits, medical offices, apartments, single family homes, retail, light industrial, and small businesses. This area is a lower priority in this plan due to the amount of effort needed in other areas of downtown. This area will most likely begin to redevelop in the next development phase after other major projects have been accomplished in the other districts.

FIG. X DISTRICTS



Gateways

Gateways can provide a visual cue when entering a different district of Downtown. Downtown Reno is a mix of development forms, characters and uses that is unmatched anywhere else in the community. As Downtown continues to grow and evolve, delineation of the downtown will remain important. Gateways signal recognition of place and often include elements that identify the community's rich history. In Reno, Gateways could express themes such as indigenous roots, agriculture, mining, the railroad, and other locally relevant historical or cultural references. Gateways can act as an indicator of investment and change downtown, reinforcing improvements to both the private and public realm.



» CONNECTIVITY FRAMEWORK

The Connectivity Framework includes recommendations for pedestrian, bicycle, transit, and parking improvements. General recommendations that should occur throughout downtown include:

Pedestrian Recommendations

- All streets in the study area should be pedestrian oriented streets with improved sidewalks and streetscape. The primary focus for east-west streets should be on 2nd, Commercial Row, 4th and 5th Streets. The primary focus for north-south streets should be on Sierra, Virginia, Center, and Evans Streets.
- Improved connections for pedestrians and bicyclists to the Truckee River greenway should occur at Center, and Lake Streets.
- All street design improvements should include low water use (xeriscape) and water purifying streetscape to clean storm water before it enters the Truckee River.
- A major consideration for Sierra Street in the long term is to reduce it from 3 lanes to 2 lanes with the remaining space dedicated to pedestrians and bicycles.

FIG. X CONNECTIVITY FRAMEWORK A: BIKE + PEDESTRIAN

- Existing Bike Lane/Route
- Proposed Bike Lane/Route
- Proposed Pedestrian Improvements

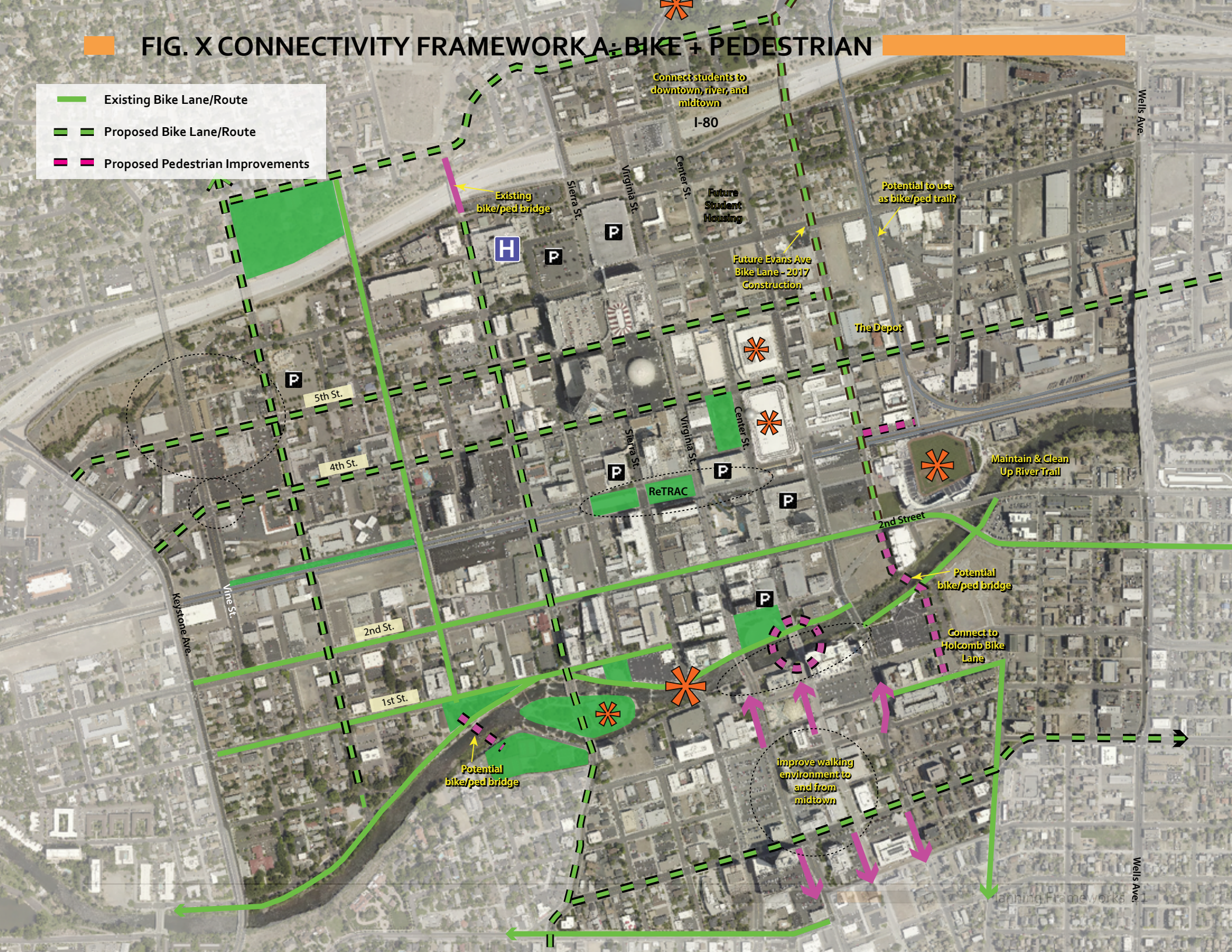
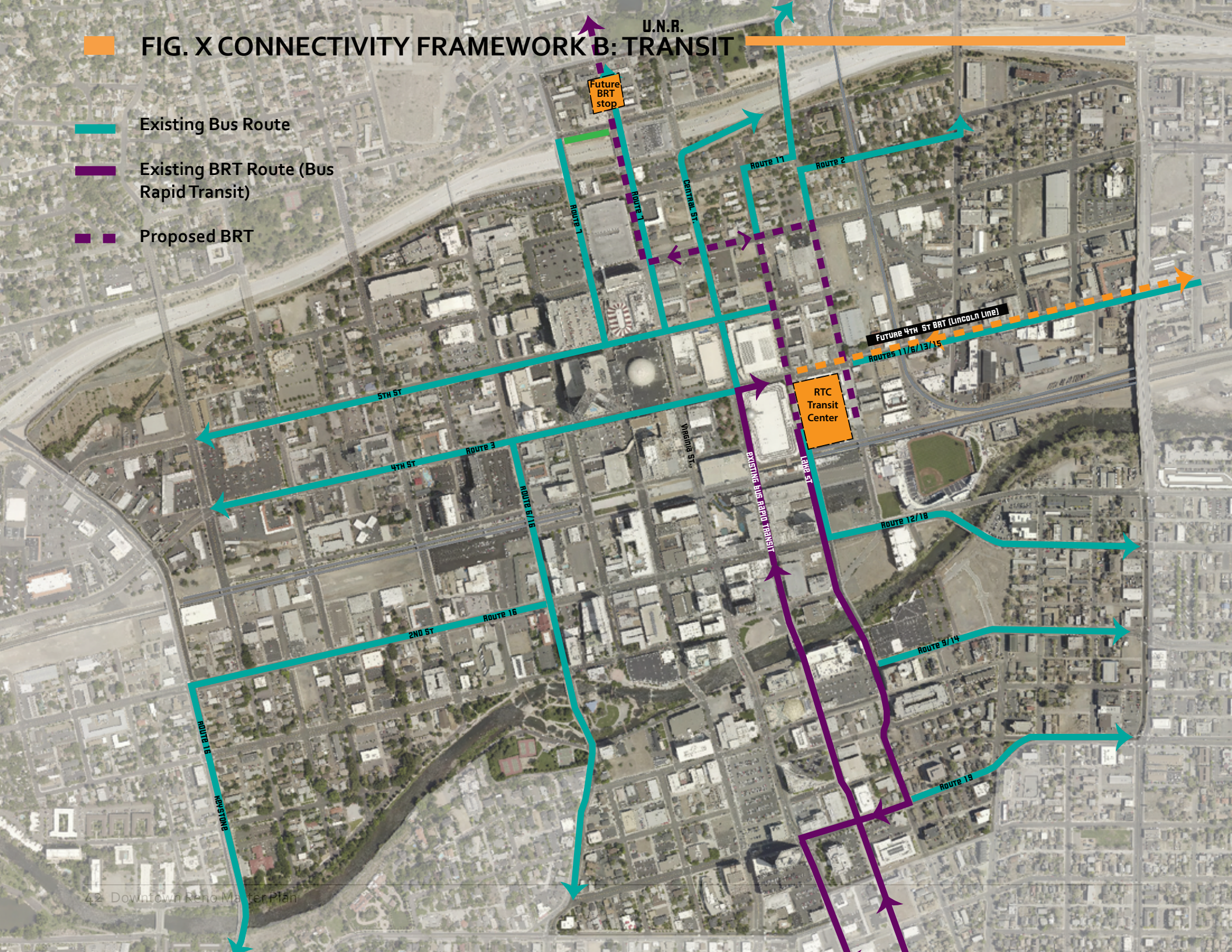


FIG. X CONNECTIVITY FRAMEWORK B: TRANSIT

- Existing Bus Route
- Existing BRT Route (Bus Rapid Transit)
- Proposed BRT



Bicycle Recommendations

The Regional Transportation Commission (RTC) has many excellent plans and recommendations in the study area that this plan builds on. Below are the primary RTC recommendations in downtown supported by this Action Plan with consultant team recommendations for enhancement:

- Bike lanes on Evans Street from 2nd Street to UNR (2017 construction)
- The Action Plan proposes to extend this connection across the Truckee River with a new bicycle/pedestrian bridge that connects to the National Automobile Museum and to the Holcomb Avenue Bike Lanes via Mill Street.
- Bike lanes on Arlington Avenue from w. 1st Street to the I-80 pedestrian bridge.
- The Action Plan proposes to improve the Arlington pedestrian bridge over I-80 to include bicycle ramps on both sides to connect to University Terrace which will create a great connection for UNR students to downtown.
- Bike lanes on Washington Street from Riverside Drive beyond I-80 up to San Rafael Park. This provides a great neighborhood commuter connection as well as a connection to the major mountain bike trails of Keystone Gulch and Peavine Mountain.
- Bike lanes on 4th Street from Keystone Avenue beyond Wells Avenue to Sparks where 4th Street turns into Prater Way.
- Bike lanes on 5th Street from Keystone Avenue to Evans Avenue.
- Bike lanes on Liberty Street from Arlington to Holcomb Avenue.

Additional recommendation include:

- A new bicycle/pedestrian bridge over Truckee River at Ralston south of 1st to connect to Barbara Bennett Park
- The Truckee River bike trail should continue to be enhanced in conjunction with the efforts underway in creating the Tahoe Pyramid bikeway. This will not only be a major regional and national draw for cyclists, it will contribute to the regional bicycle commuter system.

Transit Recommendations

- RTC is proposing a Bus Rapid Transit (BRT) expansion from the existing downtown transit center north to UNR. The City should continue to work with RTC on the possibility of running this line up and down Virginia Street (or alternatively on Center Street due to major events that close Virginia) The “time penalty” for the transfer at the RTC station is a major deterrent for users to and from UNR to downtown, midtown, and South Virginia Street.
- Expand/reroute transit lines to capture more of the existing residential core of downtown in the area bounded by 4th Street and Center Streets, and Arlington and California Avenues.

Parking Recommendations

Through this process, parking was discussed frequently and was described by many as a management issue rather than a supply issue. There is ample underutilized parking throughout downtown, particularly in some of the hotel-casino parking structures, which should be better managed.

- Parking management should be significantly improved to better utilize existing public and private parking structures and surface parking lots for employees, residents, and visitors.
- Wayfinding signage to and from parking lots and structures should be provided throughout downtown.

» DEVELOPMENT FRAMEWORK

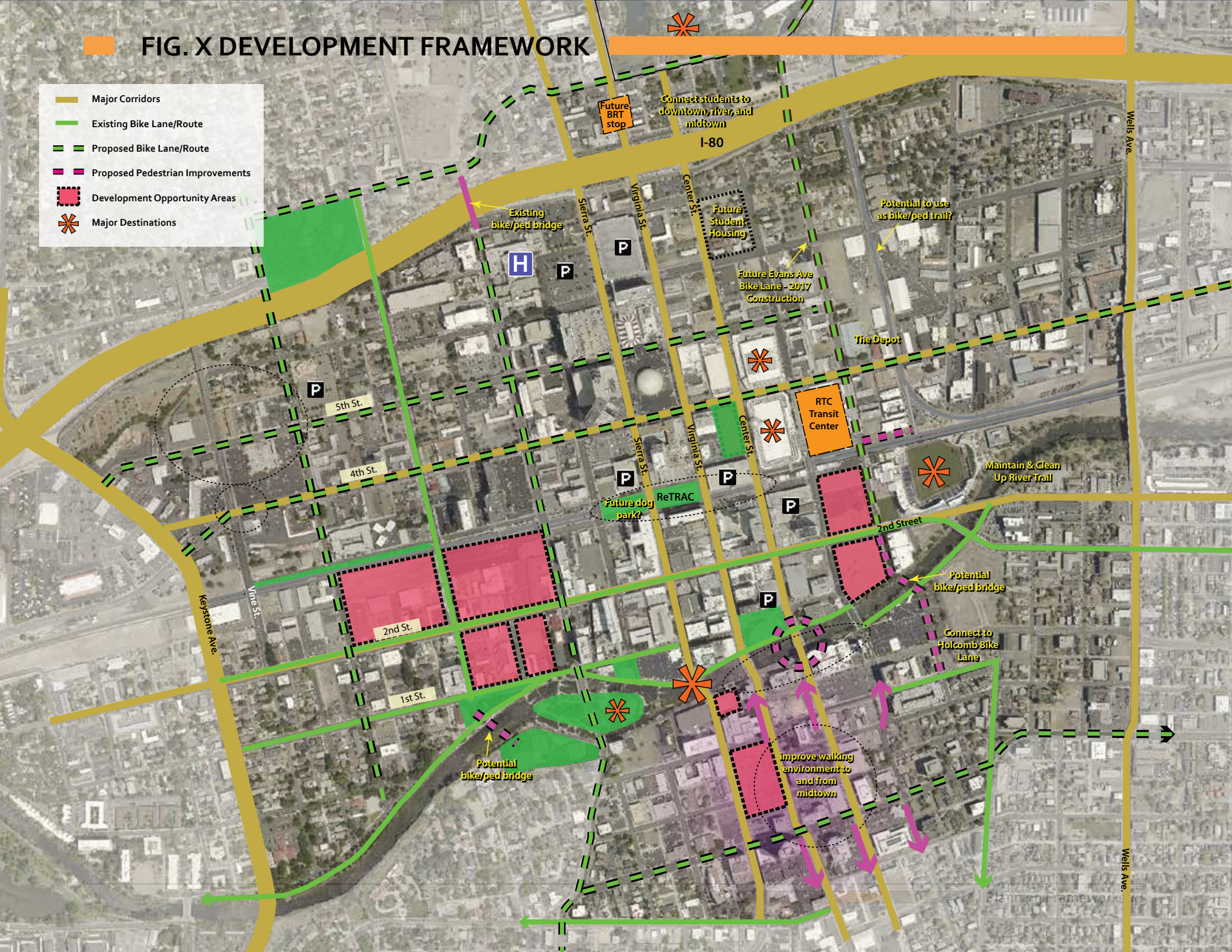
The Development Framework identifies development opportunities throughout the study area. Several sites in the study area have been identified as development opportunities. Many of the sites are either vacant properties, underutilized existing buildings, surface parking lots, and are either private or publicly owned. Below and illustrated on the following page illustrates a few sites that could be catalytic to the Downtown Action Plan and have great mixed-use potential:

- The Simon Properties west of the Aces Stadium bounded by the railroad, Lake Street, Evans Avenue, and the Truckee River.
- The Washoe County parking lot bounded by Virginia, Sierra, and Court Streets and the Nevada State Bank as recommended in the 2016 ULI report.
- The southeast corner of Sierra Street and Island Avenue west of the Riverside Artist Studios.
- The West 2nd District development by the Don J Clark Group. This area of downtown has been identified by Don J. Clark as “Not just a tourism place, but an us place. A place of joy that reflects our culture and our values.”
- The “Tessero District” bounded by Center and 6th Streets, Evans Avenue, and I-80.
- A portion of the City Plaza at 1st and Center Streets. Mixed use development on this site would better activate the plaza.
- The vacant property bounded by 5th and 6th Streets, Evans Avenue, and the railroad tracks.
- The St. Mary’s Medical Center/Circus Circus parking lot bounded by 6th, West, Elm, and Sierra Streets.
- The vacant lot west of the Riverside lofts bordering Sierra Street and Island Avenue.



FIG. X DEVELOPMENT FRAMEWORK

- Major Corridors
- Existing Bike Lane/Route
- Proposed Bike Lane/Route
- Proposed Pedestrian Improvements
- Development Opportunity Areas
- Major Destinations



05

RELATIONSHIP TO CITYWIDE MASTER PLAN



RELATIONSHIP TO CITYWIDE MASTER PLAN

REIMAGINE RENO | CITYWIDE MASTER PLAN

The Action Plan goals in the following chapter are consistent with the concurrent Relmagine Reno Citywide Master Plan. On the following page are the downtown guiding principles and supporting goals to create a Prosperous, Connected, Livable, Safe & Clean, and Vibrant downtown. Together, these two plans will shape the future of downtown over the next five to ten years.

Guiding Principal 3: THRIVING DOWNTOWN AND UNIVERSITY DISTRICT (Core Values: Vibrant/Livable)

Goal 3.1: Cultivate a vibrant and livable downtown environment that balances the needs of residents, students, and visitors.

3.1a. Downtown districts. *Support a diverse mix of land uses that are tailored to support the vision and unique focus for each of the six districts that comprise the Downtown Regional Center, which include the: Entertainment District, University Innovation/Industrial District, Riverwalk District, Northwest Quadrant, and Powning District. The generalized boundaries of each district and more detailed guidance regarding the desired mix of uses in each district are provided as part of the Regional Center Design Principles for Downtown in The Reno Master Plan.*

3.1b. Housing options. *Encourage a variety of housing options at diverse price points to support the needs of Downtown's diverse residents and workforce—professionals, service workers, entrepreneurs, students, and retirees among others.*

3.1c. Tourism and entertainment. *Encourage reinvestment in established casinos and the introduction of new uses and activities that strengthen Downtown's appeal as a tourism and entertainment destination. Strive to make Downtown the location of choice within the region for annual events, cultural celebrations, and other community gatherings.*

3.1d. Neighborhood services. *Encourage neighborhood-serving retail—grocery, pharmacy, drycleaners, childcare facilities, and other basic services—as a key component of the overall mix of uses in Downtown.*

3.1e. Social service network. *Support the continued operation and expansion of the social service network in Downtown where agencies are well-served by transit and may be more readily accessed by the populations they serve.*

3.1f. Recreation. *Support the continued enhancement and expansion of recreational amenities that celebrate Downtown's riverfront setting and centralized location within the region, are tailored to more urban neighborhood context, and contribute to the enjoyment and quality of life of residents and visitors.*

3.1g. Arts and culture. *Strengthen Downtown's role as the region's center for culture and arts by enhancing and promoting arts, culture, heritage, history, and historic preservation.*

Goal 3.2: Enhance public safety and create inviting streets and public places for people. (Core Values: Clean and Safe)

3.2a. Public safety. *Continue to collaborate with Downtown stakeholders, residents, and social service and government agencies to contain nuisance behaviors, connect homeless populations and others in need to available services, increase lighting levels, ensure streets and public spaces are clean and well-maintained, and address public safety concerns—both real and perceived.*

3.2b. Public spaces. *Support the development of pedestrian plazas, pocket parks, community gardens, outdoor seating, and other public spaces that increase year-round activity, expand recreational access to the Truckee River, and provide for the enjoyment of Downtown residents, visitors, and workers.*

3.2c. Pedestrian-realm. *Design streets and other public spaces with the comfort and enjoyment of pedestrians in mind. Enhance streetscapes through the incorporation of generous walkways, outdoor dining, seating, street trees, awnings, lighting, public art, bike racks, and other distinctive urban design elements—particularly on streets where concentrations of pedestrian activity are desired (i.e., Sierra, Virginia, and Center Streets).*

Goal 3.3: Promote the continued revitalization of the downtown economy and built environment. (Core Values: Prosperous)

3.3a. Diversification of Downtown economic base. Continue to support the diversification of the Downtown economic base through:

- Creation of an “Innovation District” to strengthen the linkage between Downtown, UNR, and the 4th Street Corridor;
- Creation of a new partnership with UNR and regional business to support Downtown investment;
- Support for local investment incentives, workforce training, and other strategies to support new business development Downtown; +
- Other strategies as defined by the Downtown Action Plan.

3.3b. Tourism. Continue to support casinos as a core component of the City’s tourism industry and the Downtown Entertainment District, while seeking to broaden the range of tourism and entertainment-oriented uses that appeal to a more diverse demographic.

3.3c. University linkage. Proactively seek opportunities to collaborate with UNR, RTC, and other partners on efforts to strengthen both physical and symbolic linkages between the UNR campus and Downtown through transit enhancements, joint development efforts, the creation of an active, mixed-use “Innovation District” in the northeast quadrant of Downtown, and other activities.

3.3d. Blighted and underutilized properties. Work with property owners to improve blighted and underutilized properties (including surface parking lots) through increased enforcement/regulation, incentives, and use of available redevelopment tools.

3.3e. Historic preservation. Encourage the adaptive reuse and rehabilitation of historic structures as a key component of an overall reinvestment and revitalization strategy for Downtown.

Goal 3.4: Strengthen multimodal connections to and within downtown Reno. (Core Value: Connected)

3.4a. Transportation options. Support educational campaigns designed to increase awareness and usage of alternative transportation options—such as bus, bike, car sharing, or van pooling—when traveling to or from Downtown.

3.4b. Parking. Improve the function and utilization of existing public parking facilities in Downtown and the overall user experience associated with these facilities. Evaluate future public parking needs based on location, cost, current use, and demand.

3.4c. Transit. Continue to collaborate with RTC, UNR, and others on the incremental expansion of transit service and ridership to and within Downtown.

3.4d. Pedestrian and bicycle network. Continue to enhance bicycle and pedestrian connections and infrastructure throughout Downtown with an emphasis on improving connections to UNR, the Truckee River trail, and adjacent neighborhoods.

3.4e. Wayfinding signage. Incorporate bike and walk distance/time markers and wayfinding signage to key destinations throughout Downtown.

06

ACTION + IMPLEMENTATION



ACTION PLAN + IMPLEMENTATION

OVERVIEW

The Action Plan constitutes the heart of this Plan. The action plan includes many projects identified in other planning efforts, as well as many new ideas, prioritizing those with the most potential to advance community values and the City of Reno's mission. It is an action list for the City both in the near and longer term. It includes actions that the City will lead, as well as actions where the private sector should play an important advocacy and support role to the City.

And while it does not eliminate the potential for the City to reshuffle priorities in the future, it does suggest that the City will need to decline or reduce involvement in some other efforts in order to remain diligently focused on the included actions, which are its priorities. The graphic on the following page depicts the three major action areas for the City of Reno, using words to describe desired results for Downtown Reno: Economy, Environment, and Experience.

Economy

Initiatives to help attract new investment, build housing and create jobs in the downtown.

- Housing for Everyone
- Jobs & Innovation
- Improve Blighted & Underutilized Properties

Environment

Physical improvements to make downtown better connected and accessible for all modes of travel.

- Connections & Key Streets
- River
- Public Spaces

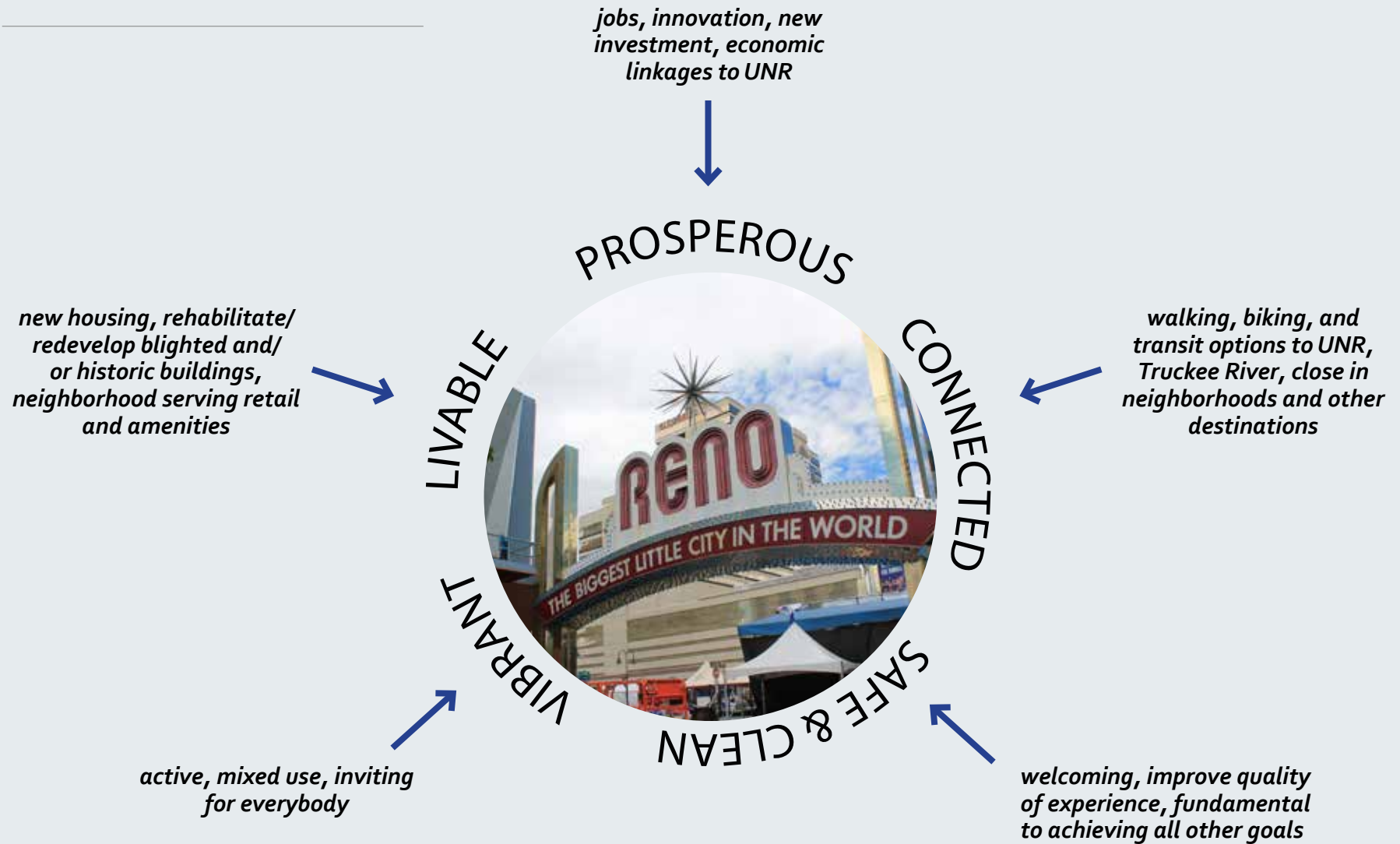
Experience

Improvements to make downtown more welcoming, safer, and active.

- Safe & Clean
- Arts, Culture & Tourism
- Parking & Transportation

The action plan matrices on the following pages provide detailed recommendations for each of the action plan areas for the City of Reno: Economy, Environment, and Experience.

CORE VALUES:



Economy

1. Housing for Everyone

2. Jobs & Innovation

3. Improve Blighted Neighborhoods & Underutilized Properties

Goal	<i>Create a wide continuum of housing choice in downtown through the development of new housing and rehabilitation of existing properties.</i>	<i>Diversify downtown's employment base, create economic connections with the University of Reno and position downtown as a center for entrepreneurship and innovation.</i>	<i>Blighted and underutilized properties offer an opportunity to upgrade affordable, distinctive, and in some cases historic buildings into more productive uses, including housing and mixed-use.</i>
Core Values	Vibrant, Livable, Prosperous	Prosperous, Livable, Vibrant, Connected	Prosperous, Livable, Safe & Clean, Vibrant
Why it's important	Market trends are supporting housing development in downtowns throughout the nation and Reno has an opportunity to capture its share. More residents will make downtown more vital and support other sectors, including retail and employment. Housing with diverse price points that include market rate will invite a wide variety of skill sets, including professionals, service workers and students that can support the city's economic growth.	Job growth is central to the long term prosperity of downtown, Reno and the region. Downtown has a unique opportunity to establish stronger economic linkages with the University of Reno. The northeast quadrant of downtown, including the 4th Street corridor, offers the mixed-use and light industrial environment that is anchoring innovation districts in other cities.	Blighted and underutilized properties and are a top priority concern of Reno residents and leaders. Through targeted rehabilitation, these buildings, including a high concentration of older motels, could provide improved living conditions for low and moderate income households, including students, plus offer unique work spaces for small businesses.
Strategies: Near Term/Quick Wins	<ul style="list-style-type: none"> • 1a. Direct incentives to support all housing types and price points. • 1b. Identify and install amenities that would improve downtown living such as a dog park, improved streetscape and improved lighting. • 1c. Identify neighborhood-serving retail that can be recruited to downtown such as a grocery/ market, pharmacy and laundry/dry cleaners. 	<ul style="list-style-type: none"> 2a. Establish an "innovation district" that supports mixed-use development, maker space and entrepreneurship in the northeast quadrant of downtown, including linkages to the University of Nevada and the 4th Street corridor. 2b. Create a new partnership with the University of Nevada and regional businesses to invest in the new innovation district. 2c. Support new business development downtown through a variety of business and local investment incentives. 	<ul style="list-style-type: none"> 3a. Create a balanced policy of both "carrots and sticks" to improve blighted properties. Sticks include code enforcement and policing, carrots could include financial incentives and development fee waivers. 3b. Identify historic properties and establish a rating of overall historic significance to help guide and target rehabilitation and/or demolition. 3c. In some cases, allow for the demolition of blighted properties if they are not historically significant and if their removal can create opportunities for new development.

Strategies: Mid to Long Term	<ul style="list-style-type: none"> Capitalize on the Truckee River as a residential amenity by making it more accessible to downtown north to I-80 and beyond. 	<ul style="list-style-type: none"> Create physical and economic linkages between the proposed innovation district and conventional office properties located along the Truckee River. Partner with workforce training agencies and community colleges to create the best skill match to jobs. 	<ul style="list-style-type: none"> Establish a goal for upgrading, converting and/or removing all blighted properties within downtown (i.e. 5 years is recommended). Maintain a "scorecard" to monitor results.
Tools	<ul style="list-style-type: none"> TIF, tax abatements, development fee waivers, credit enhancements from major employers, historic and low income tax credits 	<ul style="list-style-type: none"> Land use and zoning flexibility, TIF, tax abatements, new partnership with University of Nevada and major employers 	<ul style="list-style-type: none"> TIF, CDBG, code enforcement, development fee waivers, historic and low income tax credits
Partners	<p>City of Reno New Downtown Partnership Major employers in Reno & region</p>	<p>New Downtown Partnership University of Nevada City of Reno Major employers in Reno & region</p>	<p>City of Reno New Downtown Partnership New community development corporation?</p>

Environment

4. Connections & Key Streets

5. Public Spaces

6. Truckee River

Goal	Enhance public safety by creating inviting streets for all forms of transportation paying particular attention to connections between UNR, downtown Reno, and the Truckee River.	Enhance existing public spaces within Downtown that provide a destination for people using Downtown. Improve the quality of the public realm through context-sensitive design, targeted investment, and regular maintenance.	Conserve and protect the Truckee River, one of Reno's best natural resources. Improve existing bicycle and pedestrian access and provide additional access.
Core Values	Vibrant , Connected, Livable, Safe & Clean	Vibrant, Livable, Safe & Clean	Connected, Livable, Safe & Clean
Why it's important	Streets provide the lifeblood of the city and are the most utilized non-developed space in the city. They allow people to interact with their city and they are for use by everyone. Key streets should be physically comfortable and safe for pedestrians, cyclists, motorists and transit users. A well designed street with pedestrian enhancements is something that many visitors will remember and tell others about their travels. Getting around by bike and on foot is an increasingly important quality of life consideration. Millennials, including the UNR students, are much more likely to move to (or stay) and work in places that are easy to access and move around without a car.	<p>There is a great deal of hardscape in the downtown core and not many opportunities to enjoy existing public spaces. Encouraging people to linger and enjoy a place is an important aspect of creating a neighborhood.</p> <p>Existing public spaces should be activated with a variety of programming elements so they can be enjoyed by all.</p>	The Truckee River runs through the entire length of Reno and provides major open space as well as a recreation and commuting corridor for walkers and bicyclists. It is a unique and appealing asset that has potential to become an even greater space. Accessing the river is difficult in many areas and not always safe. The river is the catalyst for attracting new mixed use development on the north and south sides.
Strategies: Near Term/ Quick Wins	<p>4a. Implement RTC's complete street improvements on Evans Avenue that include bike lanes and new sidewalks and pedestrian amenities.</p> <p>4b. Upgrade and enhance the streetscape throughout Downtown, particularly on Sierra, Virginia, and Center.</p> <p>4c. Provide bicycle ramps on the existing I-80 pedestrian bridge at Arlington Avenue.</p> <p>4d. Partner with employers and property owners to add more bike racks throughout downtown with an iconic brand.</p>	<p>5a. Activate the ReTRAC lids with activities that serve residents and visitors. This could include a dog park, pickleball, bocce ball, art fairs, live music, pop-up (temporary) retail.</p> <p>5b. Add bike and walk distance/time markers and wayfinding signs to key destinations throughout downtown including UNR, RTC transit center, the Truckee River, Ace's Stadium, Midtown, etc.</p> <p>5c. Develop, fund and implement a façade rehabilitation program for structures within Downtown to promote the restoration of historic and meaningful buildings.</p>	<p>6a. Enhance the bicycle and pedestrian connections to the Truckee River trail at Virginia and Center Streets.</p> <p>6b. Provide additional lighting along the river trail east of Lake Street.</p> <p>6c. Add bike and walk distance/time markers and wayfinding signs to key destination from the Truckee River multiuse trail.</p> <p>6d. Engage the river as much as possible by providing shading and increased access to the water.</p>

Environment

Strategies: Mid to Long Term	<ul style="list-style-type: none"> Extend the Evans Avenue bike lanes south of 2nd Street and implement a bicycle/pedestrian bridge over the Truckee River through the Automobile Museum site and connect to the Holcomb Avenue bike lanes. 	<ul style="list-style-type: none"> Implement a bicycle/pedestrian bridge at Ralston over the Truckee River to connect to Barbara Bennett Park. Implement a bicycle/pedestrian bridge over the Truckee River through the Automobile Museum site and connect to the Holcomb Avenue bike lanes. 	<ul style="list-style-type: none"> Provide a major opening and access along City Plaza to better engage the river similar to the plaza across from Wingfield Park. Develop a bike rental facility in City Plaza
Tools	<ul style="list-style-type: none"> Revised Capital Improvements Programming (CIP) to include improvements to Downtown Streets, including streetscape, bike lanes and bike/bus lane conversion on Main and St. Joseph. Parking revenue Federal/State Transportation funding for addition of bike lanes NDOT grant funding 	<ul style="list-style-type: none"> PPP, with partners identified below, for public improvements in Downtown. Parking revenue 	<ul style="list-style-type: none"> PPP, with partners identified below, for public improvements in Downtown. Revised Capital Improvements Programming (CIP) to include improvements for Truckee River bike and pedestrian connections Parking revenue
Partners	City of Reno RTC NDOT UNR	City of Reno RTC Property Owners/Private developers	City of Reno RTC Property Owners

Experience

6. Safe & Clean

7. Arts, Culture, Entertainment, Tourism

8. Transportation & Parking Management

Goal	<i>Improve both the perception and reality of safety and cleanliness in downtown, creating an environment that is welcoming, inclusive and builds market confidence for attracting new investment.</i>	<i>Strengthen downtown's role as the region's center for culture and arts by enhancing and promoting arts, culture, heritage, history and preservation.</i>	<i>Improve the downtown parking and mobility experience for visitors, employees and residents by employing practices that make parking easier and hassle free, and maximize mobility choices throughout downtown.</i>
Core Values	Safe & Clean, Livable, Prosperous, Vibrant	Vibrant, Prosperous	Prosperous, Active, Welcoming, Livable
Why it's important	An environment that is safe and clean is fundamental to attract and retain patrons, residents and new visitors, thereby fueling downtown Reno's future growth and success.	Promoting arts and culture can help to redefine an area's identity and further boost its appeal. Whether through performance or visual arts, or celebrating heritage/history, programming activity in public spaces enlivens downtown by offering experiential and memorable attractions for both local residents and out of town visitors.	A revised zoning code will provide additional opportunities for development to meet the current market needs, by removing the impediments found in the current zoning regulations. This is particularly true in the area east of 5th Street in which the development of additional housing, commercial space, retail and services, as well as maker and innovation space, such as research and lab space, is desired, and aligns with many of today's market opportunities.
Strategies: Near Term/ Quick Wins	6a. Develop a business plan for a new Downtown Partnership organization that can supplement city services by providing trained ambassadors and case workers to contain nuisance behaviors and connect homeless and others in need to services. 6b. Continue efforts to provide enhanced levels of cleaning in downtown. 6c. Establish a reliably visible police presence in downtown utilizing well founded community policing practices. 6d. Develop a comprehensive strategy to address such issues as loitering, panhandling, unlicensed street vending, etc. 6e. Formalize a communication structure for existing hotels, restaurants and merchants to efficiently/quickly share information about criminal or suspicious activity. 6f. Complete an assessment of current lighting levels throughout downtown.	7a. Compile a full inventory of special events currently taking place in and around downtown Reno. 7b. Utilize information from above inventory and explore opportunities for non-profits, arts organizations and special event organizers to collaborate and combine efforts to maintain consistent activation in downtown. 7c. Create and promote tours that highlight Reno's history, culture and issues related to preservation. 7d. Develop strategies for marketing downtown Reno and its key attractions including the use of national media, i.e., T.V. commercials during athletic events. 7e. Develop a marketing plan that captures downtown's destination appeal for residents in the Reno region.	8a. Educate the general public about public parking locations and availability. 8b. To decipher actual parking needs, evaluate parking inventory based on location, cost, current use and demand. 8c. Evaluate current bus service, usage, demand, cost, demographics. 8d. Create an educational campaign to encourage the use of transportation options including bus, bike, car sharing, van pooling, etc.

Experience

Strategies: Mid to Long Term	<ul style="list-style-type: none"> • Re-engineer downtown's existing assessment districts into one private-sector Downtown Management Organization to orchestrate/oversee all clean and safe efforts. • Introduce a team of Safety Ambassadors to provide a highly visible presence circulating (on foot, bike, Segway) along key corridors and areas that demand attention. As part of the Safety Team, include at least two case workers to provide a compassionate and effective form of outreach to downtown populations in need of social services. • Explore affordable short and long term options for increasing lighting levels throughout downtown. 	<ul style="list-style-type: none"> • Establish or expand one or two marquee events that generate lots of foot traffic and entice attendees to come back downtown. Event(s) could also have fundraising components. • Explore creating a downtown public art program partially funded by a new Downtown Partnership BID, and expand public art throughout downtown. 	<ul style="list-style-type: none"> • Explore expansion of bus service tailored to shuttle students, residents and new prospective riders. • Consider reuse options in the design of any new parking structures. • New technologies, particularly autonomous vehicles, may drastically reduce parking demand within five to ten years.
Tools	<ul style="list-style-type: none"> • Re-engineer existing assessment districts into one new private/public management organization; • Code enforcement; • Community policing models; • City commitment to backfill any policing revenue redirected to new BID and maintain existing police deployment 	<ul style="list-style-type: none"> • City culture and arts funding; • Assessment revenue from a new Downtown Partnership BID; • Explore revenue-generating special events through the new Downtown Partnership 	<ul style="list-style-type: none"> • Parking management strategies, include evaluation of pricing, signage and public information. • Consider a revenue share model with a New Downtown Management Organization – allocate a portion of on-street parking revenues to support downtown improvement efforts.
Partners	<p>City of Reno - Dept. of Public Works and the Police Dept., City Council, Community Assistance Center, downtown property owners, casino operators and business owners, social service providers. New Downtown Management Organization</p>	<p>City of Reno – Community Development Dept., Reno Historical, Reno focused arts and cultural organizations New Downtown Management Organization</p>	<p>City of Reno – Dept. of Public Works, Nevada Transit Authority, local bike organizations and rideshare companies New Downtown Management Organization</p>

IMPLEMENTATION

Sources of Funding

Implementation of the action steps in the previous section will take dedicated effort and resources. This section of the action plan looks at how the City of Reno can align its resources and efforts to achieve the action steps.

City of Reno

A variety of funding sources have been identified to advance the initiatives outlined in this Action Plan. Funding sources are divided into two primary bundles – funding that can be driven and/or initiated by the Reno City Council and funding that will require resources and commitments from public and private partners.

Parking Revenue

Reno has an opportunity to introduce new parking practices and reconsider technologies (FYI, Reno did have the same parking technology as Las Vegas and a few other cities. The program did not work well and they removed systems and reverted back) which have dramatically changed nationwide over recent years. The goal is to increase overall parking revenue AND improve the parking experience for Downtown visitors, consumers, employees and investors. As in many downtowns, parking revenue could be reinvested in a Downtown Parking Enterprise Fund and used to implement new capital improvements, including streetscape, roadway design, landscaping, gateways and wayfinding, and a new parking structure.



City CIP

The City should consider rearranging priorities within its Capital Improvement Program (CIP) planning to implement capital recommendations within the Downtown Action Plan. This funding source could be appropriate for many of the recommendations within the “Environment” section of the Action Plan, including enhancements to key streets and installation of connections and gateways for a variety of modes.

Tax Increment Financing (TIF)

While a common tool used to help leverage private investment throughout Reno, downtown revitalization and the elimination of blight is a core purpose of tax increment financing that makes its use fully appropriate to advance the Downtown Action Plan. The Downtown TIF is currently committed to existing projects and the City is considering extending the life of the TIF district in order to fully pay obligations and

generate new funding. Long term, the continuation of TIF should be considered as a key tool to implement the Downtown Action Plan for both public space improvements and pioneering new private development that introduces housing and innovative mixed-use concepts.

Liquor and Marijuana Taxes

With the legalization of retail marijuana, Reno will be establishing the regulatory framework for this new industry, including a new taxing structure. It is also important to acknowledge that retail liquor and marijuana may contribute to disruptive and problematic behaviors exhibited on downtown streets. An additional surcharge within the downtown district should be considered, as these funds could help finance the expanded clean and safe initiatives described later in this section.

Downtown/Infill Development Incentives

Currently in Reno, developers of infill development in the core are required to pay the same impact fees as suburban and greenfield developers. These fees should be lower for infill development because the majority of the infrastructure exists in the form streets, utilities, sidewalks, transit service, schools, etc. Also, redevelopment of blighted properties potentially reduces the cost of providing police and fire protection and therefore should have reduced development fees.

Other incentives for downtown infill development could include:

- Incremental fees for residential development that could be paid when developments become 80%-90% occupied.
- Reduced fees for redeveloping blighted properties
- Reduced water tap fees
- Reduced setbacks or greater lot coverage allowance for multifamily dwellings
- Reduced landscape and parking requirements
- Expedite the permit process



Partner Funding Options

Credit Enhancements from Large Regional Employers:

This is a method whereby large regional employers provide a credit enhancement (or guaranty) to a development company to improve its debt or credit worthiness and help jump-start new projects. Through credit enhancement, the lender is provided with reassurance that the borrower (developer) will honor the obligation through additional collateral, insurance, leasing commitments or a third party guarantee. Credit enhancement provides leverage to developers creating housing that achieves Reno's housing goals. For the large regional employers, the return is in the form of helping to recruit skilled employees that may choose to live in new Downtown housing.

Crowd-Sourcing

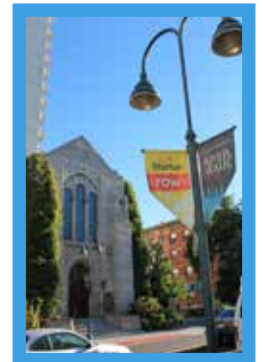
Crowd-sourcing platforms, where funds are secured through localized online appeals, could provide resources for low-cost capital and programming ideas that benefit Downtown residents and workers. Recent examples include crowd-sourcing to create a new Downtown dog park in Cleveland, OH or crowd-sourcing to secure funding for dedicated bicycle lanes in Downtown Denver, CO. In each case, downtown residents and businesses matched funds that were put forth by the BIDs.

Foundation/Corporate Grants and Sponsorships

Many of the Action Plan capital and programming recommendations may be appropriate for securing foundation or corporate grants and sponsorships. Improvements such as implementing a bike share program or active amenities in parks may be well matched for foundation or corporate sponsorships. Special events will remain a top opportunity for sponsorship.

Historic Property Development Incentives

Federal Tax Incentives: There is a 20% tax credit program on the qualified expenditure of a substantial rehabilitation of a certified historic structure. The tax credit applies to the building owner's federal income tax for the year in which the project is completed and approved. The 10% tax credit program is available for the rehabilitation of non-historic buildings placed in service before 1936. The building must be rehabilitated for non-residential use.



MEASURING PROGRESS

Two complimentary approaches are suggested to measure progress in achieving the goals and strategies of the market-based Downtown Action Plan: quarterly implementation reports and an annual key indicators assessment.

Quarterly Reports

Progress to implement the Reno Downtown Action Plan will be overseen by the City and the Management Organization. To track progress in implementing the action steps of the plan, a quarterly progress report should be prepared by the Management Organization /Downtown Planner and presented to the City Council indicating what activities have occurred within each of the three activity areas.

Annual Key Indicator Tracking

The action steps have been identified to move Downtown Reno forward to meet or achieve the community's larger vision and values for Downtown as described by the Core Values of the plan. In order to connect the specific activities to the larger vision, the City can track measurable indicators that offer information about how closely Downtown resembles the desired core values of Prosperous, Connected, Active, Welcoming, and Livable. The City should establish a baseline upon adoption of the plan and then use the suggested key indicators below to measure progress toward the core values:

Prosperous

- Office and street level vacancy rates
- Number of outdoor seats
- Number of dining establishments
- Number of jobs
- Number of residents employed in Downtown
- Number of new businesses

Connected

- Linear feet of improved sidewalks
- Improved walk score
- Linear feet of new bike facilities
- Number of people crossing improved intersections on Omaha and 5th Streets
- Number of people using new sidewalks and bike facilities

Active

- Number of new Downtown residents
- Number of transit transports
- Annual attendees at Downtown events & attractions
- Pedestrian counts at a variety of locations on a weekday and weekend on non-event days

Welcoming

- Feedback from downtown visitors
- Return customers, both local and out of town

Livable

- Number of Downtown residents
- Job diversity by industry and skill level
- Racial/ethnic mix of pedestrian and park user counts
- Median home price by downtown area neighborhoods

MANAGEMENT ORGANIZATION

Early in PUMA's analysis of downtown, we found that Reno could benefit from a new private-sector led downtown management organization (DMO) that would be funded largely by special assessments. Below is an outline for creating such an entity, including the rationale, suggested work program and financing.

This plan recommends a public/private partnership approach to improve downtown Reno that requires investment from both the downtown business community and the City. In summary, we are recommending that existing assessment districts amounting to nearly \$1.9 million in annual property owner taxes be re-engineered into one private-sector led district. This approach will also require both the City and the downtown business community to raise additional funding to maintain police services that are now funded by one of the existing downtown assessment districts.

Why a Downtown Management Organization for Reno?

Stabilize Downtown Streets: Currently Downtown Reno is not perceived as safe. This issue, including homelessness, transiency, blighted properties and public safety, was by far the number one concern voiced by a majority of nearly 1,000 Reno residents that responded to an online survey. Safety concerns have also been voiced by scores of downtown stakeholders that we have interviewed, including property owners, businesses, residents and city officials. Safety is fundamental to downtown vitality, including the ability to attract visitors, new investment for housing, retail, offices and other uses. Much of the safety issue is related to nuisance behaviors – transients, aggressive panhandling, defacing property, etc. Conventional policing is not the most effective way to address these issues – a different approach is urgently needed.

Create a Public/Private Partnership to Champion Downtown: Currently, downtown lacks a self-sustaining and broad-based organization to champion revitalization. Virtually every other city in the West (and the rest of the nation) is served by a private sector-led organization charged with managing and marketing downtown. Advantages to this approach include consistency in advancing community planning and policy objectives and the ability to leverage civic resources.

Unified Voice and Accountability: A private sector-led downtown management organization provides a unified voice for downtown interests, and can help focus civic priorities and investments. Often, these organizations are funded by the type of special assessment districts that are already in place in Reno. However, in other cities these districts are partnerships that are private-sector led – in Reno, existing districts simply raise funds for enhanced city services with limited accountability to ratepayers.

Employ National Best Practices in Reno: Our nationwide experience suggests that a private sector-led downtown management organization, funded in part by special assessments, could be effective at working with the city to stabilize downtown streets, market the area to consumers and investors and create a self-sustaining champion to advance downtown improvements for the long term. We have provided profiles from similar organizations in the region, including Sacramento, Boise, Salt Lake City and Spokane.

How Could a Downtown Management Organization Work in Reno?

The following outline provides an initial framework for a new Downtown Management Organization in Reno:

Objectives

- Create a self-sustaining public/private champion focused exclusively on improving downtown.
- Work with the City of Reno to make downtown reliably safe and clean.
- Attract new businesses and investment to Downtown Reno.
- Partner with the City of Reno to implement the Downtown Action Plan.
- Provide a unified voice for all downtown interests and accountability to ratepayers within a new downtown special assessment district.

Organizational Structure

- The new downtown management organization will be a 501(c)3 or (c)6 non-profit.
- Much of the initial funding for the organization will be created by re-engineering the two existing special assessment districts currently in place in downtown Reno into one new “business improvement district” (BID) per NRS 271. (see budgets on the following page).
- A 13 to 17-member board of directors is recommended for the new non-profit organization, including representation from all geographic sub-districts, a variety of business types, residents and the City. A majority of the board should be private sector property owners.

Suggested Services

- Augment Reno policing efforts with a team of uniformed ambassadors and case workers. This approach has been utilized effectively in scores of cities throughout the West to discourage nuisance crimes, help homeless and transient individuals find appropriate services and improve both the reality and perception of safety. For Reno, the firm Block by Block, a national safe and clean services provider, rendered a service quote of \$700,000 annually for enhancing law enforcement efforts in Reno.
- Continue to pay for enhanced policing services deployed in walking and/or biking patrols. The suggested service plan retains \$600,000 in funding to support dedicated walking and/or biking patrols by Reno police in downtown.
- Continue to support enhanced maintenance services along Virginia Street, and expand “spot cleaning” to other parts of the downtown. The City, with funding from a second property tax assessment district, currently provides \$300,000 in enhanced maintenance services in the downtown. We found the City services to be effective and applaud the employment of local marginalized populations in maintenance positions. The new Downtown Management Organization could opt to continue these services, or seek a private sector contractor.
- Support a new executive director for the Downtown Management Organization, plus a small staff to coordinate communications, marketing and economic development initiatives. P.U.M.A. envisions a three-person staff plus funding for programming.

Funding the New Downtown Management Organization

PUMA recommends that the two existing special assessment districts in downtown Reno be re-engineered into one and then be managed by the new Downtown Management Organization. This would allow for the private sector to have more influence and flexibility in the management and use of special assessment funds. Per the budget exhibit below, this would require the City of Reno to “backfill” up to \$850,000 that would be reallocated to ambassadors, case workers and DMO staff and programming.

Existing Districts		Proposed New DMO BID	
Safety District: Funds enhanced Reno policing in Downtown	\$1,600,000	Safety: New team of ambassadors and case workers	\$700,000
Maintenance District: Funds enhanced maintenance concentrated along Virginia	\$300,000	Safety: Enhanced Reno policing for walking and/or biking patrols	\$600,000
		Enhanced maintenance along Virginia and beyond	\$300,000
		DMO director, marketing, and economic development	\$300,000
TOTAL	\$1,900,000		\$1,900,000
Additional Private Sector Investment		Membership support for the new DMO	\$150,000
Additional City Investment		“Backfill” to maintain enhanced Reno policing	\$850,000

Several revenue sources have been identified that could contribute to the “backfill” identified to maintain current enhanced policing in downtown, including:

- Expand the boundary of the proposed BID to include properties beyond the existing assessment districts.
- Create an impact fee on retail liquor and marijuana sales within the downtown district.
- Obtain significant annual contributions from the University of Nevada Reno and other major institutions adjacent to downtown.
- Explore options to share revenue from on street and public parking structures.
- Consider general fund support for the new downtown management model, addressing one of the city’s top policy priorities.

The Downtown Management Organization would be able to leverage assessments with a variety of other potential funding sources, including:

- Sponsorships for special events and promotions.
- Membership fees for businesses located outside of downtown.
- Charitable contributions from foundations and corporations, particularly if the organization is structured as a 501(c)3 non-profit.
- Parking revenue from a potential parking revenue sharing agreement with the City of Reno.

DMO Implementation

If the Downtown Management Organization concept is found desirable in Reno, we recommend that a formal district re-engineering plan and process be an initial step resulting from the Downtown Action Plan. The re-engineered districts could be accomplished under NRS 271, and would require petition support from property owners representing a majority of assessments to be paid. If carried out in the spring of 2017, the district could conceivably be in place by the fall, with funding available for services by January 1, 2018.

MANAGEMENT ORGANIZATION CASE STUDIES

Downtown Sacramento Partnership

A Model Business Improvement District - Downtown Sacramento Partnership

On January 17, 2017 more than a dozen city leaders from Reno, NV made a bus excursion to Sacramento, CA to meet with representatives of the Downtown Sacramento Partnership (DSP). Executive Director Michael Ault was joined by Deputy Director Danielle Biller and other senior staff to offer a comprehensive overview of the organization including programmatic details of their PBID (property based business improvement district).

Much emphasis was placed on the clean and safe program (details outlined below), including the philosophy for addressing homelessness and other social issues. Additionally, during this trip, city staff from Reno had the opportunity to interface with the executive director of the non-profit Sacramento Steps Forward to discuss challenges and other approaches in addressing homelessness. Insightful information was also shared about affordable housing, public/private partnerships and relating to/with property owners, merchants, etc. about a myriad of issues.

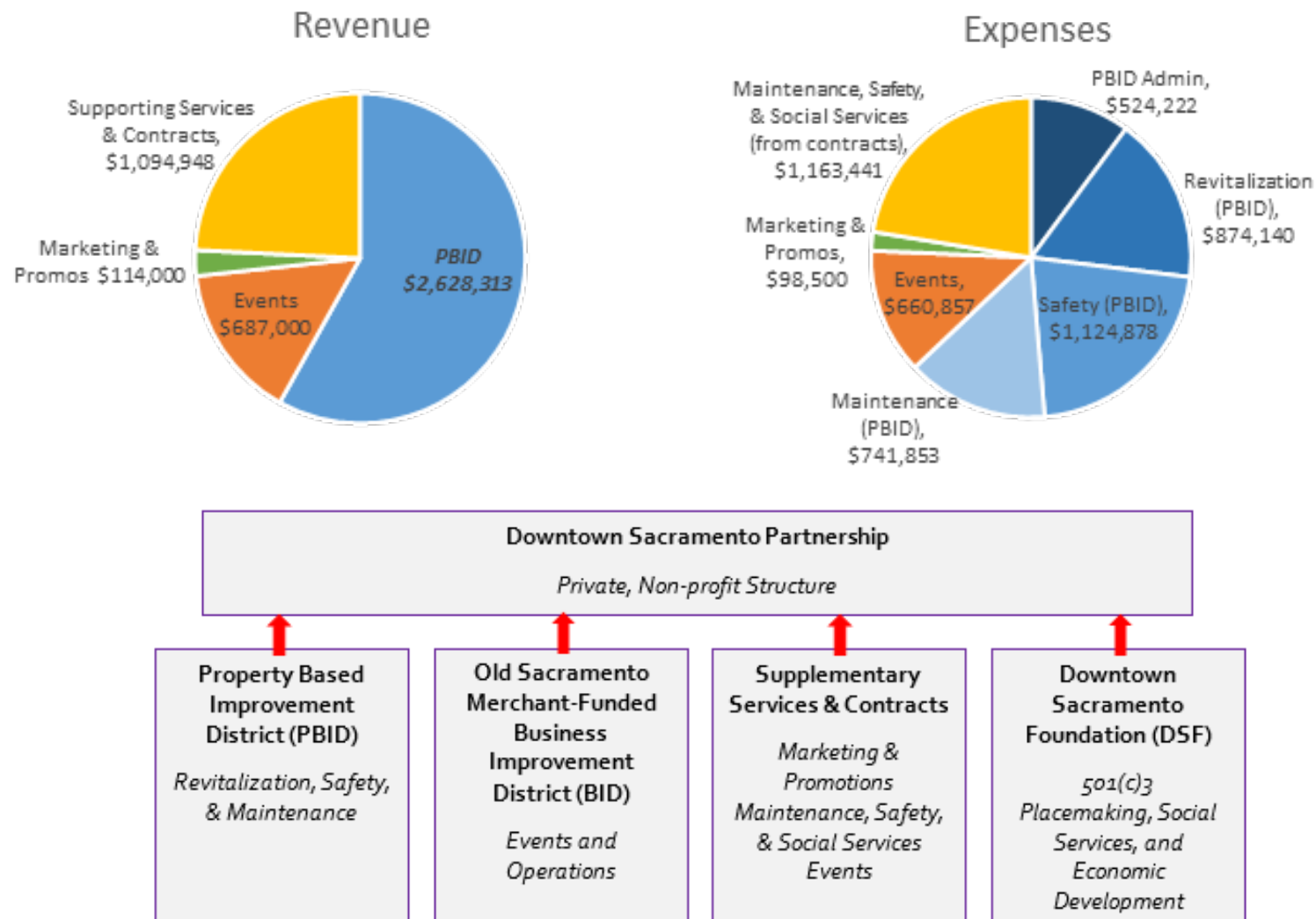
During this visit, the Downtown Sacramento Partnership clearly demonstrated how they are making an invaluable difference in their downtown. They are advocating on behalf of their stakeholders, responsive to their constituents and creative in tailoring solutions to advance the public good and downtown's economic vitality.

Clean and Safe Overview

- Downtown Guides dressed in yellow and black uniforms act as good-will ambassadors for the downtown. They provide extra “eyes and ears” for local law enforcement, serve to deter aggressive panhandling and drinking in public, offer directions and assist visitors, accompany employees and patrons to their destinations, and document and report graffiti.
- Homeless Navigators engage with homeless individual's intent on increasing access to care, connecting appropriate long-term solutions and service programs to “improve their clients' quality of life and ultimately end their state of homelessness.” In reuniting homeless individuals with their families or getting them placed into housing, the Navigators have an 88% success rate.
 - » The Navigators are part of Sacramento Steps Forward, the “lead agency devoted to end homelessness in the Sacramento region.”
- The Clean Streets Team works every day to keep downtown clean. They remove litter (approx. 830,000 gallons annually), graffiti (34,000 pieces on average per year) and pressure wash sidewalks and alleys. They also respond to on-call maintenance issues and conduct street light audits throughout downtown.

In closing, the Reno visitors were reminded that business improvement districts are collaborative entities, combining public/private

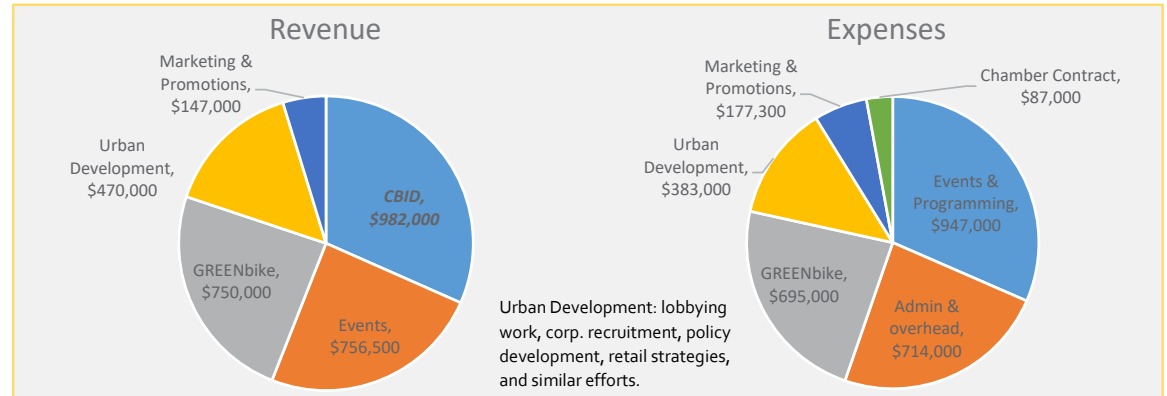
partnerships, creative, out of the box thinking to solve problems and overcome challenges. An additional benefit to forming a BID is having the ready network of individuals and organizations generously willing to share information and ideas to make a lasting and positive difference in downtowns.



Downtown Salt Lake City Partnership

To be formatted for Final Draft

BUDGET



PROGRAMMING & EVENTS

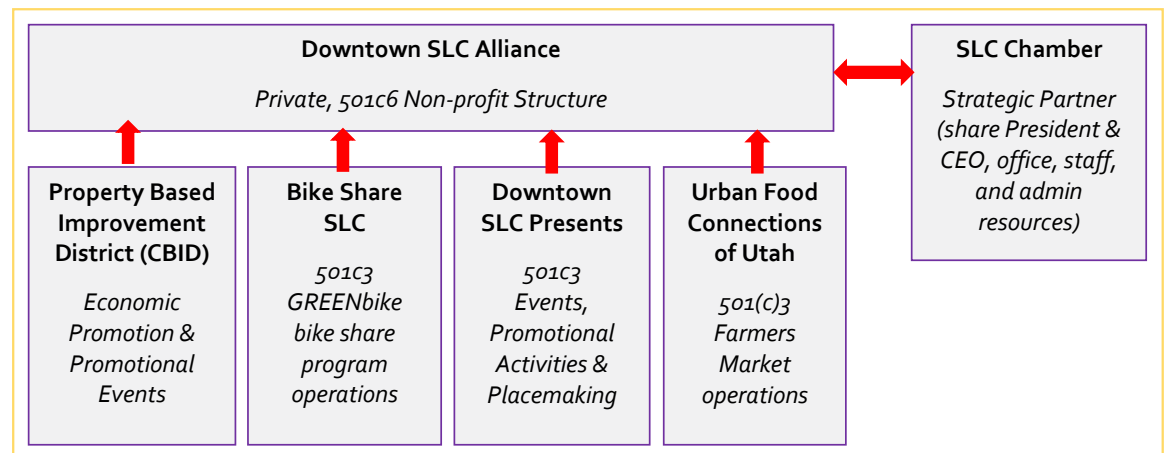
- o *GREENbike*, the city's bike share program
- o Year-round downtown *farmers markets*
- o *Downtown Art and Craft Market*
- o *Downtown Garden Stroll*, a temporary pop-up park program
- o *EVE WinterFest*, a three-day holiday festival, along with holiday lights and a free bus circulator
- o *Downtown Dine O'Round*, a two-week restaurant promotion

TOP ACCOMPLISHMENT

Documented improvements in public perceptions of downtown SLC, lease rates, housing units added, retail sales tax generated and attendance at community events and programs.

HOMELESS OUTREACH

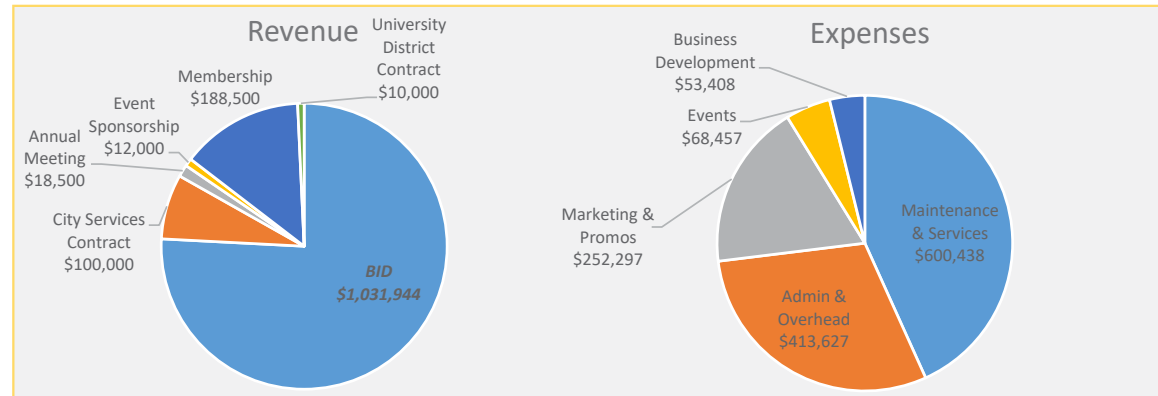
- o Donation *HOST street meters* program
 - o Established *community classroom* offering various training classes
 - o Launched the *Clean Team* to employ homeless individuals
- 36% of homeless hired for the Clean Team moved on to permanent employment**



Downtown Boise Association

To be formatted for Final Draft

BUDGET



CLEAN & SAFE

- *The Clean Team* serves the businesses and patrons of downtown with their common area cleaning, planting, graffiti removal, and maintenance needs as well as provides valuable hospitality services.
- *Security Ambassadors* provide security service, assistance with directions, street disturbances, employee escorts, and medical emergencies. They are the eyes and ears of the downtown area and work collaboratively with private security firms and Spokane PD.

MAYOR'S TASK FORCE ON URBAN ENVIRONMENT

- DSP partnered with the City to establish and build a community-wide task force focused on homelessness, panhandling, crime, and negative behavior reduction.
- Comprised of city council, mayor's office, municipal court, law enforcement, service providers, business community, faith community.
- Double digit reductions in crime for 3 years; recently completed 100 new units of Housing First housing; reduced homelessness and panhandling; provided more job opportunities for youth; and strengthened nuisance laws.

TOP ACCOMPLISHMENT

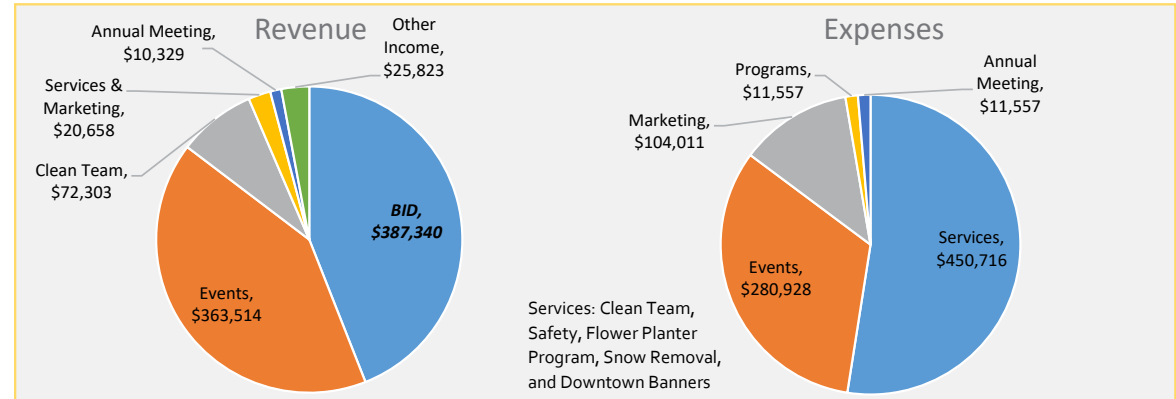
Formed, housed, and provided all resources for a University District that now, as of a year ago, operates as a standalone public development authority. Relies on a dedicated TIF used to complete the buildout of a multi-university campus for WSU, Gonzaga, Whitworth, and the local community colleges. In turn, this has united government, businesses, universities, and the medical industry around what's estimated to be a \$2 billion return.



Downtown Spokane Partnership

To be formatted for Final Draft

BUDGET



CLEAN & SAFE

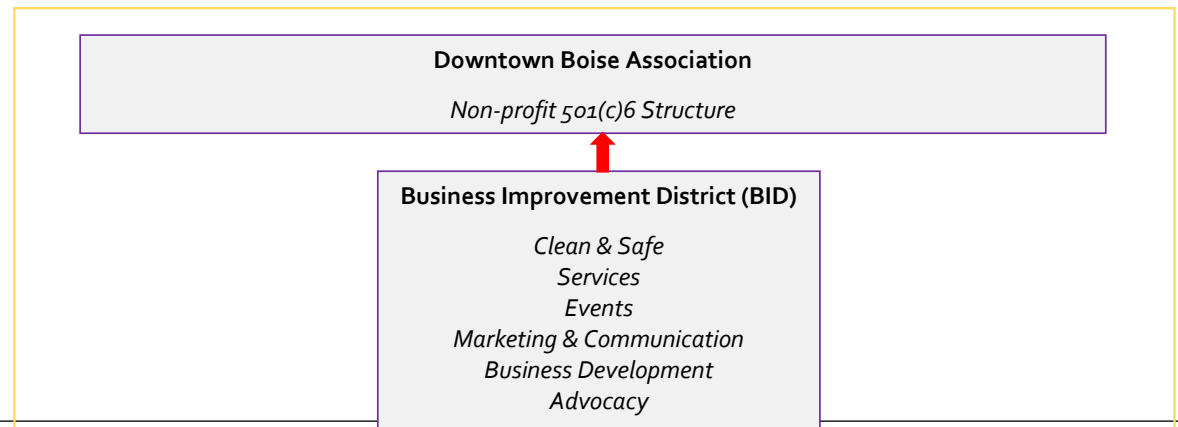
- *The Clean Team* works with the city, the Capital City Development Corporation (CCDC) and other private contractors to keep downtown clean and attractive.
2,700 hours dedicated to keeping sidewalks clean and **2,550 hours** emptying trash cans annually
- *A Downtown Micro-District* was created in partnership with the Boise Police in fall of 2015 to focus on safety in the downtown area.

SPECIAL EVENTS

- *First Thursday*, event involving 70 downtown galleries, boutiques, shops, restaurants, & nightclubs on the first Thursday of each month
- *Alive After Five*, a free summer after-work concert series that attracts 2,500-3,000 people each of 13 weeks
- *Twilight Criterium*, a Tier 1 USA cycling event hosted downtown for 30 years

TOP ACCOMPLISHMENT

The Twilight Criterium, a Tier 1 USA cycling event, has been hosted Downtown for 30 years. Over 300 pro women's and men's racers participate and the event often draws over 20,000 people to the downtown core. In addition to the professional race, there are several other events including an expo that hosts vendors and nonprofits, and a local celebrity race.



APPENDIX

APPENDIX

MARKET ASSESSMENT

SURVEY RESULTS

The Economics of Land Use



Final Report

Reno Downtown Market Assessment

Prepared for:

City of Reno

Prepared by:

Economic & Planning Systems, Inc.

*Economic & Planning Systems, Inc.
730 17th Street, Suite 630
Denver, CO 80202-3511
303 623 3557 tel
303 623 9049 fax*

*Denver
Los Angeles
Oakland
Sacramento*

www.epsys.com

December 1, 2016

EPS #153104

Table of Contents

1.	INTRODUCTION.....	1
	Project Overview.....	1
	Downtown Study Areas.....	2
	Summary of Findings	4
	Market Opportunities and Constraints.....	6
2.	DEMOGRAPHIC CONDITIONS.....	8
	Population and Households	8
	Age	9
	Income.....	10
	Race and Ethnicity	12
	Demographics Comparison.....	13
3.	HOUSING CONDITIONS AND OPPORTUNITIES.....	14
	Housing Units.....	14
	Housing Tenure	15
	Housing Mix	17
	University of Nevada-Reno Housing.....	19
	Housing Market	21
	Recent and Planned Development	25
	Future Housing Potential.....	26
4.	EMPLOYMENT CONDITIONS AND TRENDS.....	28
	Recent Regional and City Employment Trends	28
	Downtown Employment Conditions	29
5.	OFFICE AND RETAIL MARKET	34
	Non-residential Space Inventory	34
	Rental Rates and Vacancy.....	36
	Recent and Planned Projects	42
	Future Non-Residential Development Demand	44
6.	ENTERTAINMENT AND ACCOMMODATIONS.....	46
	Visitation Data and Attractions	46
	Gaming Trends	49
	Hotel Inventory and Conditions.....	52

List of Tables

Table 1	Population and Household Trends, 2000-2016	8
Table 2	Income, 2016	10
Table 3	Household Type	12
Table 4	Population by Race and Ethnicity, 2016.....	12
Table 5	Demographics Comparison	13
Table 6	Occupied and Vacant Housing Units, 2000-2016	14
Table 7	Housing Tenure, 2000-2016	16
Table 8	University of Nevada, Reno - Student and Faculty Enrollment, Fall 2015	19
Table 9	UNR Student Population Housing Needs	20
Table 10	Average Rental and Vacancy Rate for Reno-Sparks Area, 2016	24
Table 11	Recent or Proposed Residential Development.....	25
Table 12	Reno-Sparks MSA Employment, 2010-2016.....	28
Table 13	Jobs by Sector, 2014	30
Table 14	Top Ten Employers, 2015.....	31
Table 15	Commercial Inventory, 2007-2015	34
Table 16	Commercial Inventory Percent Capture of City, 2007-2015	35
Table 17	Commercial Vacancy, 2007-2015	36
Table 18	Commercial Rents, 2007-2015.....	39
Table 19	Recent and Proposed Commercial Developments.....	42
Table 20	Commercial Gaming Revenues by State, 2014 and 2015.....	50
Table 21	Recent Hotel Developments.....	54
Table 22	Washoe Country Visitation Summary	55

List of Figures

Figure 1	Map of Downtown Study Area	2
Figure 2	Map of Downtown Influence Area	3
Figure 3	Age Distribution, 2016	9
Figure 4	Population Change in Age Groups, 2010-2016	10
Figure 5	Household Income Distribution, 2016	11
Figure 6	Percent of Housing Units Vacant, 2000-2016	15
Figure 7	Housing Tenure by Age of Householder, 2010.....	16
Figure 8	Housing Units by Units in Structure, 2014	17
Figure 9	Housing Units by Year, 2014.....	18
Figure 10	UNR Fall Head Count and Enrollment Projections.....	20
Figure 11	Average and Median Home Sale Price for City of Reno, 2006-2015	21
Figure 12	Renter Occupied Households by Units in the Structure, 2000 and 2014.....	22
Figure 13	Average Monthly Apartment Rental Rates for Reno-Sparks, 2006-2016.....	23
Figure 14	Future Housing Unit Demand, 2015-2035.....	27
Figure 15	Reno-Sparks MSA Change in Employment, 2010-2016.....	29
Figure 16	Jobs by Earnings, 2014	32
Figure 17	Job Locations for Residents of the Study Area by Zip Code, 2014	33
Figure 18	Office Vacancy, 2007-2015.....	37
Figure 19	Retail Vacancy, 2007-2015.....	38
Figure 20	Industrial/Flex Vacancy, 2007-2015	39
Figure 21	Office Rents, 2007-2015	40
Figure 22	Retail Rents, 2007-2015	41
Figure 23	Industrial Flex Rents, 2007-2015	41
Figure 24	Demand for Square Feet of Development in Reno, 2015 to 2035.....	44
Figure 25	Washoe County Visitor Volume	46
Figure 26	Percent of Direct Room Nights by Event, FY10/11-FY14/15.....	47
Figure 27	Percent of Direct Room Nights by Event, FY10/11-FY14/15.....	48
Figure 28	Washoe County Annual Gaming Revenue, 1980 to 2014	49
Figure 29	Gaming vs. Non-Gaming Revenue on the Las Vegas Strip, 1990 to 2012.....	51
Figure 30	Washoe County Average Daily Room Nights	52
Figure 31	Washoe County Hotel Occupancy Percentage.....	53
Figure 32	Washoe County Average Daily Rate	53

THIS PAGE INTENTIONALLY LEFT BLANK

1. INTRODUCTION

Project Overview

Downtown Reno is the center of the Truckee Meadows region and has traditionally been a reflection of the economic prosperity of the region. Reno was founded to serve growing trade related to mining and agricultural activities in the region. The legalization of gambling in Nevada in the 1930's shifted the economy of Reno as it became a destination for hotels and casino gaming. The downtown area grew up around the gaming activities, with several casinos in downtown, but also served as a commercial center for the region and included residential areas. The character of downtown Reno shifted in the 1970's as large casinos, covering several city blocks, were built in the core and the construction of I-80 split the core from the University of Nevada Reno (UNR) campus to the north. Since then, the economic prosperity of downtown has been largely dependent on the strength of the casinos in the core and their ability to drive visitation. The surrounding uses largely became smaller hotels/motels and tourism related retail needed to support the tourism/gaming activities. The introduction of gaming on Indian reservations in the late 1990's and national declines in gaming revenues began to impact the downtown Reno casinos and the rest of the downtown area. Downtown Reno is no longer a reflection of the surrounding community, as the region has rebounded from the national economic recession in 2008 and 2009.

The City of Reno has implemented several programs and made large investments in the downtown area over the past 20 years to address the conditions in the city's core. These investments include streetscape improvement, special events, special assessment districts for police and other services, and burying the railroad right-of-way downtown to eliminate dangerous at grade crossings. These investments coupled with improvements to the Truckee River, creation of cultural amenities including museums and art galleries, and the Reno Aces Ballpark, drove reinvestment in the urban core prior to the economic recession. However, the Great Recession had a major impact on Reno and the region, further affecting gaming revenues as well as non-gaming driven tourism. As the region has begun to rebound, investment has not been quick to come to the urban core.

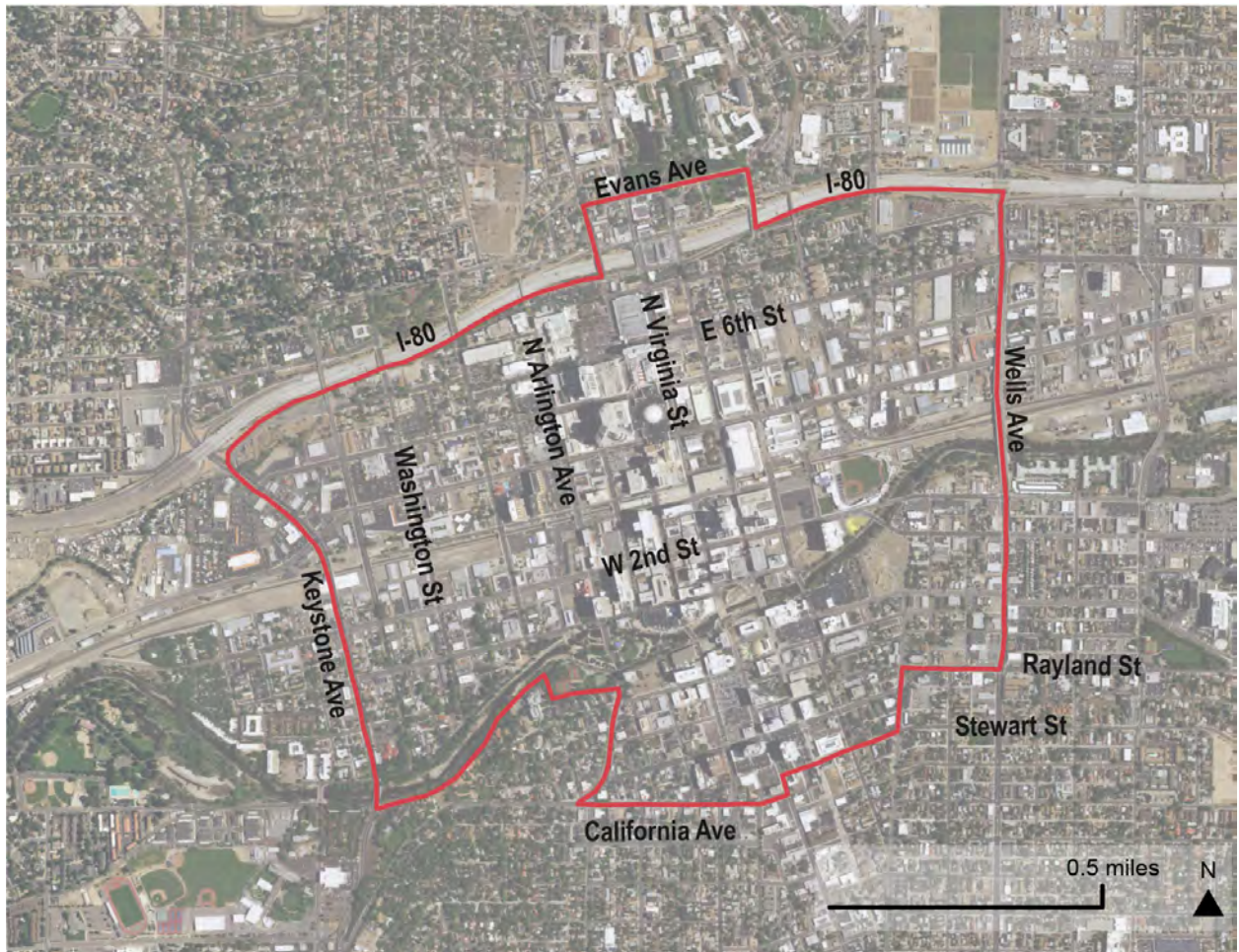
The deteriorating conditions of downtown has prompted the City of Reno to better understand the current market opportunities in downtown as part of the larger Downtown Reno Action Plan effort aimed at addressing the decline of the downtown area. This market assessment report presents detailed information on the demand and feasibility of real estate market activity in downtown in order to identify opportunities and barriers related to development that need to be addressed in the action plan strategies.

Downtown Study Areas

Study Area

The Study Area for the project is shown in **Figure 1**. The approximate boundaries of the Study Area are I-80 and Evans Avenue in the north, Wells Avenue to the east, California Avenue and Moran Street to the south, and Keystone Avenue to the west. This area is the primary focus of the Action Plan.

Figure 1
Map of Downtown Study Area



Downtown Influence Area

EPS, in consultation with the consulting team, also created a second study area—the Downtown Influence Area—to assess the demographic and market conditions within the larger central portion of Reno. This area serves as the market capture area for growth in the region that can be attracted or redirected to the central part of Reno. The boundaries of the Downtown Influence Area are the northern portion of the McCarren Loop to the north, US-395 to the east, Plumb Lane to the south, and McCarren Blvd (Hwy 659) to the west, as shown in **Figure 2**.

Figure 2
Map of Downtown Influence Area



Summary of Findings

The economy and conditions in Downtown Reno have been driven by the gaming industry for decades. The decline of the gaming industry led to disinvestment in the infrastructure that supports both gaming and non-gaming related economic activity and tourism. A portion of the hotel stock has transitioned mostly to low quality and low rent short term housing, rented on a weekly and monthly basis. These converted motels serve as de-facto housing for Reno lower income residents despite often times not having the basic amenities for residents, such as kitchens, and, typically being more expensive than longer-term rental. However, due the lower overhead requirements and less stringent rental terms, this short-term housing has attracted both residents needing affordable housing and transients as well as people struggling with drug and alcohol issues seeking its 24 hour environment.

Prior to the economic recession, there was momentum for new development in downtown with the addition of two high-end condo towers, entertainment uses, and the Reno Aces Ballpark. The economic recession stopped this growth, as it did throughout the region. Since the recession, the deteriorating conditions in downtown, along with other factors, have pushed demand for development in central Reno to the areas outside of the Study Area. The Midtown area of Reno is an example of this, as it is capturing new housing development and retail development. Interest in central Reno is beginning to move into the Study Area in areas separated from the casinos and the services for homeless and transient activity. Housing demand, especially for multifamily apartments, is growing and likely can drive demand for housing in the Study Area but the community must address issues related to perceptions.

The findings from the analysis of economic, demographic, and real estate market trends and conditions are described below.

1. *Housing demand within central Reno is growing, however the downtown Study Area has not captured this demand as of yet.*

The majority of population and household growth in the larger Downtown Influence Area between 2000 and 2010 occurred in the Study Area. Since 2010, this has shifted dramatically, as the Influence Area has increased in the annual rate of growth while the Study Area has decreased. The Influence Area (inclusive of the Study Area) captured 18 percent of housing unit growth in the City since 2010, while the Study Area captured 5 percent – down from 9 percent from 2000 to 2010.

2. *Demographic compositions within the Study Area and Influence Area are moving in diverging directions, which is an indication of the differences in market conditions in and out of the Study Area.*

The majority of population and household growth in the larger Downtown Influence Area between 2000 and 2010 occurred in the Study Area. Since 2010, this has shifted dramatically, as the Influence Area has increased in the annual rate of growth while the Study Area has decreased. The Study Area has an older and lower income population than the rest of the Influence Area and the City. It is also less ethnically diverse and less educated, and has more single person households. Population growth in the Study Area has been minimal (629 people) since 2010 and the majority of new residents (62 percent) are over the age of 65. Meanwhile, the Influence Area has grown by 2,615 residents. The number of residents over the age of 65 also increased significantly in the Influence Area (1,891 new residents) but so did the millennial population (25 to 34 years old) which increased by 1,300 residents.

3. The housing market in Reno has rebounded from the economic recession and there is increasing demand for new housing, especially multifamily rental housing.

The average rental rates within Reno are the highest they have ever been and have grown by 14 percent in past two years. At the same time the apartment vacancy rate is less than 3 percent indicating a lack of rental inventory. For-sale home prices are increasing at similar rates, but are still 30 percent lower than their peak in 2006.

4. Demand for retail is strong and growing in the Influence Area and has been driven by food and beverage establishments.

The average retail rents in the Influence Area are higher than in the City and Study Area. The vacancy rate within the Influence Area has decreased from 11.6 percent to 6 percent since 2012. The Influence Area also captured 26 percent of the new retail space added to the City from 2007 to 2015. This capture occurred outside of the Study Area. However, recent and planned developments indicate the Study Area, specifically in the neighborhoods south of the Truckee River, are becoming attractive to new retail. This area recently attracted a West Elm furniture store to the Post Office redevelopment, which also includes a market called The Basement, with a mixture of small boutique retailers and food vendors. Patagonia also plans to open a store in this area in the next year.

5. Office demand in Downtown is low and there has been little new office development in the past decade.

Downtown Reno represents 40 percent of the office inventory of the city. However, the Study Area lost a minimal amount of office space inventory from 2007 to 2015, while the Influence Area grew slightly by 10,000 square feet. The Downtown area, however, has begun to attract smaller, start-up type employment activity along First Street (between Virginia Street and Washington Street) known as Startup Row. This activity has yet to result in new office development.

6. Visitation patterns in Reno are shifting as visitation to Reno grows while gaming revenues continue to decline.

Gaming activities are driving less direct visitation; however casinos hotels still play a large role in supporting tourism. The casino hotels represent the majority of the hotel inventory in the city and still attract significant visitation for both gaming and other entertainment options. Large events, such as bowling related trips to National Bowling Stadium and conventions, currently drive a significant amount of the traffic tracked by the Reno Sparks Convention and Visitors Authority (RSCVA). Bowling related trips represent 31 percent of room nights and Conventions and Groups represent 30 percent of the room nights, as tracked by the RSCVA. In the future, RSCVA believes that Conventions and Groups will be an increasingly important market segment, forecasting that its proportion of room nights will increase to 40 percent in fiscal years 2015 to 2020. Over this same time period, RSCVA forecasts that Bowling will decline to 15 percent of room nights. Visitation has grown in recent years after large decreases during the economic recession and despite a declining hotel inventory. The decline in gaming since 2000 and the overall decline in travel in the recession had a major impact on the Study Area. Many of the small and non-gaming hotels/motels struggled due to decreased gaming traffic and the corresponding decrease in room night demand. As a result, many of the lower value motels shifted to allow weekly and monthly rental, and larger hotel/gaming establishments closed. Some of these larger establishments are being renovated to become non-gaming hotels. The Whitney Peak Hotel

was a conversion hotel/casino that opened in 2014. The Siena Hotel and Casino is currently being renovated into a Marriott Renaissance Hotel. A new build Courtyard by Marriott also recently opened in the Study Area. These efforts illustrate the demand for visitation that is non-gaming related.

Market Opportunities and Constraints

1. *Housing as a transformative element.*

Recent economic growth and its relative affordability have driven housing demand in Reno in recent years. The Influence Area captured 18 percent of housing growth in the city since 2010. There is demand for multifamily rental apartments that would greatly add to the consumer base in downtown and increase the day and night time population in the area.

Based on forecast growth by the Truckee Meadows Regional Planning Agency, the City of Reno is expected to grow by 32,000 housing units over the next 20 years. Using the recent capture rate of new housing units in the Influence Area of 18 percent, there is demand of 292 units per year in the Influence Area, which is a total of 1,462 units over a five-year period. The Influence Area has the potential to capture up to 23 percent of new housing growth in Reno in the coming years, which would equate to demand for 1,840 units over the next five years.

The Influence Area has attracted and will continue to attract millennials, a market segment with preference for rental units. Reno is also attractive to empty nesters and early retirees drawn to housing products (both rental and for-sale) in a vibrant, walkable environment. The condo developments in downtown, the Montage and Palladio, were successful in attracting these types of residents (and other types) when built. Both millennials and empty-nesters could drive the demand for multifamily homes, both rental and condo, downtown. There is also a large need for affordable rental units for residents earning less than 60 percent of the Area Median Income in Reno. A large portion of lower income residents live in the central part of Reno. Unfortunately, most of these residents often live in substandard housing. High-quality, income restricted affordable housing development projects, either through new construction or rehabilitation, would help address blight, replace substandard housing, and increase the vibrancy of the downtown area.

The existing conditions in the Study Area are a potential barrier to housing development. Issues related to safety and cleanliness, both real and perceived, in the downtown area are currently a barrier to attracting new residents. Some areas within the Study Area are beginning to attract new housing development including small, namely infill projects south of the Truckee River and a casino hotel conversion to apartments on the western edge of the core of the downtown. However, these areas are far enough removed from the cleanliness and safety issues that are more present near the large casinos on the eastern edge of downtown.

Potential Action Plan Strategies

- Catalytic housing development north of the Truckee River to bridge Midtown and Downtown.
- Public and private investments in amenities that support Downtown living including pedestrian amenities, lifestyle amenities such as a dog park, and improvement in perception of safety.
- Building on recent activity south of the Truckee River and help foster the development of a locally oriented retail and dining area through increased promotion and events.

2. The University of Nevada Reno as a major economic driver of both new housing and employment demand.

UNR has a total enrollment of approximately 20,000 students. Eighty-five percent of students live off-campus and an estimated 55 percent of students live in rental units. Despite the demand for housing generated by the University, the college age population (18 to 24 year olds) decreased significantly in the Influence Area from 2010 to 2016. This drop in population signals a decrease in the interest or the ability of UNR students to live in or around Downtown.

There is a demand for new student oriented housing, and it could be a catalytic use in Downtown. Enrollment at UNR is expected to grow by 2,000 students in the next five years. Based on current rates, 55 percent of these new students (1,100 students) will be renters needing housing. This could generate demand for 1,100 new bedrooms, which would represent 250 to 500 new housing units depending on household sizes. As well, a successful project in the Study Area could increase demand from a proportion of students currently choosing other options, who may desire to live in higher quality units, closer to downtown and the University.

The University is making investments in integrating its activities more directly into Downtown and has major plans to bridge the gap between the Downtown core and the campus. UNR created the Innevation Center in the southern part of the Study Area. The Innevation Center is a collaborative work space and start-up business incubator. UNR 2014 Master Plan calls for the creation of the University District between Downtown and UNR, with the goal to catalyze the area with University induced uses aimed at creating a safe and secure mixed-use neighborhood.

Potential Action Plan Strategies

- Designation of a student district that can bridge the University, Downtown and Midtown, with a mixture of student housing, student-oriented retail, and entertainment options.
- Enhanced walking and biking streets between the University and Downtown and the Truckee River.
- Explore providing land use incentives and provide political support for student housing development projects in the Study Area.
- Designation of an Innovation District or Corridor with enhanced infrastructure and amenities to support entrepreneurial activity.

3. Diversifying the tourism draw

Tourism and gaming will always be a major part of the downtown economic base. Visitation to Reno is growing, driven by major events and attractions as well as access to outdoor recreation and the Lake Tahoe Area. Downtown Reno has the potential to diversify its tourism related infrastructure and amenities to attract a broader spectrum of visitors. The City can attract new visitors by building on existing strengths, including its reputation as an arts destination, its access to the Truckee River, and its other cultural institutions, and by further emphasizing these authentic and locally driven cultural and natural aspects of Reno.

Potential Action Plan Strategies

- Public-private partnerships to address Downtown cleanliness and safety issues.
- Continued integration of arts into public spaces.
- Further promotion of the arts and increase in arts related events and activities.
- Creation of a cultural or arts trail to link major cultural or arts destinations.

THIS PAGE INTENTIONALLY LEFT BLANK

2. DEMOGRAPHIC CONDITIONS

Population and Households

In 2016, the Study Area had a population of 7,932 people in 4,781 households. Residents of the Study Area represent approximately 11 percent of the Influence Area population, and 3 percent of the City's population. As a result of smaller household size, the Study Area represents a larger percent of the households in both the Influence Area and the City, approximately 15 percent and 5 percent respectively.

All three geographies shown in **Table 1** have grown over the past 16 years. The Study Area grew at the fastest rate. From 2000 to 2010, the Study Area added 1,728 resident at an annual rate of 2.7 percent a year and 629 households at an annual rate of 3.5 percent a year. Coming out of the recession growth slowed, with the Study Area adding 629 residents and 386 households, both at an average annual rate of 1.4 percent over the past six years. The Influence Area grew at a more modest pace over this time period. From 2000 to 2010, the Influence Area added less than 100 people and approximately 1,000 households, growth rates of less than 1 percent and 0.4 percent respectively. Since 2010, growth has increased slightly, with the Influence Area adding 2,615 residents at a rate of 0.6 percent a year and 974 households at a rate of 0.5 percent a year. Finally, from 2000 to 2010, City population grew by 40,101, at an average annual rate of 2.0 percent a year and households grew by 15,257, an average annual rate of 1.9 percent. Since 2010, the City has grown by 17,970 people, at an annual rate of 1.3 percent, and added approximately 6,000 households at an annual rate of 1.1 percent.

Table 1
Population and Household Trends, 2000-2016

Description	2000	2010	2016	2000-2010			2010-2016		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Population									
Downtown Study Area	5,575	7,303	7,932	1,728	173	2.7%	629	105	1.4%
Downtown Influence Area	70,539	70,613	73,228	74	7	0.0%	2,615	436	0.6%
City of Reno	185,871	225,972	243,942	40,101	4,010	2.0%	17,970	2,995	1.3%
Households									
Downtown Study Area	3,127	4,395	4,781	1,268	127	3.5%	386	64	1.4%
Downtown Influence Area	30,129	31,206	32,180	1,077	108	0.4%	974	162	0.5%
City of Reno	75,919	91,276	97,277	15,357	1,536	1.9%	6,001	1,000	1.1%

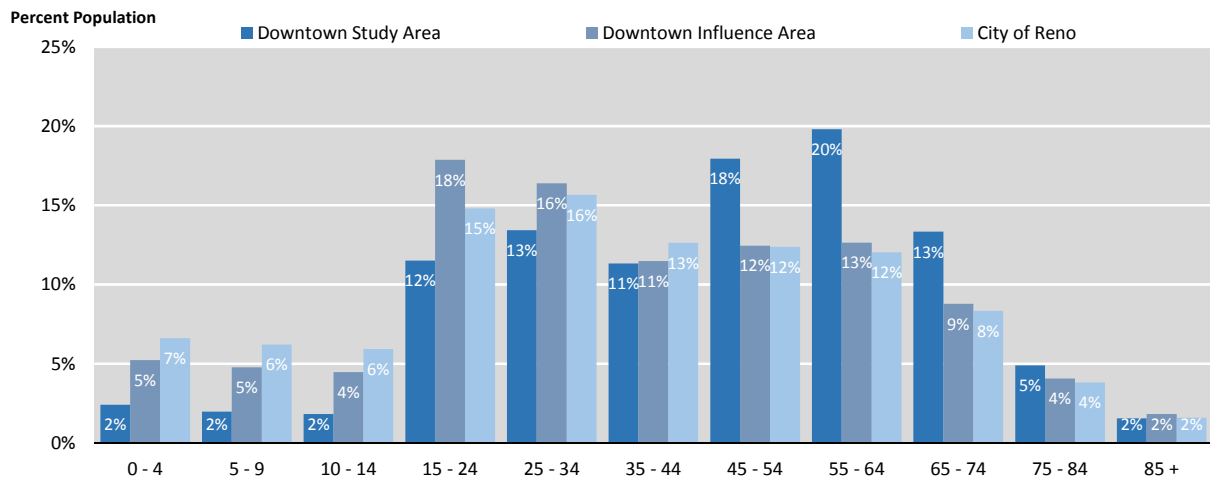
Source: ESRI; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v2.xlsx\Table-Pop&H#s

Age

Figure 3 presents the age distribution in 2016 of the three geographies. Compared to the City and Influence Area, the age distribution of the Study Area skews to the older side, with 50 percent of the population between 35 and 66, and 69 percent of the population over the age of 35. The modal age range for the Study Area is 55 to 64 at 20 percent of the total population. The Influence Area, which includes the University of Nevada Reno (UNR), has the youngest age distribution out of the three geographies, with 34 percent of the population between 15 and 35. Unsurprisingly given UNR, the modal age range is 15 to 24 at 18 percent of the total population. As a whole, the City also has a younger population than the Study Area. Similar to the Influence Area, 30 percent of the population is between 15 and 35. The modal age range for the City is 25 to 34 at 16 percent of the total population.

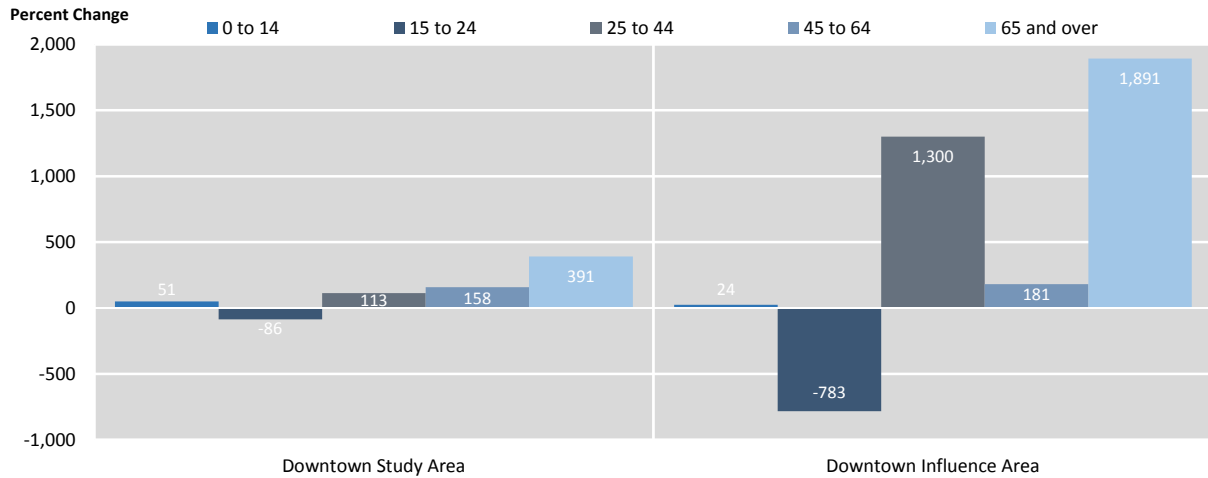
Figure 3
Age Distribution, 2016



Source: ESRI: Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsx\JT-AgeDistribution

In terms of changes in age groups from 2010 and 2016, both the Study Area and Influence Area lost population in the 15 to 24 age cohort. This is particularly surprising for the Influence Area given the presence of UNR and may suggest a lack of options in student housing. For the Study Area, the largest growth that took place was in the 65 and over or senior age cohort, which grew by 391 people. The 24 to 44 cohort grew by 113 people, and the 45 to 64 age grew by 158 people. Finally, the 0 to 14 age cohort grew by 51 children. The growth in population in the Influence Area was primarily split between 25 to 34 year olds at 1,300 people (approximately one-third of growth) and seniors at 1,891 (approximately one-half of growth). The 0 to 14 age cohort and 45 to 64 age cohort grew modestly by 24 and 181 people, respectively. **Figure 4** summarizes the changes in the age cohorts.

Figure 4
Population Change in Age Groups, 2010-2016



Source: ESRI; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsx\T-HHIncomeDistribution

Income

In 2016, median household income was significantly lower in the Study Area at \$19,967 than in the Influence Area at \$34,982 or the City at 46,112. The Study Area also had a lower average household income than the Influence Area and City. The average household income for the Study Area is \$35,115 compared to \$49,613 and \$64,292 for the Influence Area and the City, respectively. Finally, the per capita income for the Study Area was \$23,445 compared to \$23,130 and \$26,329 for the Influence Area and the City, respectively. The higher per capita income in the Study Area compared to the Influence Area, despite a lower median and average household income, was due to the smaller household size and correspondingly the different household types in the Study Area. **Table 2** presents the income information for 2016.

Table 2
Income, 2016

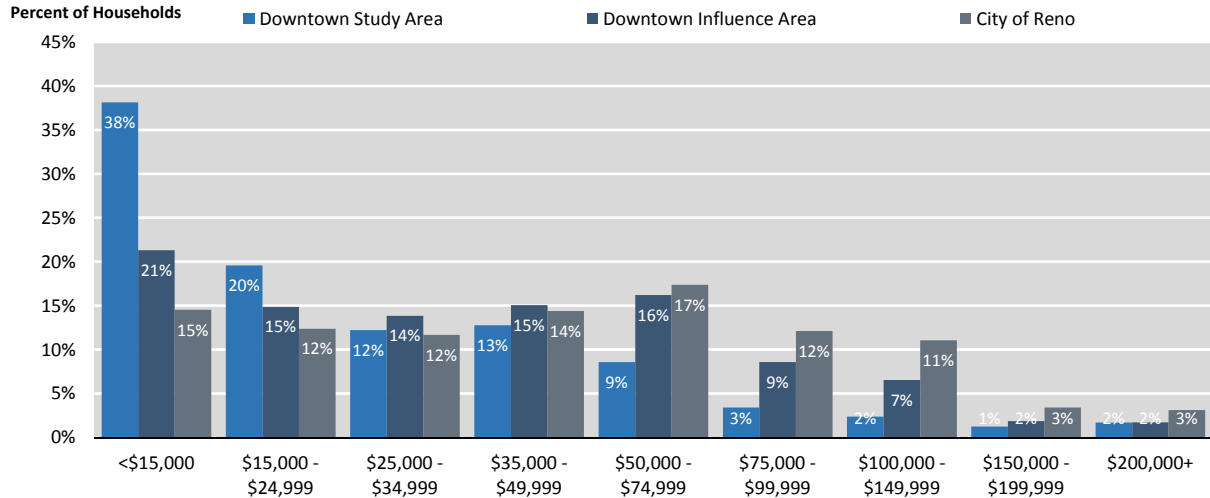
Income	Downtown Study Area	Downtown Influence Area	City of Reno
Median Household	\$19,967	\$34,982	\$46,112
Average Household Income	\$35,115	\$49,613	\$64,292
Per Capita	\$23,445	\$23,130	\$26,329

Source: ESRI; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v3.xlsx\Table-Income

Figure 5 presents the income distribution for all three geographies, and clearly shows that household income skews to lower income categories for the Study Area. The modal income range for the Study Area was an income of less than \$15,000, and 58 percent of the population made less than \$25,000. In contrast, the modal income for both the Influence Area and City was \$50,000 to \$74,999. In the Influence Area, 36 percent of the population made less than \$25,000, and, in the City, 27 percent of the population made less than this amount.

Figure 5
Household Income Distribution, 2016



Source: ESRI; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsx\T+HHIncomeDistribution

Household Type

In 2010, the Study Area had a higher percentage of 1 Person Households at 67 percent compared to 43 percent in the Influence Area and 32 percent in the City. As a corollary, in 2016, the Study Area had an average household size of 1.48 compared to 2.19 in the Influence Area and 2.58 in the City. The high percentage of 1 Person Households and the smaller average household size in the Study Area helps to both explain the high growth in number of households relative to population growth and the lower median household income in the Study Area. **Table 3** summarizes the household type data.

Table 3
Household Type

Description	Downtown Study Area	Downtown Influence Area	City of Reno
1 Person Household (2010)	67%	43%	32%
2+ Person Household (2010)	33%	57%	68%
Family	19%	43%	56%
Non-Family	14%	15%	12%
Average Household Size 2010	1.46	2.17	2.54
Average Household Size 2016	1.48	2.19	2.58

Source: ESRI; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v3.xlsx]Table-HouseholdType

Race and Ethnicity

White Alone made up 70 percent or greater of the population of the Study Area, Influence Area, and the City in 2016. The Study Area had a higher percentage Black population, but lower percentage of Some Other Race Alone than either the Influence Area or the City. In addition to its racial diversity, 26 percent of the city's population was of Hispanic Origin in 2016. While the Influence Area mirrored this level of diversity, only 14 percent of the Study Area Population is of Hispanic Origin. **Table 4** summarizes the race and ethnicity data.

Table 4
Population by Race and Ethnicity, 2016

Description	Downtown Study Area	Downtown Influence Area	City of Reno
White Alone	74%	71%	72%
Black Alone	7%	4%	3%
American Indian Alone	2%	2%	1%
Asian Alone	6%	6%	7%
Pacific Islander Alone	1%	1%	1%
Some Other Race Alone	5%	12%	12%
Two or More Races	4%	5%	5%
Hispanic Origin	14%	25%	26%

Source: ESRI; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v3.xlsx]Table-Race

Demographics Comparison

Table 5 provides a comparison among the three geographic levels for a number of key demographic metrics. In summary, the Study Area has the highest percentage of non-family households, the smallest average household size, the lowest median household income, an older population, the lowest education attainment, the lowest percentage of owner-occupied units, the highest percentage of vacant units, and the lowest median home value.

Table 5
Demographics Comparison

Area	Downtown Study Area	Downtown Influence Area	City of Reno
Households			
Non-family (i.e. roommates)	57%	35%	24%
Average Size	1.48	2.19	2.46
Median Household Income	\$19,967	\$34,982	\$46,112
Population Age			
15-34	25%	34%	30%
Education Attainment (pop. 25+)			
High School Diploma	20%	20%	19%
Bachelor's Degree or Higher	13%	17%	19%
Housing			
Owner-Occupied	5%	26%	40%
Vacant	20%	13%	10%
Median Home Value	\$183,099	\$218,754	\$256,782

Source: ESRI; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsx\T-DemoComp_V

3. HOUSING CONDITIONS AND OPPORTUNITIES

Housing Units

All three geographies followed similar growth patterns with both occupied and vacant housing units increases from 2000 to 2010 and occupied units increasing and vacant units decreasing or staying relatively flat from 2010 to 2016. Further, occupied unit growth rate slowed in 2010 to 2016. Overall, the Study Area had the fastest growth in occupied units for both times periods. Further, all geographies grew faster from 2000 to 2010, and while growing, have not recovered to their pre-Great Recession growth rates. **Table 6** presents the housing unit change.

The total number of housing units increased for the Study Area by 1,923 units, an annual rate of 4.2 percent, from 2000 to 2010, and by 276 units, an annual rate of 0.8 percent, from 2010 to 2016. From 2000 to 2010, an increase in both occupied and vacant units constituted this total increase. The number of occupied housing units increased by 1,267 units, an annual rate of 3.5 percent, and the number of vacant units increased by 656 units, an annual rate of 7.2 percent. From 2010 to 2016, while the number of occupied units increased by 386 units, an annual rate of 1.4 percent, the number of vacant units decreased by 110, an annual rate of 1.5 percent.

For the Influence Area, occupied units increased by 1,078, an annual rate of 0.4 percent from 2000 to 2010 and by 874 units, an annual rate of 0.5 percent from 2010 to 2016. Vacant units increased by 656 units, an annual rate of 7.2 percent, from 2000 to 2010, and increased slightly by 24 units, an annual rate of 0.1 percent from 2010 to 2016. For the City, occupied units increased by 15,357, an annual rate of 1.9 percent, from 2000 to 2010 and by 6,001 units, an annual rate of 1.1 percent from 2010 to 2016. Vacant units increased by 6,022 units, an annual rate of 7.5 percent, from 2000 to 2010, and decreased by 540 units, an annual rate of 0.8 percent from 2010 to 2016.

Table 6
Occupied and Vacant Housing Units, 2000-2016

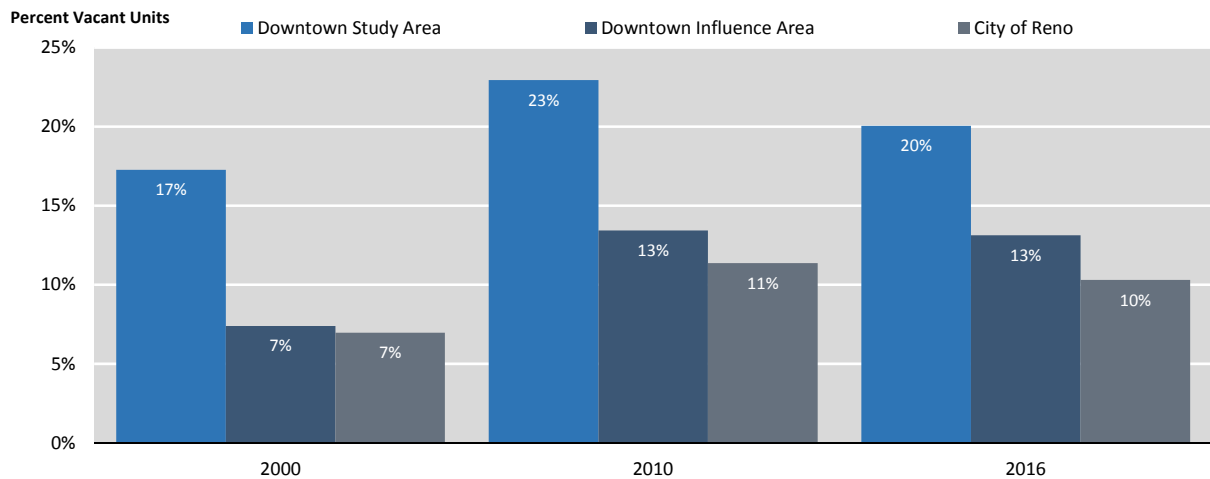
Description	2000	2010	2016	2000-2010			2010-2016		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Downtown Study Area									
Occupied	3,128	4,395	4,781	1,267	127	3.5%	386	64	1.4%
Vacant	653	1,309	1,199	656	66	7.2%	-110	-18	-1.5%
Total	3,781	5,704	5,980	1,923	192	4.2%	276	46	0.8%
Downtown Influence Area									
Occupied	30,128	31,206	32,180	1,078	108	0.4%	974	162	0.5%
Vacant	2,407	4,840	4,864	2,433	243	7.2%	24	4	0.1%
Total	32,535	36,046	37,044	3,511	351	1.0%	998	166	0.5%
City of Reno									
Occupied	75,919	91,276	97,277	15,357	1,536	1.9%	6,001	1,000	1.1%
Vacant	5,687	11,709	11,169	6,022	602	7.5%	-540	-90	-0.8%
Total	81,606	102,985	108,446	21,379	2,138	2.4%	5,461	910	0.9%

Source: ESRI; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsx\T-HousingUnits

Figure 6 shows the change in vacancy rate from 2000 to 2016 for all three geographies. The figure highlights the high level of vacancy in the Study Area, which was 20 percent in 2016. Further, the figure shows that while vacancy rates have still not recovered from their relative low in 2000, they have decreased since 2010, suggesting the beginnings of a recovery from the Great Recession.

Figure 6
Percent of Housing Units Vacant, 2000-2016



Source: ESRI; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsxJT-Vacancy

Housing Tenure

In terms of housing tenure, all three geographies followed a similar pattern with the total number of occupied units decreasing from 2000 to 2016, and with the relative proportion of renter occupied units increasing compared to owner occupied units. The Study Area had the highest percentage of renter-occupied units at 75 percent in 2016, and, as a corollary, the lowest percentage of owner-occupied units at 5 percent. From 2000 to 2010, the percentage renter-occupied units decreased by 5 percent and the percentage of owner-occupied units decreased by less than 1 percent. From 2010 to 2016, however, the percentage of renter-occupied units increased by 4 percent, with the percentage of owner-occupied units decreasing by 1 percent.

In 2016, 61 percent of housing units in the Influence Area were renter-occupied, and 26 percent were owner-occupied. From 2000 to 2010, renter-occupied units increased by 1 percent and owner occupied units decreased by 7 percent. From 2010 to 2016, renter-occupied increased by 4 percent and owner-occupied decreased by 3 percent. The City as a whole had the lowest percentage of renter-occupied units and the highest percentage of owner-occupied units. In 2016, 50 percent of housing units were renter-occupied, and 40 percent of housing units were owner-occupied. From 2000 to 2010, both renter- and owner-occupied units decreased by 2 percent. From 2010 to 2016, renter-occupied units increased by 4 percent, and owner-occupied units decreased by 4 percent.

Table 7
Housing Tenure, 2000-2016

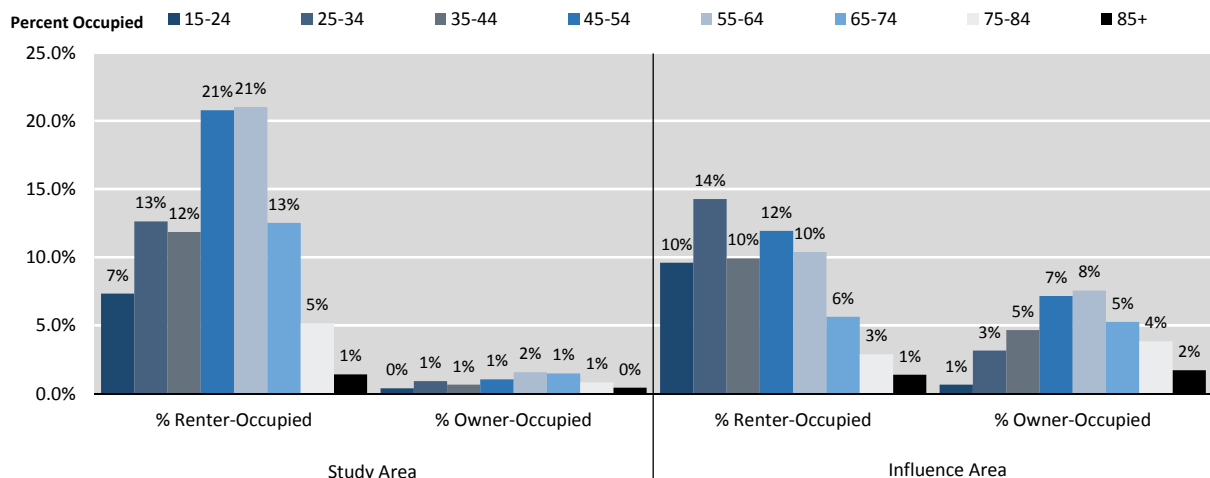
Description	2000	2010	2016	2000-2010			2010-2016		
				Total	Ann. #	Ann. %	Total	Ann. #	Ann. %
Downtown Study Area									
Owner-Occupied	6%	6%	5%	0%	0%	-0.7%	-1%	0%	-3.3%
Renter-Occupied	77%	71%	75%	-5%	-1%	-0.7%	4%	1%	0.9%
Total-Occupied	83%	77%	80%	-6%	-1%	-0.7%	3%	0%	0.6%
Downtown Influence Area									
Owner-Occupied	36%	29%	26%	-7%	-1%	-2.0%	-3%	-1%	-1.9%
Renter-Occupied	57%	57%	61%	1%	0%	0.1%	4%	1%	1.0%
Total-Occupied	93%	87%	87%	-6%	-1%	-0.7%	0%	0%	0.1%
City of Reno									
Owner-Occupied	45%	43%	40%	-2%	0%	-0.6%	-3%	0%	-1.0%
Renter-Occupied	48%	46%	50%	-2%	0%	-0.4%	4%	1%	1.3%
Total-Occupied	93%	89%	90%	-4%	0%	-0.5%	1%	0%	0.2%

Source: ESRI; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsx\T-HousingTenure

Figure 7 compares housing tenure by age for the Study Area and Influence Area. While both geographies have a higher percentage of renter-occupied units, the Influence Area follows a more typical age distribution with owner-occupied householders tending to skew older than renter-occupied householders. For example, the modal age group for owner-occupied households was 55 to 64 years old for owner-occupied householders compared to 25 to 34 years old for renter-occupied householders. For the Study Area, the age distribution for renter-occupied householders also skews toward older age groups. For example, the modal age group was 55 to 64 years old, the same as owner-occupied householders.

Figure 7
Housing Tenure by Age of Householder, 2010



Source: ESRI; Economic & Planning Systems

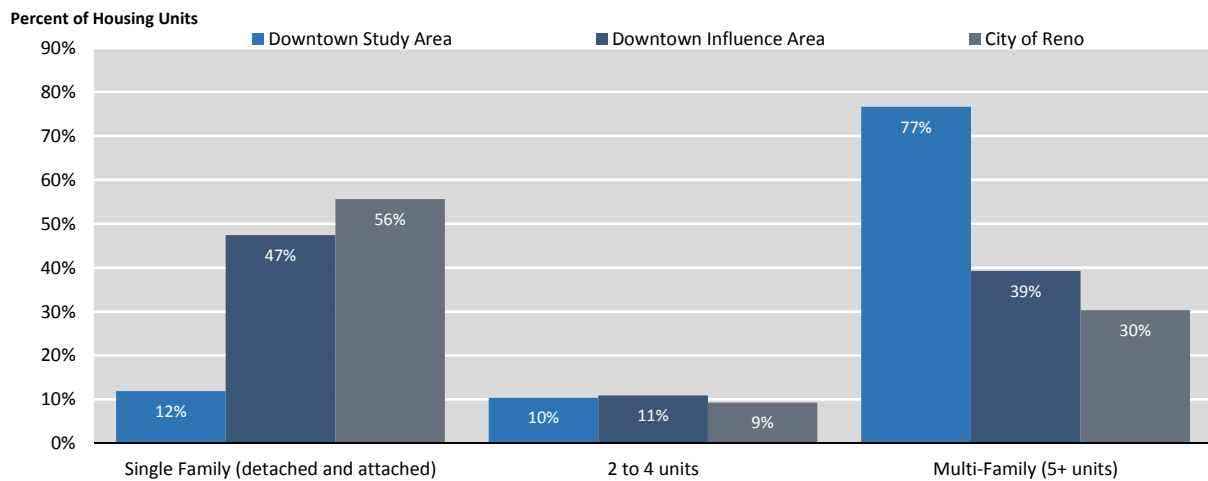
H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsx\T-HousingTenureByAge

Housing Mix

Units in Structures

In 2014, the Study Area consisted primarily of multifamily housing, with 77 percent of units in structures with five or more units and 11 percent of units in structures with two to four units. Only 12 percent of housing units were in single family structures – either detached or attached. Compared to the Study Area, a lower percentage of units in the Influence Area and City were in multifamily structures, and a higher percentage of units were in single family structures. For the Influence Area, 39 percent of units were in structures with five or more units, 11 percent of units were in a structure with two to four units, and 47 percent of units were in a single family house. For the City, 30 percent of units were in structures of five units or more, 9 percent of units were in structures of two to four units, and 56 percent of units were in a single family structure.

Figure 8
Housing Units by Units in Structure, 2014



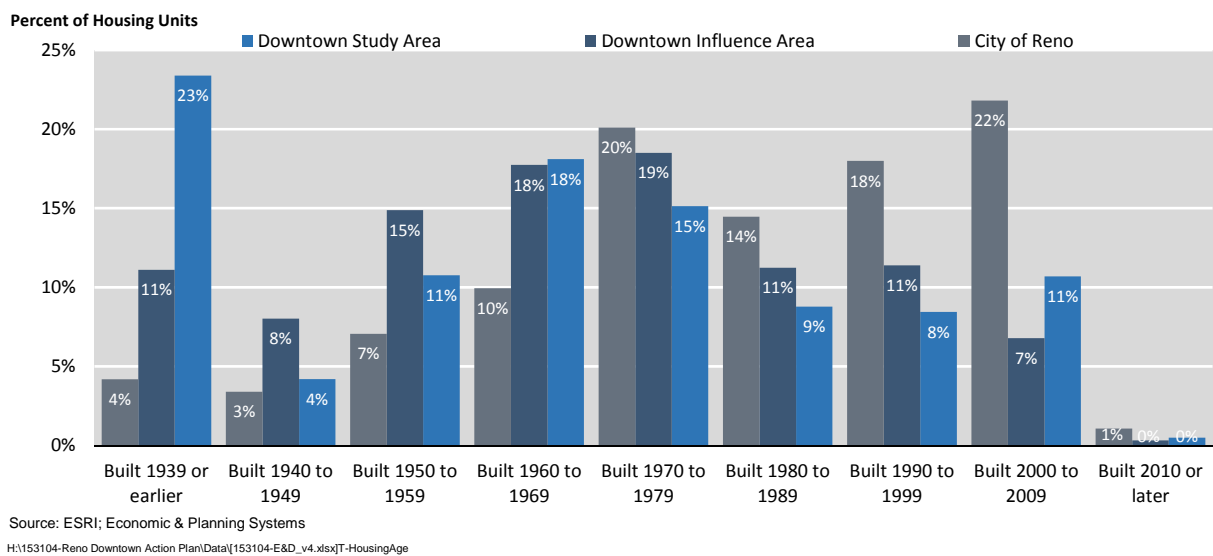
Source: ESRI; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsx\T-HousingStructure

Units by Year

The Study Area has older housing units compared to the Influence Area and the City. In 2014, the modal decade for housing units built was 1939 or earlier with 23 percent of total units. In total, 77 percent of housing units were built before 1980. The Influence Area has slightly younger housing units than the Study Area with the modal decade for housing units built being the 1970s at 19 percent of total units. Even still, 70 percent of units in the Influence Area were built before 1980, and the Influence Area has older units than the City as a whole. The modal decade for housing units built in the City was 2000 to 2009 with 22 percent of units. In total, 45 percent of units were built before 1980.

Figure 9
Housing Units by Year, 2014



University of Nevada-Reno Housing

Enrollment

UNR is located within the Influence Area. In 2015, UNR had an undergraduate enrollment of 17,295, a graduate enrollment of 3,218, and a non-degree enrollment of 475 for a total enrollment 20,898. The University also had 913 academic and research faculty and 714 administrative faculty for a total of 1,627. Taken together, the students and faculty make a total community of 22,525. To put this number in perspective, the number of people attending or working at UNR in the fall of 2015 equals approximately 30 percent of the 2016 Influence Area population of 73,228. Student population alone represents approximately 29 percent of Influence Area and 9 percent of the City population.

Table 8
University of Nevada, Reno - Student and Faculty Enrollment, Fall 2015

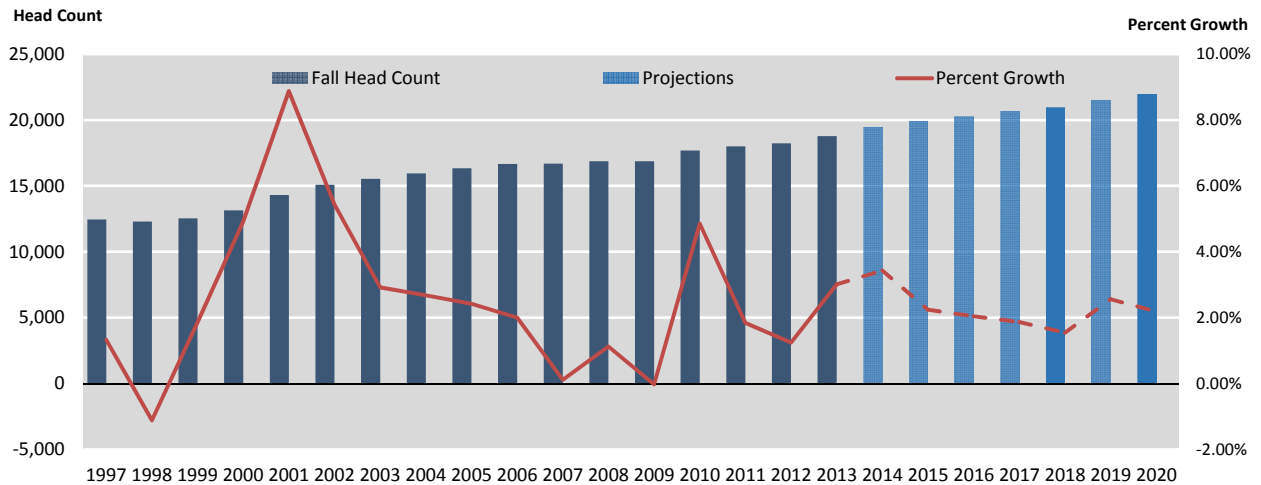
	Number	Average Age
Students		
Undergraduate	17,295	22
Graduate	3,128	32
Non-Degree	<u>475</u>	<u>24</u>
Total	20,898	23
Faculty		
Academic & Research Faculty	913	
Administrative Faculty	<u>714</u>	
Total	1,627	

Source: University of Nevada, Reno; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-University_Data.xlsx]T-Student&Faculty

Figure 10 presents information from UNR's most recent Capacity Study, published in 2014. The study estimated that the UNR will grow between 1.5 percent to 3.0 percent a year until 2020. In 2020, the study estimates that the University will have a head count of approximately 22,000 students.

Figure 10
UNR Fall Head Count and Enrollment Projections



Source: UNR Capacity Study; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\University\153104-UniversityData.xlsx\UNR Capacity Projections

Housing Needs

According to an off-campus housing demand study conducted by Brailsford and Dunlavey for UNR in 2015, 85 percent of the student population at UNR resides off-campus. In 2014, this percentage meant that approximately 17,800 students lived off-campus. These off-campus students live in a variety of living situations, but historically have generally split into 65 percent renters and 35 percent owners/living at home. The age range for the majority of off-campus students is 18 to 24 years old.

Table 9
UNR Student Population Housing Needs

Housing Type	Students	Percent	2014 est.
On-Campus	3,100	15%	3,100
Off-Campus	17,900	85%	17,798
Renters (est.) [1]	11,550	55%	11,494
Owners/Live at Home (est.)	6,350	30%	6,304
Total Student Body (2015)	21,000	100%	20,898

[1] Percent of off-campus renters from survey responses in B&D Student Housing Demand Analysis Survey (2015)

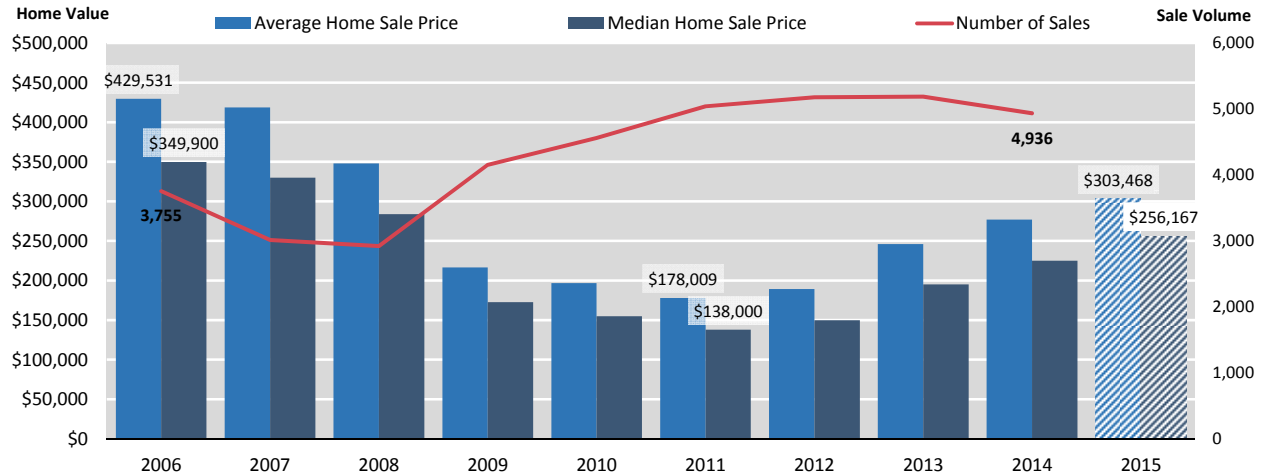
Source: B&D Student Housing Demand Analysis Survey (2015); Economic & Planning Systems

H:\163020-Reno Master Plan Update Phase 2\Data\163020-Housing Research Quick Calcs.xlsx\UNR Student Housing

Housing Market

The average home price in the City of Reno in third quarter 2015 was \$303,468, and the median home price was \$256,167. There were nearly 5,000 home sale transactions in 2014. The number of transactions rose through the recession and has been relatively consistent since 2011.

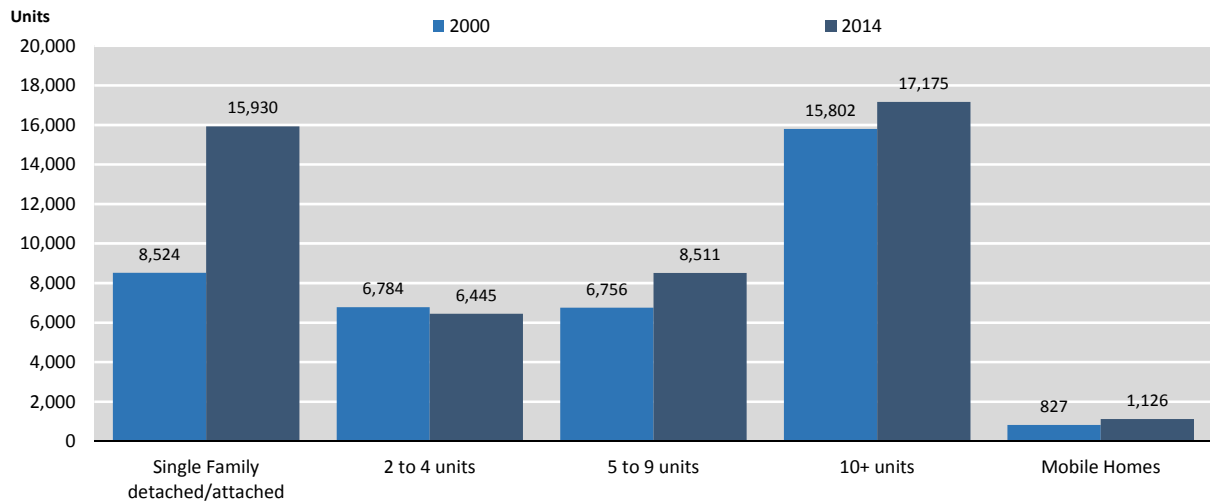
Figure 11
Average and Median Home Sale Price for City of Reno, 2006-2015



Note: 2015 Data Through 3rd Quarter
Source: Reno-Sparks Association of Realtors;

Given the lack of population and employment growth during the recession, these transactions likely included households that sold homes but did not buy a new home, and buyers who were not purchasing their primary residence. In 2014, nearly 16,000 single family detached/attached homes were renter-occupied, which is slightly less than the number of rental units in buildings with 10 or more units (i.e. traditional apartments), as shown in **Figure 12**. In 2000, the number of renter-occupied single family homes was roughly half of the total in 2014. Many for-sale single family homes were converted to rental during the recession, representing the majority of the rental housing inventory growth in the City, as opposed to new apartments.

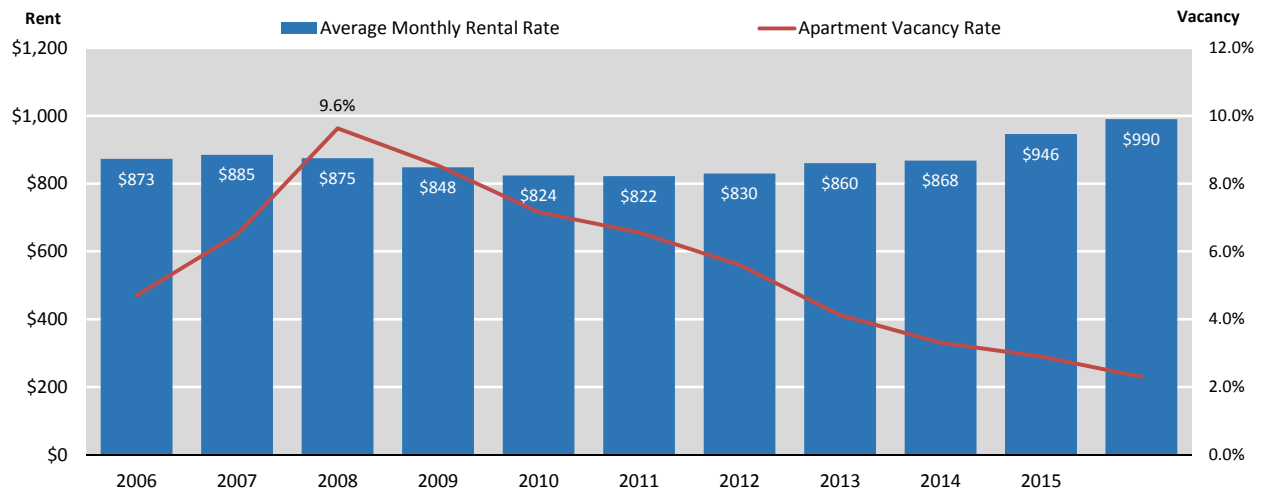
Figure 12
Renter Occupied Households by Units in the Structure, 2000 and 2014



Source: 2000 US Census; American Community Survey 2014 1-Year Estimate

The average monthly rental rate for apartments is \$990 in the Reno-Sparks area, as shown in **Figure 13**. The average rental rate has increased by more than \$120 per month over the past two years. The apartment vacancy rate was 2.3 percent in the first quarter of 2016. Typically, apartment vacancy rates in a given market are at equilibrium at 5 to 7 percent. Rates below 5 percent indicate demand for new inventory especially with growing rents. A vacancy rate of 2.3 percent indicates that vacant units are likely just a result of turnover of renters, which means there is essentially no vacancy in the market.

Figure 13
Average Monthly Apartment Rental Rates for Reno-Sparks, 2006-2016



Note: 2016 data is for 1st Quarter
Source: Johnson-Perkins & Associates

The average rental rates for apartments do not vary substantially in different parts of Reno; however, three of the submarkets have higher rents than the rest of the Reno submarkets. The Northwest Reno, Lakeridge and Southeast Reno submarkets have average rental rates of more than \$1,000 per month, while the remaining Reno submarkets have average rents ranging from \$722 to \$895 per month. Newer apartment projects in Reno have mostly been constructed in submarkets with the higher average rents. The East Sparks area of the region has the highest rental rates at \$1,135 per month in first quarter 2016, as shown in **Table 10**. The downtown Study Area and Influence Area are bisected by multiple submarkets and it is difficult to compare rental rates in these areas to others because they reflect areas much larger than the two areas analyzed for this study.

Table 10
Average Rental and Vacancy Rate for Reno-Sparks Area, 2016

Description	Average Monthly Rental Rate Q1 2016	Average Vacancy Q1 2016
Submarket		
Northwest Reno	1,083	1.7%
Northeast Reno	895	2.1%
W. Sparks/N. Valley	866	1.2%
East Sparks	1,135	2.8%
West Reno	856	0.0%
Southwest Reno	818	6.6%
Brinkby/Grove	722	5.6%
Airport	825	1.3%
Lakeridge	1,055	1.7%
Southeast Reno	1,010	2.0%
Overall Reno-Sparks	990	2.3%




Source: Johnson & Perkins Apartment Survey; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-AnalysesFromCompPlanUpdate.xlsx\T-Rental and Vacancy

Recent and Planned Development

Table 11 provides a description of three residential housing projects: 3rd Street Flats, The Standard, and 235 Raston. All three projects are located in the Study Area, and are near completion, under construction, or proposed. These projects help give a sense of the type of residential developments currently supported by or emerging in the market in the Study Area. More specifically, the projects show that the market is beginning to support multifamily apartments, with competitive amenities. The market also supports the construction of a 24 unit condominium building. Finally, each of the projects includes retail on the ground floor of the building.

Table 11
Recent or Proposed Residential Development

Project	Description	Development Snapshot
<p><u>3rd Street Flats</u></p> 	<p>Bentar Development partnered with local Reno-based developer Basin Street Properties to transform the former Kings Inn into a 94 units, upscale apartment complex in downtown Reno. The developers gutted the building, keeping only its bones. In addition to contemporary, open floor plan apartments, the project will include amenities such as a sun deck, pool, fitness center, and underground parking. The project will also include 9,000 sq. ft. of retail on the ground floor.</p>	<p>Status: Near Completion Construction: Rehab Uses: Apartments, Retail Units: 94 Developers: Bentar Development, Basin Street Properties Address: 303 W 3rd Street</p>
<p><u>The Standard</u></p> 	<p>Landmark Properties, has proposed a 250 unit, 800 bedroom student housing project. The building will take up an entire block between Sixth and Seventh street on Lake and Central. Planned amenities for the building include a fitness center, rooftop pool, study rooms, and social areas. The developers recently received necessary approvals for the project, and hope to complete the project fall semester 2018. The developers project a rent of \$650-\$750 per room.</p>	<p>Status: Proposed Construction: New Uses: Student Housing Units: 250 Rent: \$650-\$750/month Developers: Landmark Properties Address: 626 N Center St</p>
<p><u>235 Raston Street</u></p> 	<p>The Don J Clark Group is currently building a 28-unit condominium project in downtown Reno. The bottom floor of the five-story development will include retail space and gated parking. The project is part a larger three block development vision for the middle of downtown, which the developer has conceived and branded as the West 2nd District.</p>	<p>Status: Proposed Construction: New Uses: Condominium, Retail Units: 28 Developers: Don J Clark Group Address: 235 Ralston St</p>

Future Housing Potential

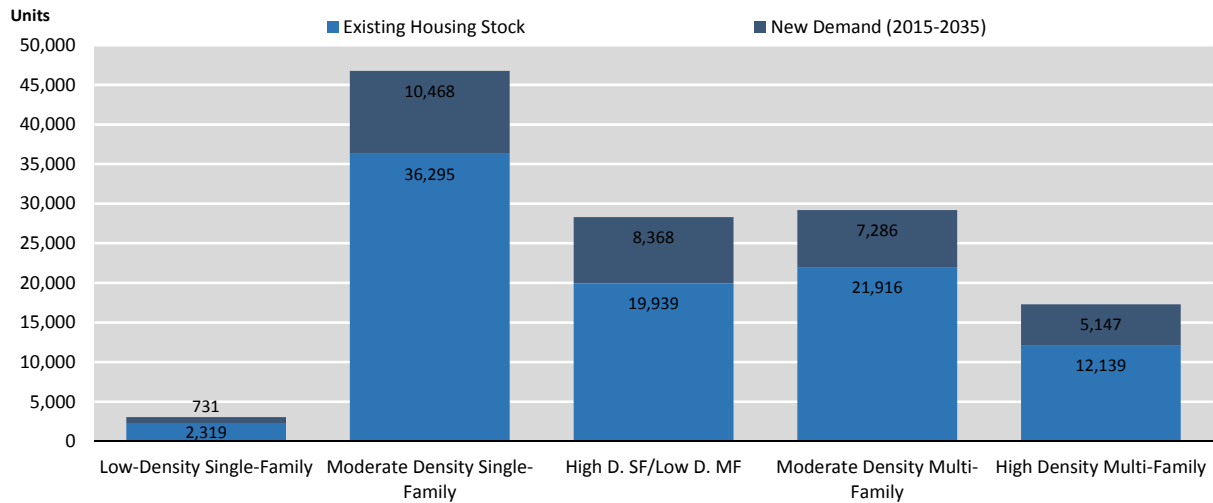
The City of Reno is currently updating its citywide Master Plan. The effort, Reimagine Reno, will provide direction for the City on how to manage the next 20 years of growth. As part of this effort, EPS completed the *Housing Demand Forecast and Needs Assessment*, assessing the future demand for housing by housing types. This analysis provides citywide projections for housing in order to derive potential housing demand numbers for the Study Area and Influence Area.

Within the housing demand forecast, EPS identified two major factors that will shift existing development patterns in Reno. The first factor is that, based on current and forecasted demographics and the economic industry mix, fewer households will be able to afford owning a home, especially a single family detached home. Households that cannot afford to buy the new single family homes being built in Reno, but that still want to own, can look for older homes or townhomes/condos within the City or look outside the City altogether. Moving forward, the turnover of older homes is likely to be much lower than needed to meet demand, given the lack of inventory selling currently and the high price of entry for new housing for households considering selling. Townhome and condo products will likely become more in demand due to the lower price, which will shift demand from the moderate single family unit types to more-dense housing types. In addition, more rental units than historically built will be in demand as renter households are the majority in Reno, and it is unlikely that renters will be able to find for-rent single family homes at the percentages they have in the recent past; this too translates into more demand for multifamily development.

The second factor that will shift existing patterns is the shifting of housing type preferences. Surveys on housing preference, both local within the Reimagine Reno process and national, found a preference for more walkable neighborhoods. In addition, there is willingness to trade a single family home with a yard (the most desired housing type) for a different housing type (typically on a smaller lot and/or with a more compact layout) if it is near amenities that are desired.

Combined, these two factors were estimated within the model to shift housing demand to denser product types. As a result, the future demand for housing is estimated to be more evenly spread among the housing types. The estimated capture of demand for future units results in the number of new units by housing type shown in **Figure 14**. Within the Moderate and High Density Multifamily housing types there is estimated to be demand for over 12,400 units (39 percent of total new units). These housing types are most appropriate for downtown and likely to be attracted to the Study Area.

Figure 14
Future Housing Unit Demand, 2015-2035



Source: TMRPA; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-AnalysesFromCompPlanUpdate.xlsx|T-TMRPA Distribution

The majority of population and household growth in the larger Downtown Influence Area between 2000 and 2010 occurred in the Study Area. Since 2010, this has shifted, as the Influence Area has increased in the annual rate of growth while the Study Area has decreased. The Influence Area (inclusive of the Study Area) captured 18 percent of housing unit growth in the City since 2010, while the Study Area captured 5 percent, which is down from 9 percent between 2000 and 2010.

Based on forecast growth by the Truckee Meadows Regional Planning Agency and housing demand analysis completed by EPS, the City of Reno is forecast to grow by 32,000 housing units over the next 20 years. Using the recent capture rate of new housing units in Influence Area of 18 percent, there is demand of 292 units per year in the Influence Area, which is a total of 1,462 units over a five-year period. The Influence Area has the potential to capture up to 23 percent of new housing growth in Reno in the coming years, which would equate to demand for 1,840 units over the next five years. The additional 5 percent capture is based on the assumption that the Study Area can increase its capture to levels seen between 2000 and 2010.

4. EMPLOYMENT CONDITIONS AND TRENDS

Recent Regional and City Employment Trends

The employment trends for the Reno-Sparks MSA show that the region is growing in employment, especially in the past four years. Employment in the MSA increased by 26,500 jobs from 2010 to April of 2016, which equates to an annual rate of 2.2 percent as shown in **Table 12**. The U.S. Bureau of Labor Statistics provides monthly estimates of employment, hours, and earnings for states and metro areas through its Current Employment Statistics database. This data set provides the most current employment data for the region. Employment data, within this data series, is provided at the supersector and sometimes two digit NAICS industry level when sufficient data is available. Supersectors are aggregations of two-digit NAICS industries into 11 supersectors under two types: goods-producing industries and service-providing industries. The economic supersectors that are growing the most include Professional and Business Services, Transportation and Utilities, and Construction. Supersectors that lost employment include Other Services, Information, Wholesale Trade and Mining and Logging.

Table 12
Reno-Sparks MSA Employment, 2010-2016

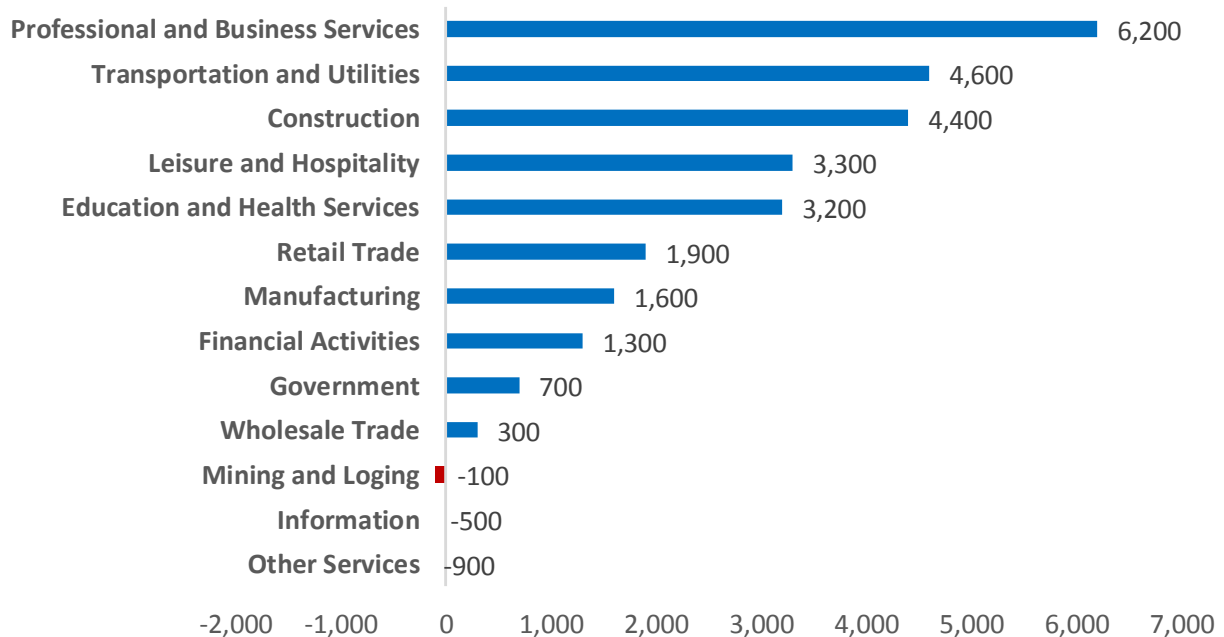
Supersector	2010	2011	2012	2013	2014	2015	2016	Change 2010-2016		
								Total #	Ann. #	Ann. %
Goods-Producing	20,100	19,700	20,100	21,600	23,800	25,200	26,100	6,000	1,000	4.4%
Service-Providing	170,500	169,400	169,200	172,100	177,200	183,400	191,000	20,500	3,417	1.9%
Total	190,600	189,100	189,300	193,700	201,000	208,600	217,100	26,500	4,417	2.2%
Mining & Logging	300	300	300	300	200	200	200	-100	-17	-6.5%
Construction	8,600	8,200	8,400	9,300	10,900	12,200	13,300	4,700	783	7.5%
Manufacturing	11,200	11,200	11,400	12,000	12,700	12,800	12,600	1,400	233	2.0%
Trade, Transportation, and Utilities										
Wholesale Trade	8,900	8,700	8,700	8,800	8,900	9,100	8,800	-100	-17	-0.2%
Retail Trade	21,100	20,900	20,500	21,100	21,500	22,400	23,600	2,500	417	1.9%
Transportation & Utilities	11,700	11,900	12,800	12,900	14,400	15,500	16,800	5,100	850	6.2%
Information	2,400	2,200	2,000	2,000	2,100	2,000	1,900	-500	-83	-3.8%
Financial Activities	8,900	8,800	9,000	9,400	9,400	9,800	10,300	1,400	233	2.5%
Professional & Business Services	24,200	24,100	24,900	25,800	26,800	27,700	30,600	6,400	1,067	4.0%
Education & Health Services	22,000	22,200	22,100	22,500	23,500	24,500	25,300	3,300	550	2.4%
Leisure and Hospitality	34,000	34,800	33,900	34,400	35,000	36,300	36,700	2,700	450	1.3%
Other Services	6,800	6,100	6,100	5,900	6,100	6,100	6,100	-700	-117	-1.8%
Government	30,500	29,700	29,200	29,300	29,500	30,000	30,900	400	67	0.2%
Total	190,600	189,100	189,300	193,700	201,000	208,600	217,100	26,500	4,417	2.2%

Note: Data through April of 2016

Source: BLS Current Employment Statistics; Economic & Planning Systems

H:\163020-Reno Master Plan Update Phase 2\Data\163020-BLS CES Employment.xlsx\Ann_Table

Figure 15
Reno-Sparks MSA Change in Employment, 2010-2016



Downtown Employment Conditions

Employment by Industry

Accommodation and Food Services was the leading industry in the Study Area in 2014, representing 8,267 jobs or 45 percent of all employment. Health care and social assistance was a distant second with 2,651 jobs or 15 percent of total employment in the Study Area. Public Administration was the third largest section with 1,762 jobs or 10 percent of total employment. Rounding out the top five largest industries were Professional, Scientific, and Technical Services and Arts, Entertainment, and Recreation, with 1,200 and 1,077 jobs respectively.

These five industries are also important sectors in the Influence Area and City. In 2014, Accommodation and Food Services and Health Care and Social Assistance ranked second and third in employment for the Influence Area and first and second in employment in 2014 for the City. The Influence Area had 10,974 jobs in the Accommodation and Food Services sector and 9,984 jobs in the Health Care and Social Assistance sector, 19.5 percent and 17.8 percent of total employment respectively. The City had 24,089 jobs in the Accommodation and Food Services sector and 18,102 jobs in the Health Care and Social Assistance sector, 16.6 percent and 12.5 percent of total employment respectively. Public Administration ranked third in employment for the Influence Area with 5,095 jobs, and ranked ninth in employment for the City with 6,540 jobs. Professional, Scientific, and Technical Services ranked fourth in employment for the Influence Area with 2,590 jobs and fifth in employment for the City with 8,396 jobs. Finally, Arts, Entertainment, and Recreation ranked fifth in Employment for the Influence Area with 1,366 jobs, and eighth in employment for the City with 3,031 jobs.

There are three additional industries which are important at the Influence Area and/or City level with little representation in the Study Area. First, Educational Services, led by the University of Nevada Reno, was the top ranked sector in the Influence Area in 2014 with 14,126 jobs or 25 percent of all employment in the Influence Area. Education is the fourth largest sector at the City level with 16,198 jobs or 11 percent of all employment citywide. Second, Retail Trade was the sixth largest employer in the Influence Area with 2,547 jobs and the third largest employer for the City with 16,362 jobs. Finally, Administration & Support, Waste Management and Remediation was the fifth largest employer for the City with 11,658 jobs. **Table 13** summarizes the jobs by industry sector for 2014 and the three different geographies.

Table 13
Jobs by Sector, 2014

Sectors	Downtown Study Area	% of Study Area	Downtown Influence Area	% of Influence Area	City of Reno	% of City Total
Agriculture, Forestry, Fishing and Hunting	0	0%	2	0%	29	0%
Mining, Quarrying, and Oil and Gas Extraction	24	0%	42	0%	185	0%
Utilities	12	0%	36	0%	632	0%
Construction	206	1%	1,345	2%	5,026	3%
Manufacturing	183	1%	518	1%	7,762	5%
Wholesale Trade	168	1%	474	1%	4,884	3%
Retail Trade	368	2%	2,547	5%	16,362	11%
Transportation and Warehousing	38	0%	653	1%	6,601	5%
Information	204	1%	656	1%	1,849	1%
Finance and Insurance	629	3%	1,300	2%	4,974	3%
Real Estate and Rental and Leasing	309	2%	698	1%	2,614	2%
Professional, Scientific, and Technical Services	1,200	7%	2,590	5%	8,396	6%
Management of Companies and Enterprises	74	0%	411	1%	2,298	2%
Administration & Support, Waste Management and Remediation	611	3%	2,309	4%	11,658	8%
Educational Services	105	1%	14,126	25%	16,198	11%
Health Care and Social Assistance	2,651	15%	9,984	18%	18,102	12%
Arts, Entertainment, and Recreation	1,077	6%	1,366	2%	3,031	2%
Accommodation and Food Services	8,267	45%	10,974	20%	24,089	17%
Other Services (excluding Public Administration)	310	2%	1,041	2%	3,740	3%
Public Administration	1,762	10%	5,095	9%	6,540	5%
Total	18,198	100%	56,167	100%	144,970	100%

Source: LEHD; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v4.xlsx\T-MajorSectorByJob

Table 14 presents the top ten largest employers in the City for 2015. The County School District was the largest employer with approximately 8,750 employees. Washoe County is also tied for the fourth largest employer with approximately 2,250 employees. UNR was the second largest employer with approximately 4,750 employees, and Renown Regional Medical Center was the third largest employer with 2,750 employees. Except for Integrity Staffing Solutions, ranked tenth with approximately 1,250 employees, the remaining six largest employers were casinos or gaming institutions.

Table 14
Top Ten Employers, 2015

Description	Employees	% of Total Reno Employment
Washoe County School District	8,750	3.95%
University of Nevada, Reno	4,750	2.14%
Renown Regional Medical Center	2,750	1.24%
Washoe County	2,250	1.01%
Peppermill Hotel Casino, Reno	2,250	1.01%
International Game Technology	1,750	0.79%
Atlantis Hotel Casino	1,750	0.79%
Silver Legacy Hotel Casino	1,750	0.79%
Grand Sierra Resort & Casino	1,750	0.79%
St. Mary's Integrity Staffing Solutions	1,250	0.56%
Total	29,000	13.07%

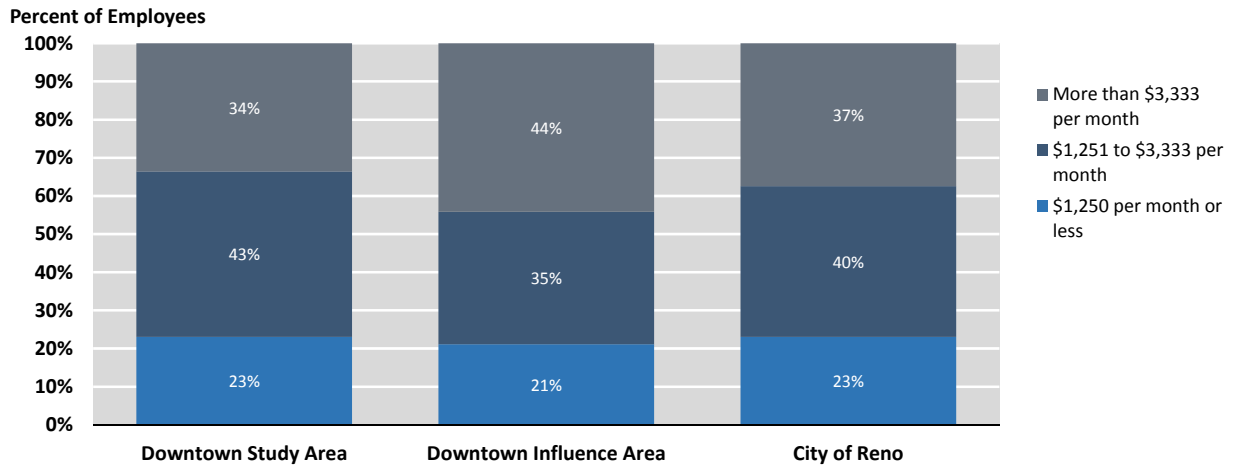
Source: City of Reno Comprehensive Annual Financial Report; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-CAFR.xlsx Sheet 1

Wages

Figure 16 presents the jobs by wage earnings for each of the three geographies. In the Study Area, 23 percent of the earners made \$1,250 per month or less, 43 percent of earners made \$1,251 to \$3,333 per month, and 34 percent of earners made more than \$3,333 per month. The Study Area had the largest percentage of earner in the middle category.

Figure 16
Jobs by Earnings, 2014



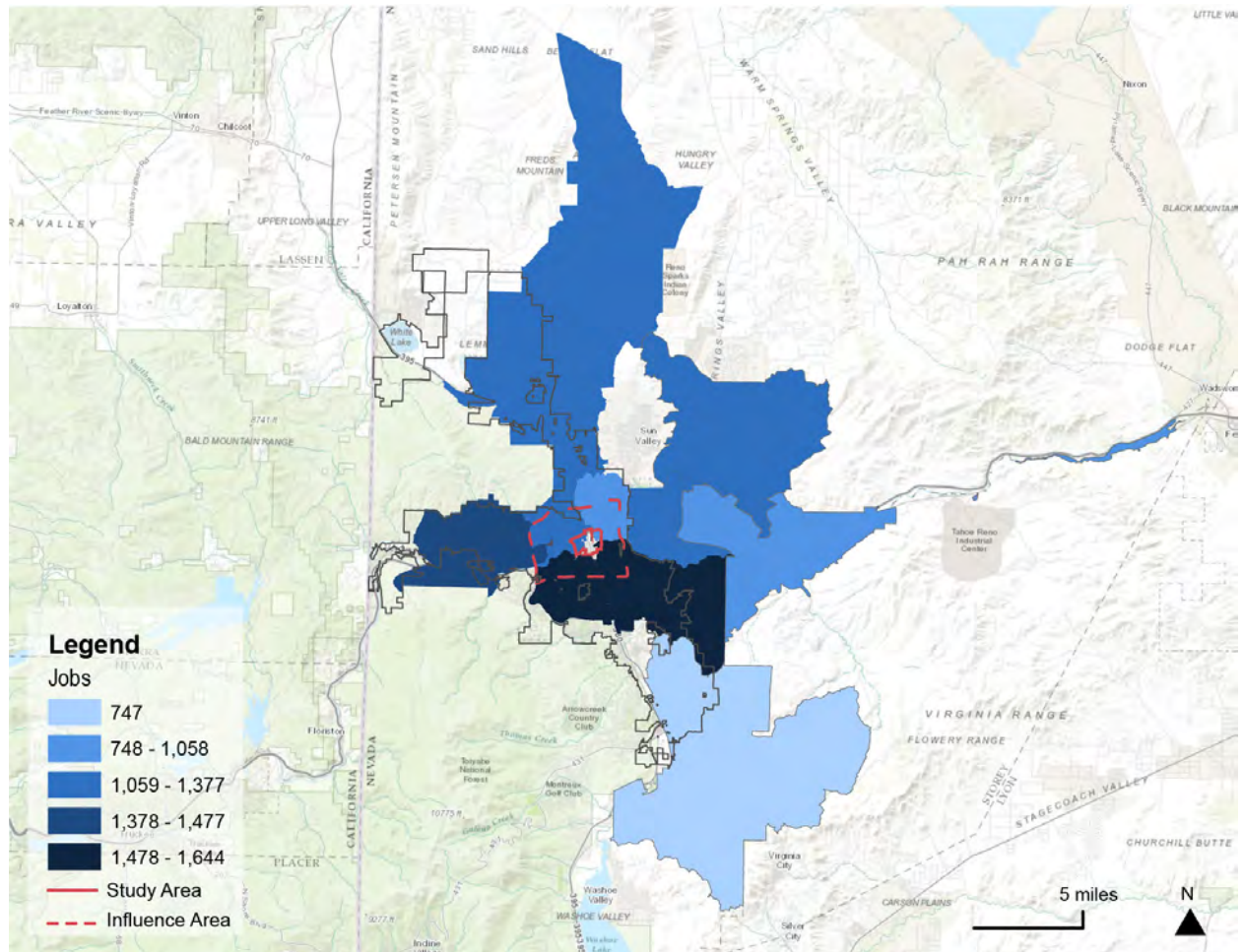
Source: LEHD; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-E&D_v3.xlsx\Table-MajorSectorByEarnings

Commuter Patterns

Figure 17 presents the jobs locations in 2014 for residents living in the Study Area by zip code. Residents mostly work in the zip codes immediately adjacent to the Study Area, with the higher concentration of jobs to the in zip codes to the south and west of the Study Area.

Figure 17
Job Locations for Residents of the Study Area by Zip Code, 2014



5. OFFICE AND RETAIL MARKET

Non-residential Space Inventory

Table 15 presents the commercial square footage for office, retail, and industrial/flex space for the Study Area, Influence Area, and the City. Since 2007, the start of the Great Recession, the inventory of commercial space in the Study Area has not increased. While the square footage of office space decreased by 1,466, retail and industrial/flex stayed flat. The Influence Area lost 280,186 square feet of industrial flex space, but gained in the other two commercial categories with office increasing by 10,163 square feet and retail increasing by 137,387 square feet, an annual increase of 0.4 percent a year.

In comparison to the Study and Influence Area, the City has grown in all three categories. Office increased by 451,944 square feet at an annual rate of 0.4 percent. Retail increased by 757,547 square feet at an annual rate of 0.4 percent. Finally, industrial/flex space increased by 3,460,408 at an annual rate of 1.1 percent. Industrial/flex space grew by the most square footage and at the fastest annual rate of any of the three commercial categories.

Table 15
Commercial Inventory, 2007-2015

Description	2007	2015	2007-2015		
			Total	Ann. #	Ann. %
Office					
Downtown Study Area	2,588,347	2,586,881	-1,466	-183	0.0%
Downtown Influence Area	5,544,190	5,554,353	10,163	1,270	0.0%
City of Reno	13,709,915	14,161,859	451,944	56,493	0.4%
Retail					
Downtown Study Area	1,302,561	1,302,561	0	0	0.0%
Downtown Influence Area	4,536,014	4,673,401	137,387	17,173	0.4%
City of Reno	17,563,590	18,321,137	757,547	94,693	0.5%
Industrial/Flex					
Downtown Study Area	608,181	608,181	0	0	0.0%
Downtown Influence Area	2,750,427	2,470,241	-280,186	-35,023	-1.3%
City of Reno	36,501,788	39,962,196	3,460,408	432,551	1.1%

Source: CoStar: Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\Inventory_byProduct

Table 16 shows the percent capture of the City's commercial inventory at the Study and Influence Area levels. The Study Area captures 19 percent of the City office market, 7 percent of the retail inventory, and 2 percent of the industrial/flex inventory. The Influence Area captures 29 percent of the City's office inventory, 26 percent of the retail inventory, and 6 percent of the industrial/flex inventory. Since 2007, the capture percentages have declined slightly or stayed flat. Capture rates declined by 1 percent for office inventory for both the Study Area and the Influence Area. Capture rate also declined by over 1 percent for industrial/flex inventory for the Influence Area, due in part to the high level of industrial growth in the rest of the City and a decline in quality of space in the Influence Area. For retail, at both geographies, and industrial/flex, for the Study Area, capture rates stayed flat.

Table 16
Commercial Inventory Percent Capture of City, 2007-2015

Description	2007	2015	2007-2015		
			Total	Ann. #	Ann. %
Office					
Downtown Study Area	19%	18%	-1%	0%	-0.4%
Downtown Influence Area	40%	39%	-1%	0%	-0.4%
Retail					
Downtown Study Area	7%	7%	0%	0%	-0.5%
Downtown Influence Area	26%	26%	0%	0%	-0.2%
Industrial/Flex					
Downtown Study Area	2%	2%	0%	0%	-1.1%
Downtown Influence Area	8%	6%	-1%	0%	-2.4%

Source: CoStar: Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\PercentCapture

Rental Rates and Vacancy

Vacancy

Table 17 presents the vacancy rates from 2007 to 2015 for office, retail, and industrial/flex space at all three geographies. In general, the vacancy rates for each of the product types and at each of the geographies followed a similar pattern; vacancy increased immediately following the start of the Great Recession, peaking between 2010 and 2012. However, in recent years, vacancy has declined. And while vacancy rates have remained over 10.0 percent of office, retail vacancy is currently between 6.0 percent and 8.7 percent and industrial/flex vacancy is between 1.4 percent and 6.4 percent. This is due in part to a decline in quality of the existing retail and industrial/flex spaces.

Table 17
Commercial Vacancy, 2007-2015

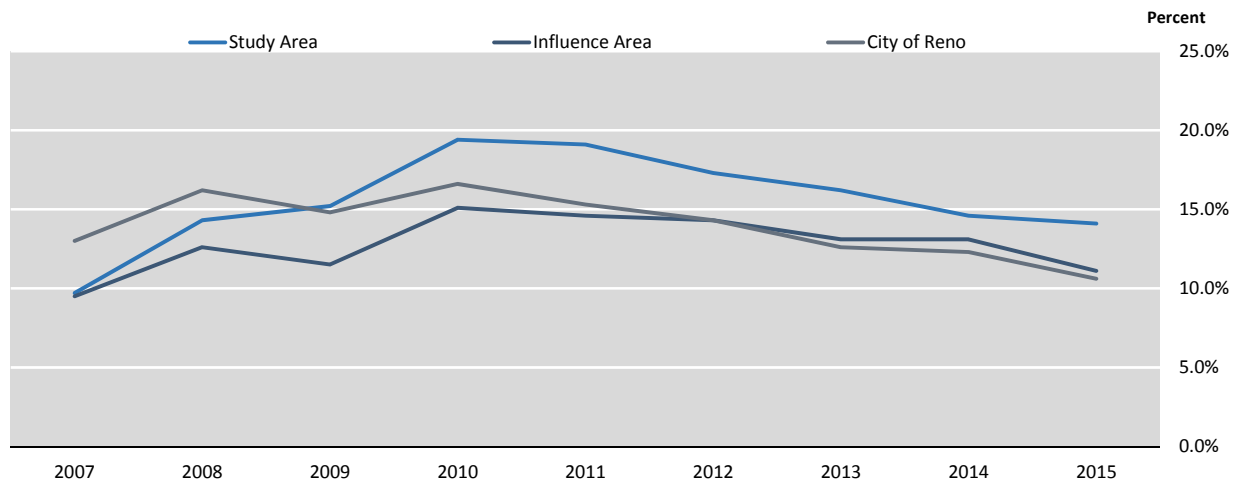
Description	2007	2008	2009	2010	2011	2012	2013	2014	2015
Office									
Downtown Study Area	9.7%	14.3%	15.2%	19.4%	19.1%	17.3%	16.2%	14.6%	14.1%
Downtown Influence Area	9.5%	12.6%	11.5%	15.1%	14.6%	14.3%	13.1%	13.1%	11.1%
City of Reno	13.0%	16.2%	14.8%	16.6%	15.3%	14.3%	12.6%	12.3%	10.6%
Retail									
Downtown Study Area	14.9%	11.2%	12.4%	11.5%	12.0%	14.0%	13.5%	11.6%	7.6%
Downtown Influence Area	7.1%	6.2%	9.6%	10.3%	10.9%	11.6%	7.6%	6.9%	6.0%
City of Reno	5.3%	8.1%	10.1%	10.1%	11.1%	12.2%	10.2%	9.5%	8.7%
Industrial/Flex									
Downtown Study Area	12.3%	3.3%	5.8%	2.5%	5.4%	6.7%	7.0%	4.9%	1.4%
Downtown Influence Area	17.4%	13.4%	11.2%	11.2%	13.5%	12.9%	7.3%	3.8%	1.8%
City of Reno	10.9%	10.3%	10.4%	8.8%	9.1%	10.3%	9.7%	7.2%	6.4%

Source: CoStar; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\Vacancy_byProduct

Figure 18 charts office vacancy for the Study Area, Influence Area, and City. In recent years, office vacancy has declined from its high in 2010 for both the Study Area and the Influence Area. For the Study Area, vacancy rate decreased from its high of 19.4 percent to 14.1 percent in 2015, a drop of 5.3 percent. For the Influence Area, vacancy rate decreased from its high of 15.1 percent to 11.1 percent in 2015. Office vacancy in the City has also decreased despite growth in inventory of 0.4 percent annually. Again, vacancy increased during the Great Recession to a peak of 16.6 percent in 2010, but is currently at 10.6 percent. Despite decreases, overall, office vacancy remains high for all geographies: between 11 percent and 14 percent.

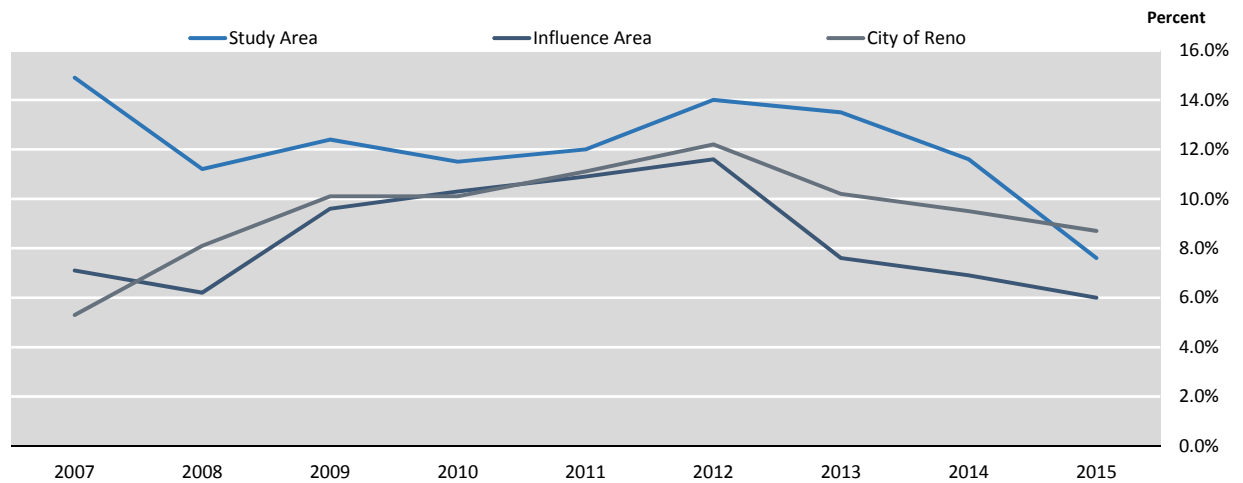
Figure 18
Office Vacancy, 2007-2015



Source: CoStar; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\Vacancy_byGeography

Figure 19 charts the retail vacancy rates from 2007 to 2015. Retail vacancy in the City has gone up by more than 3 percent since 2007. Vacancy rates peaked in 2012 at 12.2 percent, and have declined since then, falling to 8.7 percent. In contrast, retail looks stronger in both the Study Area and the Influence Area. Vacancy for both geographies, while increasing during the Great Recession, is below the 2007 rate. In the Study Area, retail vacancy has decreased by just under 50 percent in the last nine years from 14.9 percent to 7.6 percent. This large decrease in vacancy in the Study Area partially results from no inventory change during the same time period. In the Influence Area, vacancy decreased from 7.1 percent to 6.0 percent since 2007, despite adding 140,000 square feet of new retail space.

Figure 19
Retail Vacancy, 2007-2015

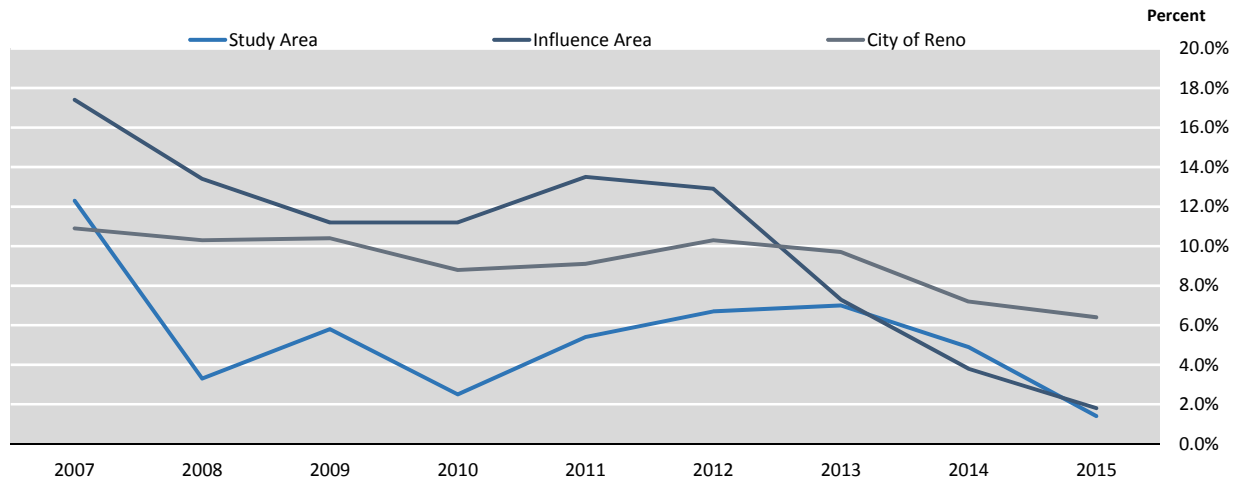


Source: Costar; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\Vacancy_byProduct

Figure 20 charts the change in vacancy for industrial/flex space. From 2007 to 2015, industrial flex vacancy decreased throughout the City as a whole by 4.5 percent from 10.9 percent to 6.4 even as industrial/flex inventory increased by approximately 3.5 million square feet. In 2015, vacancy rates were even lower at the Study Area and Influence area, at 1.4 percent and 1.8 percent respectively. This low vacancy partially results from inventory holding flat or dropping at these geographic levels.

Figure 20
Industrial/Flex Vacancy, 2007-2015



Source: CoStar; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\Vacancy_byGeography

Rents

In general, commercial rents peaked right before the Great recession and have yet to fully recover. The extent of the decrease in rents and how rents have change in the past few years depends on the product type. **Table 18** lists the rents for each of the product type at each of the three geographies.

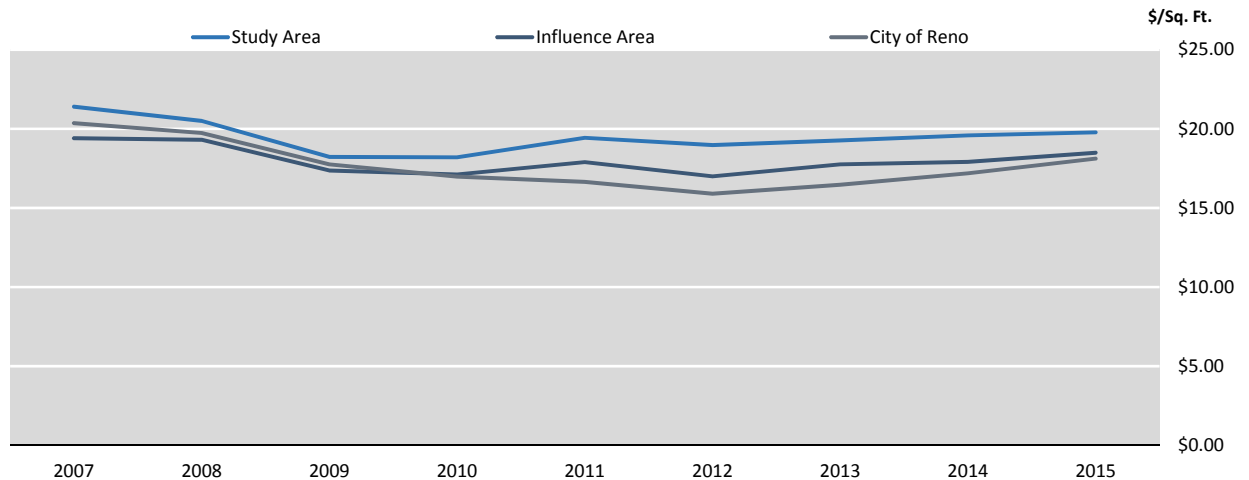
Table 18
Commercial Rents, 2007-2015

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015
Office									
Downtown Study Area	\$21.40	\$20.50	\$18.22	\$18.20	\$19.43	\$18.97	\$19.26	\$19.58	\$19.78
Downtown Influence Area	\$19.40	\$19.31	\$17.37	\$17.12	\$17.89	\$16.99	\$17.75	\$17.91	\$18.49
City of Reno	\$20.35	\$19.73	\$17.75	\$16.97	\$16.64	\$15.90	\$16.47	\$17.19	\$18.11
Retail									
Downtown Study Area	\$17.43	\$17.21	\$16.87	\$14.70	\$14.46	\$16.99	\$17.07	\$16.51	\$14.63
Downtown Influence Area	\$18.71	\$17.82	\$16.59	\$14.70	\$13.31	\$14.28	\$15.86	\$16.07	\$15.34
City of Reno	\$21.39	\$18.07	\$16.02	\$14.26	\$13.81	\$14.04	\$14.49	\$14.69	\$15.02
Industrial/Flex									
Downtown Study Area		\$10.80	\$9.90	\$8.00		\$5.40	\$3.99	\$5.40	\$5.40
Downtown Influence Area	\$4.02	\$5.23	\$4.77	\$4.82	\$3.76	\$3.37	\$4.26	\$3.88	\$4.01
City of Reno	\$4.78	\$4.74	\$4.41	\$4.56	\$4.06	\$3.95	\$4.29	\$4.39	\$4.42

Source: CoStar; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\Rent_byProduct

Figure 21 charts the change in office rents for all three geographies. Across all geographies, rents have decreased slightly from 2007. However, since 2012, there has been a slight uptick in rents, corresponding to a decreasing office vacancy – though with a slight lag. In the Study Area rents decreased from \$21.40 in 2007 to \$19.78 in 2015. Currently, the Study Area has the highest office rents out of either the Influence Area or the City as a whole. Influence Area office rents dropped from \$19.40 in 2007 to \$18.49 in 2015, and City office rents dropped from \$20.35 in 2007 to \$18.11 in 2015.

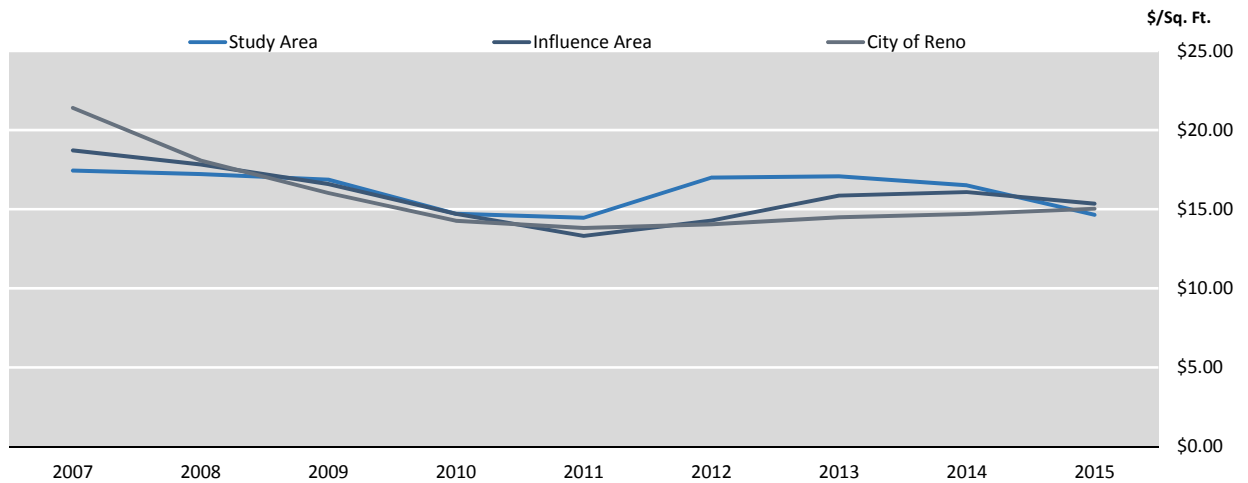
Figure 21
Office Rents, 2007-2015



Source: CoStar; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\Rent_byGeography

Figure 22 charts the change in retail rents since 2007. Similar to office rents, retail rents are down from 2007, but rebounded in 2011, coming out of the Great Recession. However, while the City has had modest, yet consistent increases in rent, the rents in the Study Area and Influence Area have decreased, in spite of declining vacancy; such a pattern at the Study Area and Influence Area level suggest that there could be aging retail stock. Rents for all geographic areas cluster around \$15. For the Study Area, rents dropped from \$17.43 to \$14.63 in 2015, the lowest rents out of any geography. For the Influence Area, rents dropped from \$18.71 in 2007 to \$15.34 in 2015, the highest rents out of the three geographies. Finally, for the City, rents dropped from \$21.39 in 2007 to \$15.05 in 2015, the largest decline out of any of the geographies. These drops in rent have not corresponded with increases in vacancy or retail square foot, which would suggest a supply-side reason for the lower rents. In fact, vacancy has decreased over this time period. Given that supply have not increased, the fluctuating rents likely result from the quality of the space (quality of supply) and the more granular level demand factors like the type of tenants and the timing of the demand.

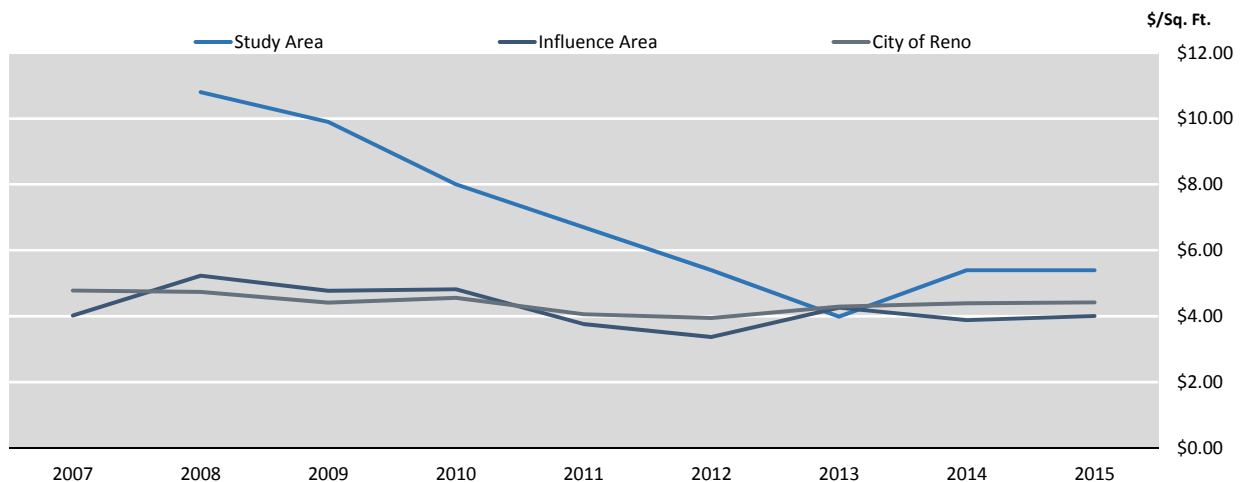
Figure 22
Retail Rents, 2007-2015



Source: CoStar; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\Rent_byGeography

Figure 23 charts the change in rents for industrial/flex space. Industrial flex rents have decreased across all geographies since 2007, despite decreasing vacancies. In the Study Area, rents are currently about half of what they were in 2008; industrial flex vacancy dropped from 11.2 percent in 2008 to 7.6 percent in 2015. Since 2007, industrial rents have remained relatively flat at the Influence Area, dropping from \$4.02 in 2007 to \$4.01 in 2008. Finally, City industrial rents dropped from \$4.78 in 2007 to \$4.42 in 2015.

Figure 23
Industrial Flex Rents, 2007-2015








Source: CoStar; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-CoStar.xlsx\Rent_byGeography

Recent and Planned Projects

Table 19 summarizes recent and proposed retail and office developments in the Study Area and Influence Area. These projects help give a sense of the type of commercial developments currently supported by or emerging in the market. Projects range from the adaptive reuse of historic buildings for high end retail and office use, to clustered smaller restaurant and retail uses, including a cargo container park, and collaborative work space for designers, technologists, entrepreneurs, and freelancers. The higher end retail includes the transformation of the Historic Post Office into a retail and office center. The lowest level of the building houses The Basement, a boutique marketplace, which includes, for example, a juice bar and French chocolate store. Recent and proposed retail amenities also include two national brands: West Elm, a major furniture retailer, and Patagonia. According to the Reno Gazette-Journal, West Elm is the first major retailer to come to downtown in the last 30 years.

Table 19
Recent and Proposed Commercial Developments

Project	Description	Development Snapshot
<p><u>Historic Post Office</u></p> 	<p>Bernie Carter, a Reno developer also responsible for <i>Sticks</i>, has transformed the Historic Post Office into a retail and office center. The lowest level of the building houses <i>The Basement</i>, a boutique marketplace, which includes, for example, a juice bar and French chocolate store. West Elm, a major furniture retailer, leased the entire second floor (12,000 sq. ft.), and the two stories above are office space. According to the Reno Gazette-Journal, West Elm is the first major retailer to come to downtown in the last 30 years.</p>	<p>Status: Complete Construction: Adaptive Reuse Uses: Retail, Office Sq. ft.: 33,000 Developer: Bernie Carter Tenants: West Elm, The Basement Address: 50 S Virginia St</p>
<p><u>Hudson Building – Patagonia</u></p> 	<p>Patagonia is leasing the building known as the Hudson Building, and plans to move from its current location in West Reno to this more central location in November 2016. Brian Egan of Egan Commercial Real Estate purchased the building, the former Hudson Motor Car Company, in 2013 and began renovations earlier in 2016. The renovation is part of a larger redevelopment known as the Hudson Project, which includes 21 units of multi-family and several other developments on the same block.</p>	<p>Status: Near Completion Construction: Adaptive Reuse Uses: Retail Sq. ft.: 17,000 Developer: Brian Egan Tenants: Patagonia Address: 190 S Center St</p>
<p><u>Sticks</u></p> 	<p>Sticks is a retail and restaurant development located in Midtown Reno. The project uses small buildings, an internal block layout, and architectural elements to create a distinctive retail space. The project currently includes three small buildings, with three more building under construction. Bernie Carter, the developer, plans to construct eight small buildings in total.</p>	<p>Status: Complete Construction: New Uses: Retail, Restaurants Sq. ft.: 14,000 Developer: Bernie Carter Tenants: The Mustard Seed, Two Chicks, Calafuria, Hello Yoga, Fountain of Youth Address: 701 S. Virginia St</p>

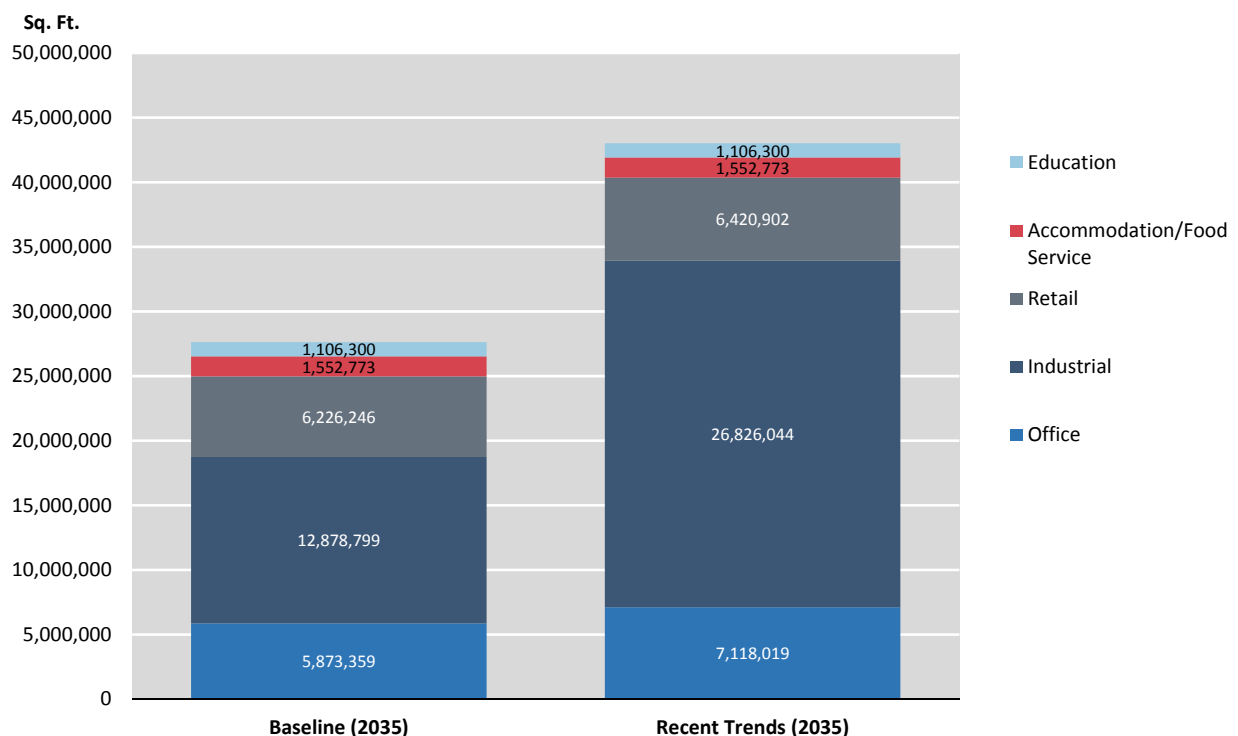
Project	Description	Development Snapshot
<p><u>The Eddy</u></p> 	<p>The Eddy is a cargo container park that the City Council recently approved for downtown Reno. Currently an empty lot, the park will include a beer garden, rotating food trucks, and art installations. The developers, Kurt Stitser and Phil Buckheart of Realm Constructors, based the concept on the Biergarten and Proxy development in San Francisco.</p>	<p>Status: Approved by City Council Construction: New Uses: Restaurant, Beer Garden Developers: Realm Constructors Address: 16 S Sierra St</p>
<p><u>The Collective</u></p> 	<p>Started in 2007, the Reno Collective is a collaborative workspace for designers, technologists, entrepreneurs, and freelancers. The Collective charges a membership fee based on use of space. Spaces include communal desks, resident desks, conference rooms, and private phone rooms. In addition to nontraditional office space, members gain access to an extensive community of potential collaborators and mentors. The organization also offers classes. Since 2007, the collective has leased three different locations, upgrading and increasing square footage each time.</p>	<p>Status: Leasing space in Arlington Towers Uses: Office Sq. ft.: 14,000 Owners: Colin Loretz, John Jusayan, Don Morrison, and Chris Yoder Members: Include Allgo Social, Treeness, Saint Pierre, and Cyber Hobo Address: 100 N Arlington St</p>

Future Non-Residential Development Demand

For the Reimagine Reno process, the *Employment Demand Forecast and Needs Analysis* were completed in addition to the housing assessment. The employment demand forecast estimated the potential capture of new non-residential development within the City of Reno. The analysis estimated future demand for employment at the regional level (Washoe and Storey Counties) using two forecasts. The first forecasts, Baseline, used the TMRPA Consensus Forecast and State Demographers Forecast to provide a conservative estimate of future demand. A second forecast, Recent Trends, augmented the Baseline forecast to reflect recent growth in trends by industry, specifically in logistics and manufacturing, and the State Demographers estimates of the impact of the Tesla Gigafactory being built in Storey County, to estimate a higher growth scenario. These two scenarios were used to bracket future non-residential demand.

Using historic capture rates by use for Reno regional growth, the demand for non-residential building square feet was estimated. The Baseline Forecast results in demand for approximately 28 million square feet of development, as shown in **Figure 24**. The Recent Trends Forecast results in demand for approximately 38 million square feet of development space. The Recent Trends Forecast estimates a slightly higher amount of retail (200,000 square feet) and office space (1.2 million square feet) than the Baseline Forecast. Education is estimated to remain the same as long term trends have not varied from the recent trends. However, the Recent Trends Forecast estimates total demand for industrial space to be 22 million square feet over 20 years, which is almost double the Baseline Forecast.

Figure 24
Demand for Square Feet of Development in Reno, 2015 to 2035



Source: Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-AnalysesFromCompPlanUpdate_v2.xlsx\Emp Space Demand SF

The analysis estimated demand for retail space of approximately 6.2 million to 6.4 million square feet over 20 years for the City. The Influence Area has captured 18 percent of new retail inventory growth since 2007 in the City. If capture remains the same, annual demand for retail is 56,000 square feet per year, which is 281,000 over five years. Recent projects indicate that demand within the midtown area has led to new development within the southern portion of the Study Area, which can lead to more capture in the Study Area.

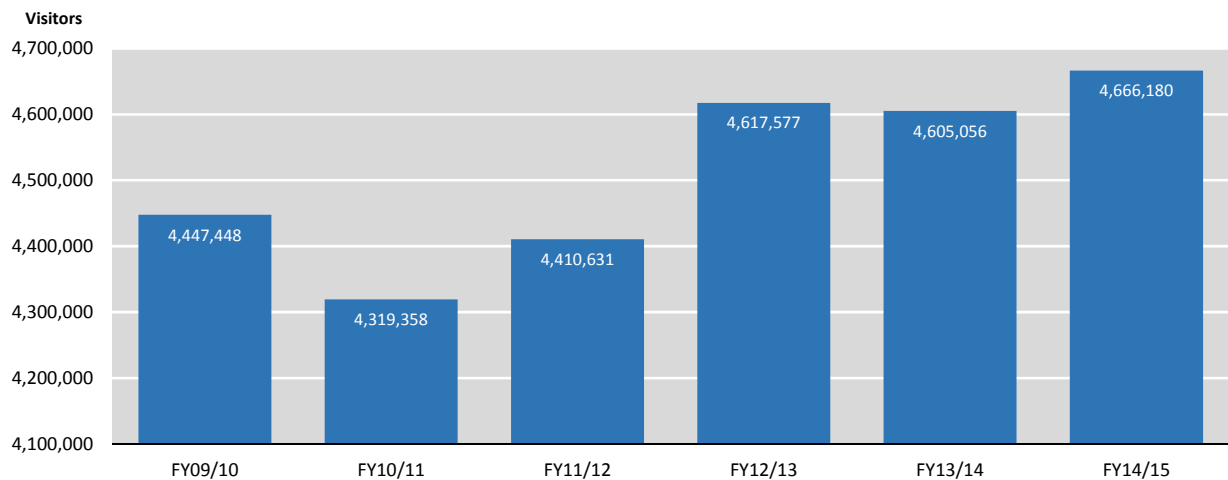
Downtown Reno represents 40 percent of the office inventory of the City. However, the Study Area lost a minimal amount of office space inventory from 2007 to 2015, while the Influence Area grew slightly by 10,000 square feet. Rental rates within the Study Area match with the City averages but vacancy rates are higher. Significant office development is likely not feasible in the near term, however fostering small businesses and entrepreneurs could drive demand. The downtown area has begun to attract smaller, start-up type employment activity along First Street (between Virginia Street and Washington Street) known as Startup Row. Fostering this startup environment can lead to increased office demand, but efforts will be needed to help growing companies find space in downtown.

6. ENTERTAINMENT AND ACCOMMODATIONS

Visitation Data and Attractions

Figure 25 presents visitation for Washoe County collected by the Reno-Sparks Convention and Visitors Authority (RSCVA). (RSCVA is the tourism bureau that represents the Washoe County, which includes Reno, Sparks, and Tahoe. It also runs several event centers, including the convention center.) After a drop during the Great Recession, visitation rates have increased over the past five years from a low of 4,447,000 in fiscal year 2009/10 to 4,666,000 in fiscal year 2014/15.

Figure 25
Washoe County Visitor Volume

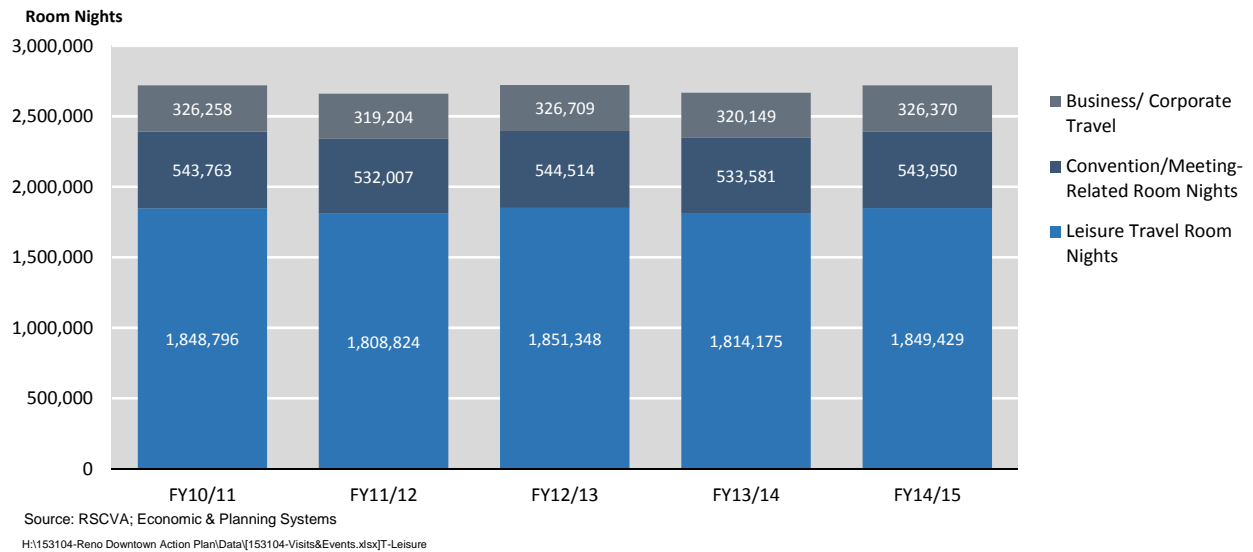


Source: RSCVA; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-Visits&Events.xlsxJT - Summary

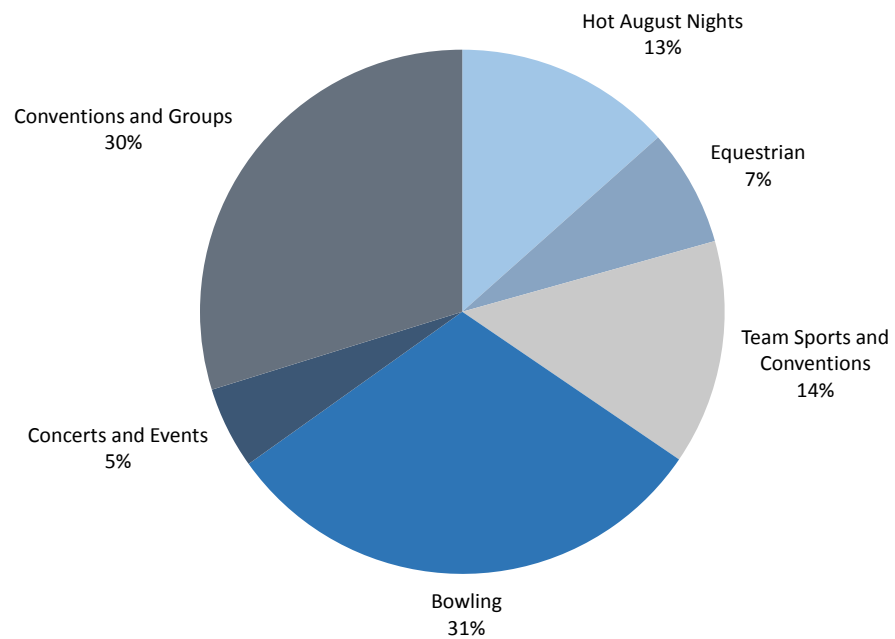
Visitors are primarily travel to Reno for leisure travel, with conventions/meetings and business/corporate travel representing a distant second and third. **Figure 26** presents information on hotel room nights as a way to approximate why visitors come to Reno and Washoe County. In fiscal year 14/15, Leisure Travel resulted in 1.85 million room nights (68 percent), while Conventions/Meetings result in 543,950 room nights (20 percent) and Business/Corporate Travel resulted in 326,370 room nights (12 percent).

Figure 26
Percent of Direct Room Nights by Event, FY10/11-FY14/15



For more granular analysis on why visitors come to Reno and Washoe County, **Figure 27** presents the percent of direct hotel room nights by event from fiscal year 10/11 to fiscal year 14/15. Bowling events represent the highest proportion of room nights at 31 percent over the past five years. Reno is home to the National Bowling Stadium. Conventions and Groups closely follow bowling for proportion of room nights at 30 percent. The remaining 39 percent of room nights are split between Team Sports and Conventions (14 percent), Hot August Nights (13 percent), and Concerts and Events (5 percent). In the future, RSCVA believes that Conventions and Groups will be an increasingly important market segment, forecasting that its proportion of room nights will increase to 40 percent in fiscal years 2015 to 2020. Over this same time period, RSCVA forecasts that Bowling will decline to 15 percent of room nights.

Figure 27
Percent of Direct Room Nights by Event, FY10/11-FY14/15



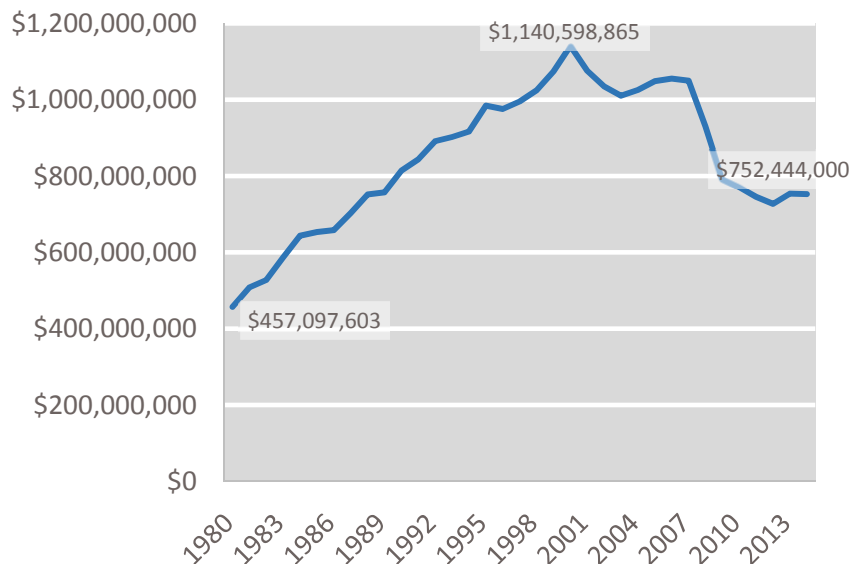
Source: RSCVA; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-Visits&Events.xlsxJT - Event_DirectRoomNight

Gaming Trends

Casinos have been a large driver of economic activity in Reno for several decades, especially in Downtown Reno. The gaming industry is going through significant shifts that are impacting the future of casinos in Reno. The City of Reno receives a significant portion of revenue from casinos, through property tax, business license and gaming license fees, consolidated tax, and lodging tax. However, the revenue from commercial gaming has been largely declining since 2000. Gaming revenue in Washoe County has declined from \$1.1 billion in 2000 to \$752 million in 2014, as shown in **Figure 28**.

Figure 28
Washoe County Annual Gaming Revenue, 1980 to 2014



Source: Clarion Associates, Nevada Gaming Control Board

The decline in gaming revenues in Washoe County is due to an overall decline in gaming revenues in the U.S., but also to growing competition from within the U.S. Gaming revenues have begun to grow again in the United States., but Nevada is not keeping pace. In 2014, overall national gaming revenues were up 2.45 percent but revenues in Nevada were down 1.22 percent, as shown in **Table 20**. A similar trend has occurred over 2015 as gaming revenues are slightly up in the U.S. but down in Nevada. There are a growing number of states that are allowing more gaming activity, which is increasing competition and driving the need for casinos to diversify themselves to capture visitors.

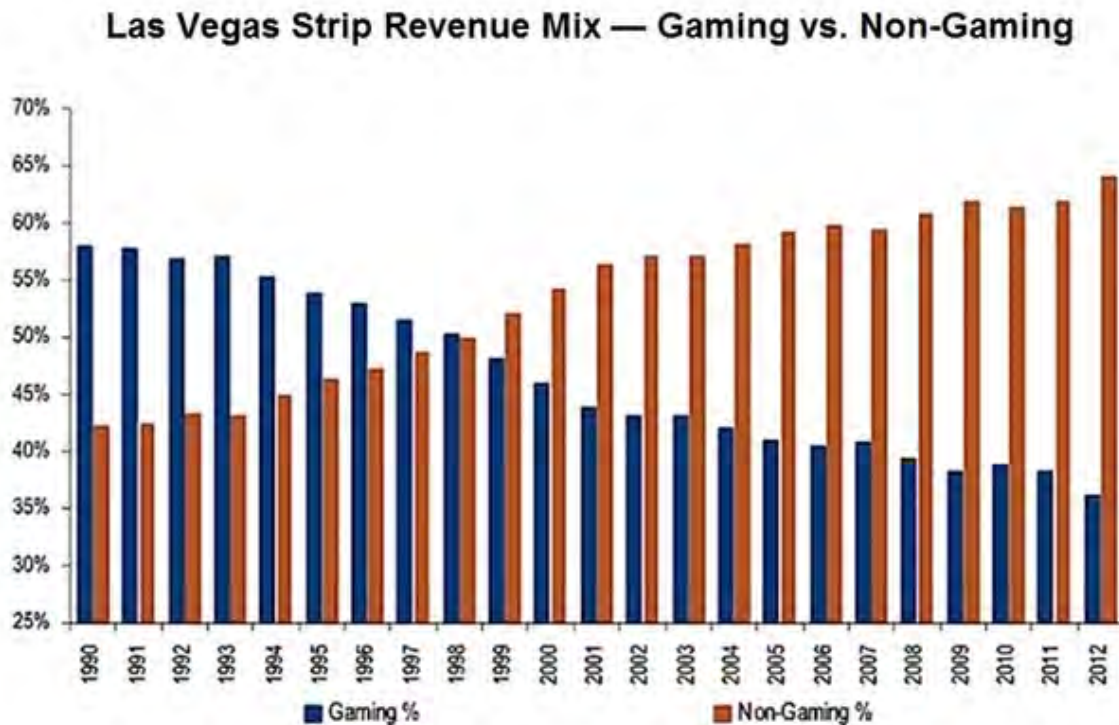
Table 20
Commercial Gaming Revenues by State, 2014 and 2015

	2014	2015
Colorado	-0.38%	7.07%
Delaware	-6.58%	-1.65%
Florida	8.53%	5.40%
Illinois	14.69%	11.51%
Indiana	-7.50%	-0.12%
Iowa	-1.46%	2.60%
Kansas	-3.16%	5.25%
Louisiana	0.71%	7.61%
Maine	-1.36%	-4.87%
Maryland	24.66%	20.95%
Michigan	-1.24%	3.10%
Mississippi	-2.84%	-8.01%
Missouri	-2.73%	2.53%
Nevada	-1.22%	-0.02%
New Jersey	-4.20%	-8.31%
New York	-1.41%	2.16%
Ohio	36.14%	14.11%
Pennsylvania	-1.44%	3.33%
Rhode Island	2.58%	0.46%
South Dakota	1.12%	-9.29%
National	2.45%	0.18%

Source: UNLV Center for Gaming Research

The gaming industry has been responding to declining revenues by diversifying the attractions and amenities provided by casinos. The revenue from non-gaming activities on the Las Vegas Strip became larger than gaming revenues in 1999, as shown in **Figure 29**. The casinos in Las Vegas have been increasing the diversity of amenities for entertainment and leisure to diversify their revenue streams and continue to attract visitors to their casinos. This trend can be seen in Reno as most of the casinos have tried to diversify offerings. However, the newer casinos located outside of downtown, on larger, self-contained sites have been more successful in offering a wider variety of opportunities. The downtown casinos have been more impacted by the drop in revenues because they are more gaming oriented. Going forward, gaming will always have a role in the Reno economy but its overall impact will likely continue to decline. The existing casinos will need to continue to adapt and diversify to continue to attract visitors.

Figure 29
Gaming vs. Non-Gaming Revenue on the Las Vegas Strip, 1990 to 2012



Market Realist[®]

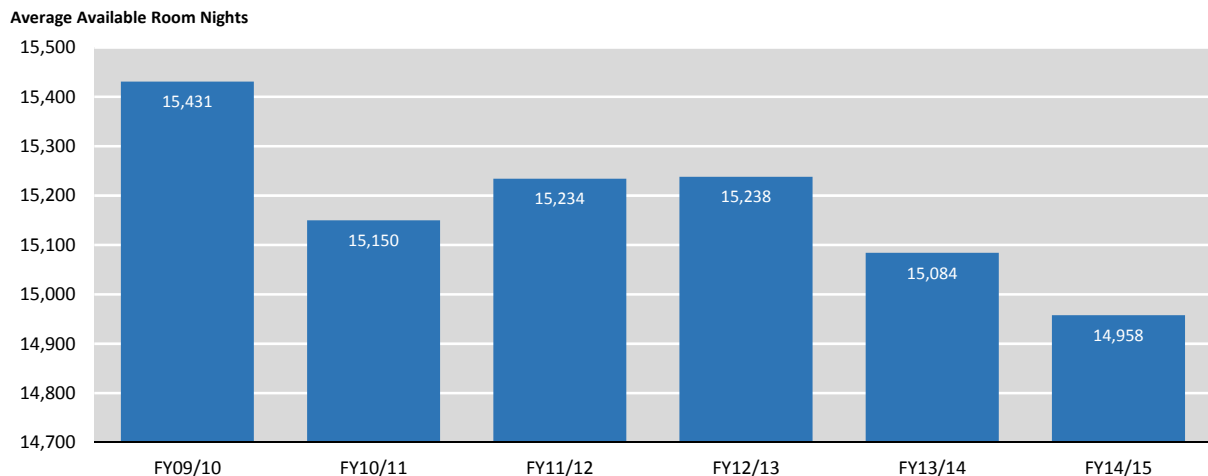
Source: BoFA Merrill Lynch Global Research, Nevada Gaming Control Board

Hotel Inventory and Conditions

Total Rooms

Despite an increase in visitation, over the same time period, average available room nights decreased from 15,431 in fiscal year 2009/10 to 14,958 in 2014/15. However, the projected average available room night for fiscal year 15/16 is 15,777, higher than 2009/10. (Table 22 at the end of this section summarizes RSVA visitation data.)

Figure 30
Washoe County Average Daily Room Nights



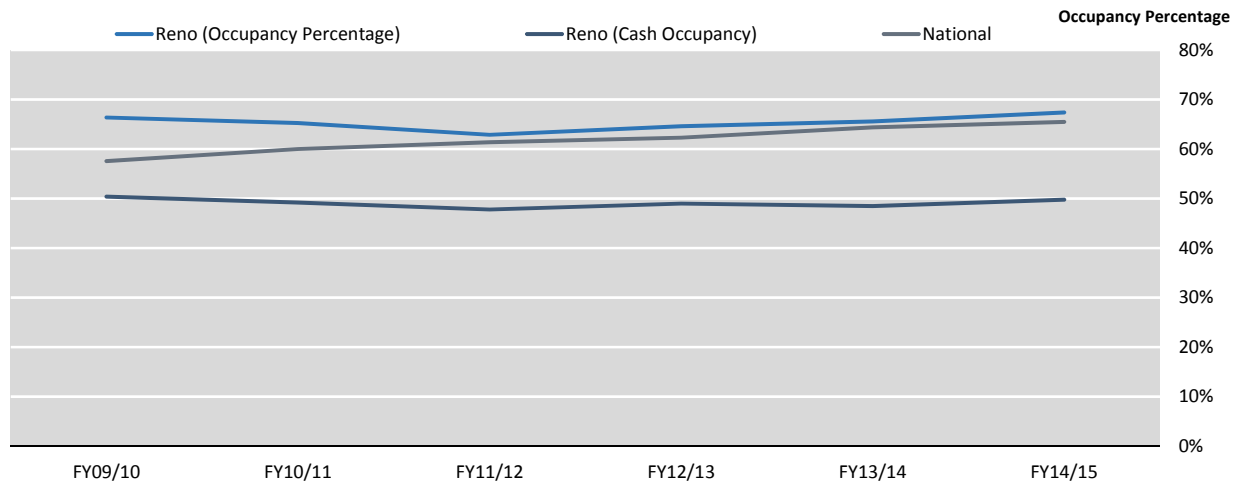
Source: RSCVA; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\153104-Visits&Events.xlsxJT - Summary

Occupancy and Rates

Figure 31 charts changes in occupancy percentage and cash occupancy in Washoe County over the past five years. Occupancy percentage has remained relatively flat for both cash and total occupancy for the past five years, even as the City recovered from the Great Recession. For the past five years, occupancy percentage ranged from 63 percent in fiscal year 11/12 to 67 percent in fiscal year 14/15. Over the same time period cash occupancy ranged from 48 percent in fiscal year 11/12 to 50 percent, the percentage for fiscal year 14/15. (Table 22 at the end of this section summarizes RSVA visitation data.)

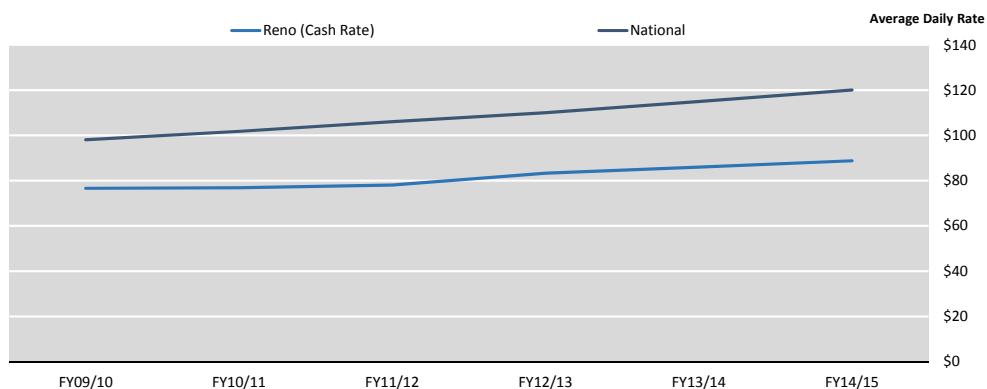
Figure 31
Washoe County Hotel Occupancy Percentage



Source: RSCVA; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-Visits&Events.xlsxJT - Summary

Figure 32 summarizes the average daily room rates in Washoe County over the past five years. Average daily rates increased over the past five years from \$77 in fiscal year 09/10 to \$89 in fiscal year. However, they remain well below the national average. In its corporate report, the RSCVA reported a reluctance of casino operators to risk market share with higher rates, particularly with its recurring customer base. However, lower rates can signal to event planners “substandard” quality, even when the quality of the property is competitive nationally.¹ Further, the RSCVA concludes that “the rate and occupancy statistics for the various Reno area markets do not indicate a level of strength that would support significant increase in inventory, certainly not in the near term.”² (Table 22 at the end of this section summarizes RSVA visitation data.)

Figure 32
Washoe County Average Daily Rate



Source: RSCVA; Economic & Planning Systems
H:\153104-Reno Downtown Action Plan\Data\153104-Visits&Events.xlsxJT - Summary

¹ RSCVA Corporate Strategic Plan, p. 27

² RSCVA Corporate Strategic Plan, p. 27

Recent and Planned Projects

Table 21 summarizes two recent hotel developments in the Study Area. These projects help give a sense of the type of commercial developments currently supported by or emerging in the market. The projects include a 135 room Courtyard by Marriott and a 214 room Marriott Renaissance, which is a rehab of the Siena hotel. Neither of the hotels is geared to gaming. The Courtyard by Marriott is located near the ballpark and does not have gaming or smoking. The Renaissance is a luxury brand.

Table 21
Recent Hotel Developments



Project	Description	Development Snapshot
<p><u>Courtyard by Marriott</u></p> 	<p>Basin Street Properties recently completed a 135 room Courtyard by Marriott in Reno, within walking distance from downtown, the ice rink, and the baseball stadium. The hotel will share parking with the Park Center Tower, an 11 story parking garage and four-story office building. Developers originally planned for the project in 2008, but the Great Recession delayed it. The hotel will not have gaming or allow smoking.</p>	<p>Status: Complete Construction: New Rooms: 135 Sq. Ft.: 76,314 Developer: Basin Street Properties Address: 1 Ballpark Lane</p>
<p><u>Marriott Renaissance</u></p> 	<p>Developer Fernando Leal recently purchased and remodeled the Siena Hotel, turning it into a Marriott Renaissance. Renaissance is more of a luxury brand than the Siena, and there are only 159 Renaissance hotels worldwide. To bring the project up to Renaissance standard, the developer invested about \$15 million into the property.</p>	<p>Status: Complete Construction: Rehab Rooms: 214 Developer: Fernando Leal Address: 1 Lake St, Reno</p>

Table 22
Washoe County Visitation Summary

	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16 Budget
Visitor Volume - Overall	4,447,448	4,319,358	4,410,631	4,617,577	4,605,056	4,666,180	
Taxable Room Revenue	\$217,376,466	\$208,842,478	\$207,621,422	\$226,770,232	\$229,442,390	\$241,401,032	\$258,208,741
Avg. Daily Available Room Nights	15,431	15,150	15,234	15,238	15,084	14,958	15,777
Available Room Nights	5,632,168	5,529,578	5,560,384	5,561,795	5,505,722	5,459,662	5,758,482
Cash Occupied Room Nights	2,837,248	2,718,817	2,660,035	2,722,571	2,667,905	2,719,748	2,952,712
Comp Occupied Room Night	880,829	871,981	818,142	850,734	904,456	924,211	587,798
Occupancy Percentage	66%	65%	63%	65%	66%	67%	69%
Cash Occupancy Percentage	50%	49%	48%	49%	49%	50%	
National Occupancy*	58%	60%	61%	62%	64%	66%	
Avg. Daily Cash Rate	\$77	\$77	\$78	\$83	\$86	\$89	\$87
National Avg. Daily Rate*	\$98	\$102	\$106	\$110	\$115	\$120	

*Data above are Hotel Only, except Visitor Volume, as reported in the RSCVA Monthly Rooms Statistics and Trends Report Jan 15-16. National data indicated with * from Pw C Hospitality Directions January 2016.

Source: RSCVA; Economic & Planning Systems

H:\153104-Reno Downtown Action Plan\Data\Visitation\153104-Visitation.xlsx Summary

DOWNTOWN RENO SURVEY SUMMARY | 11-4-2016

In September 2016, an online survey was developed to collect broad stakeholder input on priorities and improvements to Downtown Reno over the next 5 to 10 years. There was a total of **967 responses**. The following analysis presents the survey's key findings and results.

KEY FINDINGS

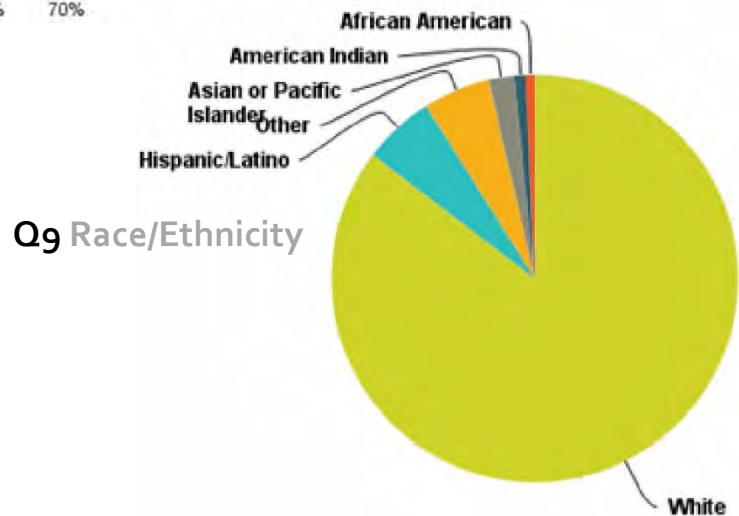
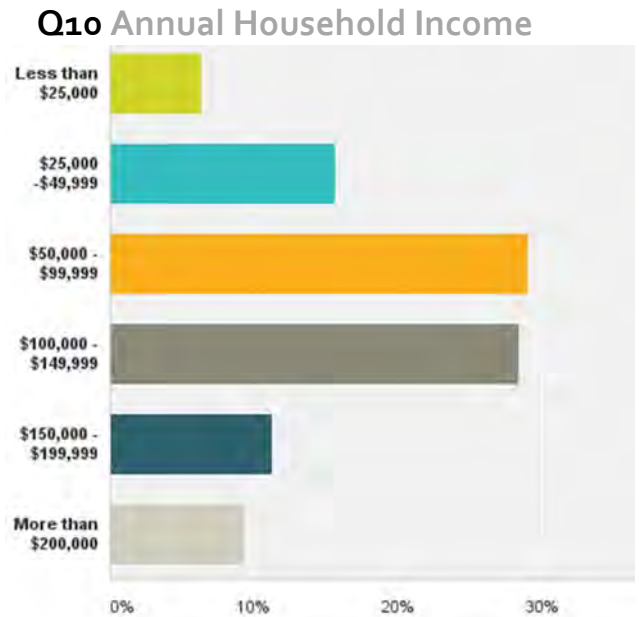
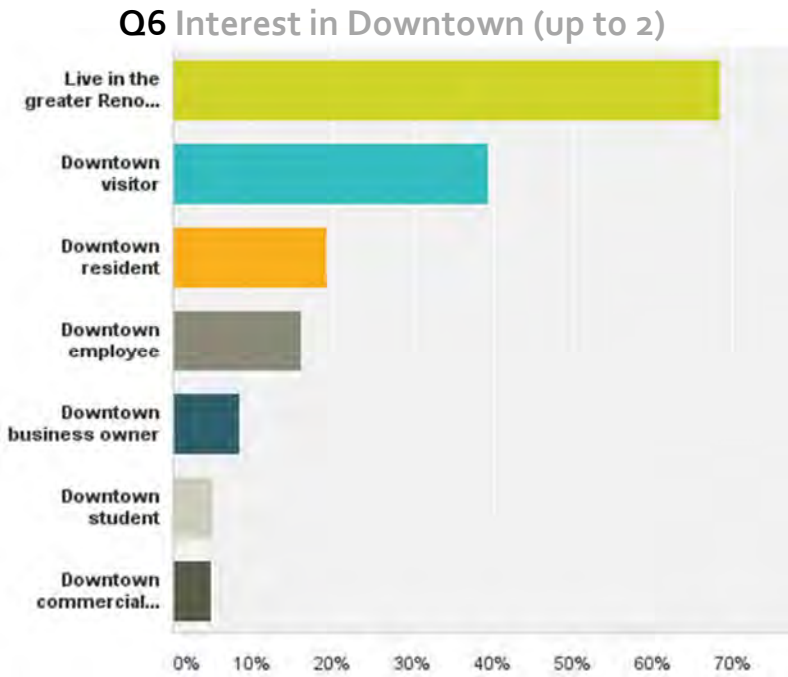
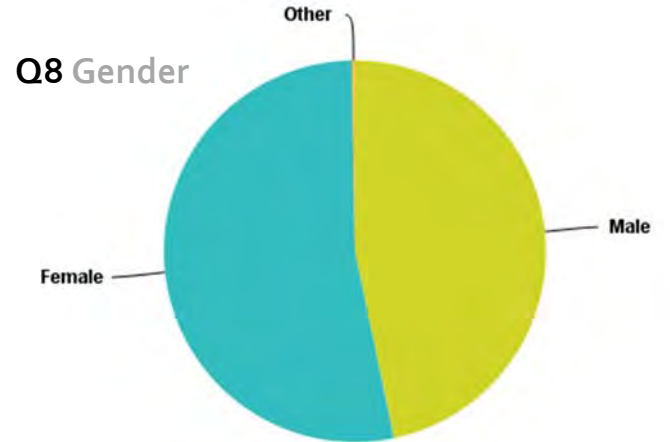
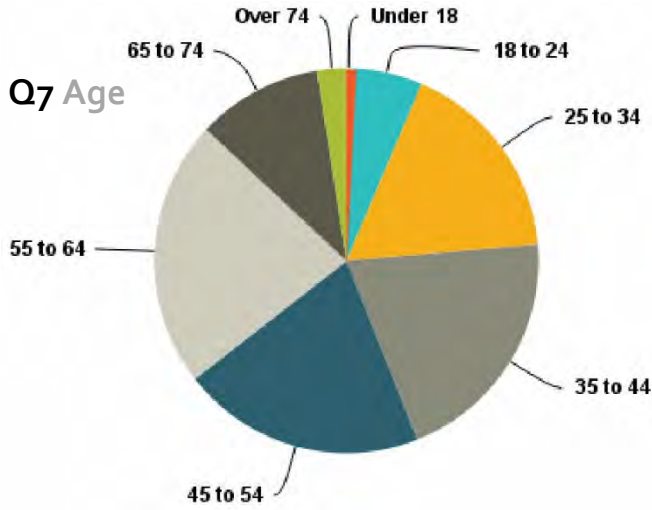
- The top three factors that respondents considered most important in *improving Downtown Reno over the past five years* were: **Truckee River improvements, new businesses and jobs, and new restaurants and retail.**
- The five most common words used to describe respondents' *vision for Downtown Reno in the year 2025* were: **Safe, Clean, Vibrant, Walkable, and Fun.**
- The top five actions respondents chose as **very important steps for achieving their vision** for Downtown Reno were:
 1. **Redevelop blighted and/or vacant properties (82%)**
 2. **Reduce homelessness and provide improved social services (80%)**
 3. **Improve the safety of downtown (including better lighting) (75%)**
 4. **Make downtown Reno more walkable and bikeable (64%)**
 5. **Create incentives to restore historic buildings and façades (52%).**
- When asked to choose the **single most important action** to achieve the vision, the top five choices were:
 1. **Reduce homelessness and provide improved social services (24%)**
 2. **Redevelop blighted and/or vacant properties (23%)**
 3. **Improve the safety of downtown, including better lighting (14%)**
 4. **Make Downtown Reno more walkable and bikeable (8%)**
 5. **Attract retail and amenities that serve the neighborhood (such as grocery, pharmacy, etc.) (7%)**

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 Reno area (69%) and being a Downtown visitor (40%). About 16% of respondents work Downtown.

Other characteristics of respondents include:

- Female (53%); Male (47%)
- Ethnicity
 - White (85%)
 - Hispanic/Latino (6%)
 - Other (5%)
 - Asian/Pacific Islander (2%)
 - African American (0.7%)
- Household Income
 - less than \$25k (6%)
 - \$25-\$49k (16%)
 - \$50-\$99K (29%)
 - \$100-\$149k (28%)
 - \$150-\$199k (11%)
 - More than \$200K (9%)
- Most common home zip codes
 - 89509 (Southwest Reno) (23%)
 - 89523 (Northwest Reno) (13%)
 - 89503 (West/University) (9%)



SURVEY RESPONSES

Q1: OVER THE PAST FIVE YEARS, WHICH FACTORS HAVE BEEN IMPORTANT IN IMPROVING DOWNTOWN RENO?

Respondents were asked to rate the importance of the following factors, from 'Very Important' to 'Not Important', based on each factor's impact on improving Downtown Reno over the past five years. The highest ranked factors were Truckee River improvements, addition of new businesses and jobs, and new restaurants and retail.

Answer Options	Very Important	Important	Somewhat Important	Not Important
Truckee River improvements	60%	31%	8%	1%
New businesses and jobs	58%	35%	6%	1%
New restaurants and retail	57%	33%	9%	1%
Arts and culture	51%	32%	14%	3%
Festivals and events	41%	40%	16%	3%
Downtown housing	34%	34%	23%	9%
Improvements to casino properties	25%	29%	29%	17%
ReTRAC lids over the train tracks through downtown	20%	29%	33%	19%

- There is a strong desire for a more “vibrant,” “clean,” “attractive,” “inviting” and “modern” look and feel to Downtown.
- Homelessness and pan-handling are perceived as serious issues that need to be addressed.
- Improving streetscapes, sidewalks, bike infrastructure, and general walkability and bikeability are important aspects of the Reno vision.
- Many respondents envision a greater offering of family-friendly events, public spaces, and otherwise non-casino related activities and investments.
- Residents and visitors both feel strongly about an expanded river walk area along the Truckee.
- Redeveloped vacant properties and removal of blight were also high on the list.

Respondents were asked to rate the importance of the following factors, from ‘Very Important’ to ‘Not Important’, based on each factor’s impact on achieving respondents’ future vision for Downtown Reno. The highest rated factors were: **redeveloping blighted and/or vacant properties, reducing homelessness and providing improved social services, improving the safety of downtown (including better lighting), making Downtown Reno more walkable and bikeable, and creating incentives to restore historic buildings and facades.**

Answer Options	Very Important	Important	Somewhat Important	Not Important
Redevelop blighted and/or vacant properties	82%	14%	3%	1%
Reduce homelessness and provide improved social services	80%	16%	4%	1%
Improve the safety of downtown, including better lighting	75%	20%	5%	1%
Make Downtown Reno more walkable and bikeable	64%	27%	7%	2%
Create incentives to restore historic buildings and facades	52%	29%	14%	4%
Attract more primary jobs and businesses to fill office space	51%	35%	13%	1%
Attract retail and amenities that serve the neighborhood (such as grocery, pharmacy, etc.)	49%	33%	16%	2%
Encourage more arts and culture uses in downtown	42%	35%	18%	5%
Build downtown housing at a variety of price points	39%	33%	20%	7%
Improve the parking experience for customers and visitors	38%	35%	21%	6%
Educate Reno residents, leaders, and visitors on the value of downtown	36%	37%	21%	7%
Improve connections between neighborhoods, trails and destinations	35%	42%	19%	4%
Create more events that embrace the diversity of the community	28%	38%	24%	11%
Create physical and program connections with the University of Nevada	26%	39%	29%	6%
Improve way-finding signage for bikes, pedestrians, and vehicles	26%	39%	29%	6%
Improve the frequency of public transportation	23%	37%	32%	8%
Create an innovation district that uses light industrial and other flexible space	21%	38%	31%	10%

1. Reduce homelessness and provide improved social services (24%)
2. Redevelop blighted and/or vacant properties (23%)
3. Improve the safety of downtown, including better lighting (14%)
4. Make Downtown Reno more walkable and bikeable (8%)
5. Attract retail and amenities that serve the neighborhood (such as grocery, pharmacy, etc.) (7%)
6. Attract more primary jobs and businesses to fill office space (6%)
7. Build downtown housing at a variety of price points (5%)
8. Encourage more arts and culture uses in downtown (3%)
9. Create physical and program connections with the University of Nevada (2%)
10. Create incentives to restore historic buildings and facades (2%)

[illegible]

- Clean up the downtown corridor and make it inviting for both local residents and tourists.
- Increase focus on the Truckee River and its commercial and recreational potential.

- Green space – including small parks and street trees – would enhance the aesthetic appeal and livability of Downtown Reno.
- Police presence and more lighting on side streets for safety were common suggestions.
- Taking steps to renovate and reclaim blighted buildings, including motels, will improve Reno's livability, safety, and reputation.
- More regional retail and outdoor restaurant offerings to bring people downtown are desired.
- Many respondents recognize the need to proactively and compassionately deal with the homelessness issue.
- Amenities for residents, like affordable downtown apartments and grocery stores, are needed.
- Encouragement of more non-casino related improvements and activities.
- Consider closing car traffic on portions of Virginia Street to create a pedestrian corridor.

CROSS-TABULATIONS

Survey results were cross-tabulated by the following:

- Interest in Downtown Reno
- Annual Household Income
- Gender
- Age

CROSS-TABULATION BY INTEREST IN DOWNTOWN:

The following data highlights respondents differing preferences and values for the future of Downtown Reno based on each respondent's primary interest(s) in Downtown. Interests listed in the survey included: Downtown commercial property owner, Downtown business owner, Downtown resident, Downtown employee, Downtown student, Downtown visitor, and those that live in the greater Reno area. Respondents were allowed to choose **up to two categories**.

DT Commercial Property Owners	DT Business Owner	DT resident	DT employee	DT visitor	DT student	Live in the greater Reno area
42	72	166	139	343	44	595
4.8%	8.3%	19.1%	16%	39.5%	5.1%	68.5%

Downtown Business Owners | This demographic feels very strong about the majority of suggested improvements, particularly actions that will bring great economic vitality and activity to the area, including aesthetic and programmatic enhancements. Of all the stakeholder groups, they feel most strongly about redeveloping blighted downtown properties. This group also ranks highest in terms of prioritizing primary job attraction and businesses to fill office space.

Downtown Commercial Property Owners | Like the downtown business owners, downtown property owners feel strongly about most suggested improvements, especially those that will

address blight and economic vitality. **79%** of commercial property owners (the highest of any group) feel that **making Downtown Reno more walkable and bikeable** is very important. They are also the cohort **most likely to consider improving the safety of downtown**, including better lighting, to be very important (**79%** vs. **75%** average respondent).

After students, downtown commercial property owners have the second highest proportion (**26%**) of those desiring an improvement in the **frequency of public transportation**. They have the highest proportion of those desiring **improved connections between neighborhoods, trails, and destinations** (**48%** of property owners vs. **35%** average).

When it comes to encouraging more **arts and cultural** uses downtown, this demographic ranks slightly higher than average (**49%** vs. **42%** average). This group was also most likely to support the **education of Reno residents, leaders and visitors on the values of downtown** (**48%** vs. **36%** average). It has the highest proportion (**36%** compared to **28%** average) of those supporting a **light industrial innovation district**.

Interestingly, in terms of creating incentives to **restore historic buildings and facades, fewer commercial property owners rated the action as "very important" than might be expected**; **50%** compared to **52%** average. Nearly **10%** indicated that these incentives would "not be important," the highest "not important" response to this question of any interest-type.

Downtown Resident | Downtown residents had by far the largest proportion of those that felt **building downtown housing at a variety of price points** is very important (**54%** vs. **39%** average). They had the second-highest proportion of respondents to indicate **walkability and bikeability** improvements are very important. They also ranked second-highest for desire to improve the **frequency of public transportation**.

12% of Downtown residents considered the *single most important action* to be the **attraction of retail and amenities** that service the neighborhood (such as grocery, pharmacy, etc.), compared to **7%** overall.

Only **69%** of this group felt that **improving the safety of downtown** is very important, lower than the **75%** average. Downtown residents were also **least likely to place high importance on improving the downtown parking experience**.

Downtown Employee | Downtown employees were *more* enthusiastic than average about the attraction of new neighborhood-serving retail and amenities. They were *less* enthusiastic than average about improving the frequency of public transportation or improving the parking experience for customers and visitors. They also placed the least importance on reducing homelessness or redeveloping blighted properties, out of any interest-type.

Downtown Visitor | Downtown visitors reflected the average response for many of the questions. For example, safety was "very important" to **75%** of visitor-respondents, compared to the **75%** of respondents on average. The same is true of improving the parking experience: **39%** of visitors vs. **38%** average.

Visitor-respondents did place a higher priority on redeveloping blighted and vacant properties than average (86% vs. 82% average).

[Visitors emphasized walkability and bikeability as high-priority slightly less than the average. Also “slightly less than average” priorities for visitors were neighborhood-serving amenities, improved connections between neighborhoods, and the creation of an innovation district.]

Downtown Student | Downtown students had the highest proportion of those who feel strongly about improving the frequency of public transportation in the future (31% compared to 23% average). They also had by far the highest percentage of respondents who feel very strongly about creating physical and program connections with the University of Nevada, and the highest proportion of respondents with a strong desire to improve way-finding signage for bikes, pedestrians, and vehicles. Students were most likely to rate downtown housing a “very important” action.

Students had the lowest rating for choosing “arts and culture” as “very important” in terms of what has improved Reno over the past five years, but are the most passionate about encouraging more arts and culture uses downtown in the future, and creating events that embrace the diversity of the community.

CROSS-TABULATION BY INCOME:

The following data highlights differing visions for the future of Downtown Reno based on respondents’ annual household income. Annual income brackets in the survey are illustrated in the table below.

Less than \$25,000	\$25,000 - \$49,000	\$50,000 - \$99,000	\$100,000 - \$149,000	\$150,000 - \$199,000	More than \$200,000
49	121	224	219	87	72
6%	16%	29%	28%	11%	9%

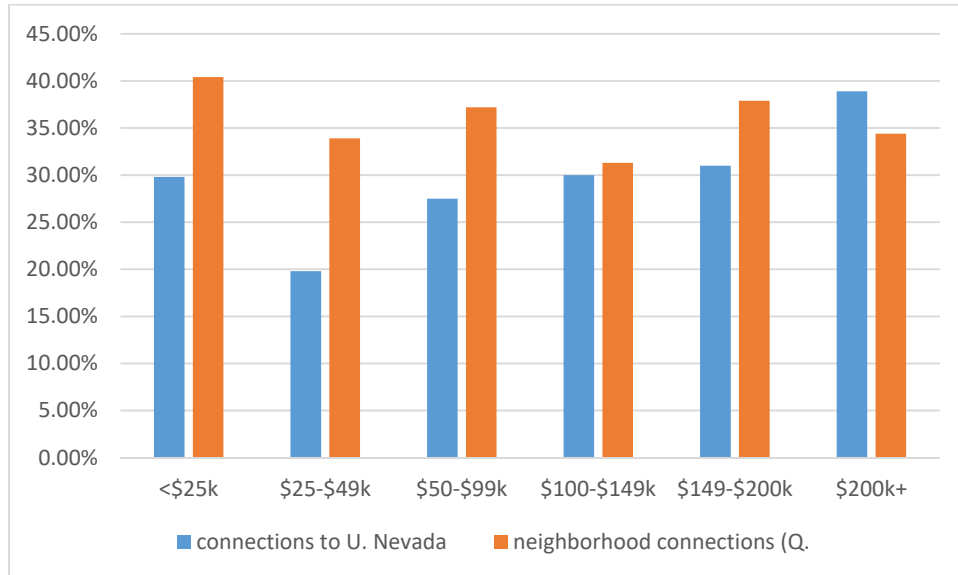
Safety: Higher income respondents were a bit more likely to prioritize downtown safety improvements including better lighting (58% of those <\$25K households vs. 76% of those \$200k+ households).

Public Transportation: Higher income households were less likely to prioritize public transportation improvements, which is not entirely surprising; higher earners rely less on public transportation. Only 17% of the \$200k+ cohort rated “improvements to frequency of public transportation” as very important, compared to 38% of <\$25k and 30% of \$25-\$49k households. Therefore, it is somewhat surprising that a higher proportion of low income respondents than high income respondents seem to prioritize improving the parking experience for customers and visitors (47% for <\$25K vs. 33% of \$200k+).

Trails, Connections, and Bikeability: In general, improving walkability and bikeability was popular across the income spectrum. Lower income respondents were more likely to rate “improving way-finding signage for bikes, pedestrians, and vehicles as very important (35% of <\$25k vs. 17% of \$200k+). And yet, when asked about making Downtown Reno more walkable

and bikeable, a *slightly greater percentage* of **high-income** respondents selected the “very important” option compared to the lower-income respondents (63% of <\$25k vs. 65% off \$200k+).

While a higher proportion of lower income respondents chose “very high” for “improving connections between neighborhoods, trails, and destinations,” the *reverse is true* of “creating physical and program connections with the University of Nevada.” **The higher income respondents were supportive of these types of improvements when it comes to the area between downtown and the University of Nevada.**

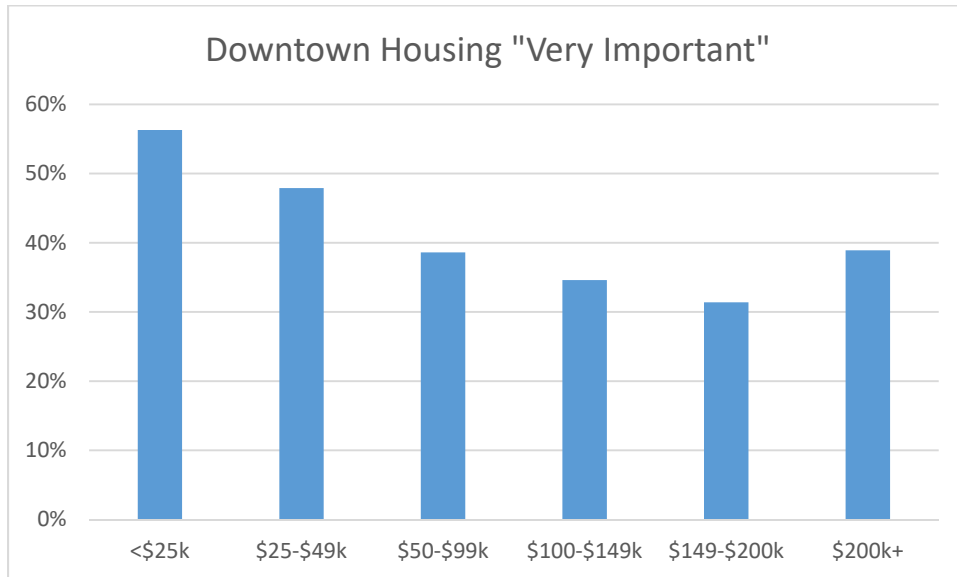


Diversity: **Lower income** respondents inclined to place a higher importance on events that **embrace the diversity of the community.** 52% of <\$25k respondents and 22% of \$200k+ respondents rated this improvement as “very important.”

Neighborhood Serving Retail & Amenities: Higher income respondents were more likely to highly rate “attracting retail and amenities that serve the neighborhood (such as grocery, pharmacy, etc.).” 45% of <\$25k vs. 56% of \$200k+

Truckee River Improvements: **The recent improvements to the Truckee River were seen as positive across the income spectrum.**

Downtown Housing: There is a slight negative **correlation between income and desire for downtown housing at a variety of price points.** 56% of <\$25K respondents gave this a very important rating, compared to 31% of \$150-\$199K and 39% of \$200K+ respondents.



Restaurants and Retail: There was a positive correlation between income and likelihood of describing "new restaurants and retail" over the past five years as "very important." Of respondents with household incomes less than \$25,000, 30.5% chose "very important" compared to 71.8% of those with household incomes over \$200,000. The same general correlation can be seen with respondents' views on the addition of new businesses and jobs over the past five years.

Reducing Homelessness: Across the board, respondents feel strongly about reducing homelessness and providing improved social services. Each income bracket hovered around 80% of its respondents choosing "very important" to describe this priority.

CROSS-TABULATION BY GENDER:

Though male and female respondents generally replied with similar answers overall, there were some key areas with diverging preferences and values. Safety, mobility, and arts/culture/diversity saw significantly higher support among females compared to males.

Safety: **78%** of women rated "improving the safety of downtown, including better lighting" very highly, compared to **69%** of men.

Public Transportation: **26%** of women rated "improving the frequency of public transportation very highly, compared to **19%** of men.

Walkable and Bikeable: Among female respondents, **68%** felt that making downtown Reno more walkable and bikeable is a very important priority, compared to **60%** of men. Similarly, over **39%** of women saw improving connections between neighborhoods, trails, and destinations as very important, compared to **30%** of men. (Surprisingly, a slightly higher proportion of men chose "very important" to describe creating physical and program connections with the University of Nevada, **30%** of men vs. **26%** of women).

Arts & Culture: Among respondents who thought “encouraging more arts and cultural uses downtown” was very important were **48% of women** and **35% of men**. Similarly, **60%** of women, compared with **42%** of men, felt that the improvements in arts and culture had a very important role in Reno’s development over the previous five years.

Diversity: When asked about the importance of creating more events that embrace the diversity of the community, **33% of women** and **22% of men** rated this improvement as “very important”

Incentives for Historic Restoration: There was a gender breakdown of respondents choosing “very important” to describe new incentives to restore historic buildings and facades: **59% of women** vs. **43% of men**.

CROSS-TABULATION BY AGE:

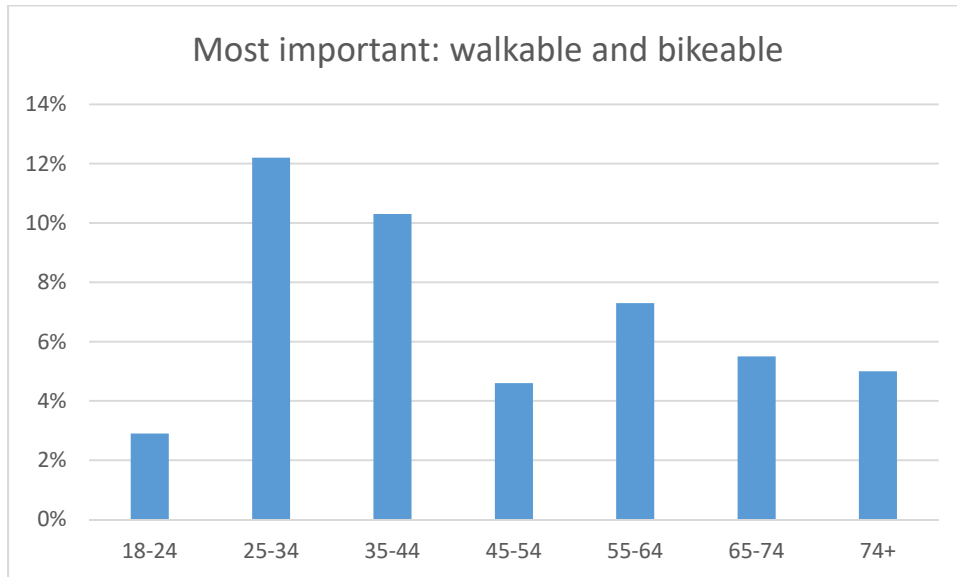
The following data highlights differing visions for the future of Downtown Reno based on respondents’ age. Age brackets in the survey are shown in the following table.

AGE	<18	18-24	25-34	35-44	45-54	55-64	64-74	74+
# RESPONDENTS	3	52	148	175	176	193	91	21
PERCENT OF TOTAL	0.3%	6%	17%	20%	20%	23%	11%	3%

Safety: Improving safety was important across the board, but older respondents (e.g. **76%** of those aged 74+ and **88%** of those aged 65-74) were felt the strongest about improved downtown safety being a priority (versus **63%** of 25-34-year-olds).

Neighborhood Serving Retail & Amenities: When asked to choose the most important future action, younger generations were least likely to rate “neighborhood serving retail and amenities” highly.

Trails, Connections, and Bikeability: Younger respondents seem to place a higher value on improvements to trails and connections. **40%** and **37%** of the 18-24 and 25-34 cohorts, respectively, rate “improve connections between neighborhoods, trails, and destinations” as “very important,” compared to **31%** of 55-64-year-olds, **24%** of 65-74-year-olds, and **33%** of those over 74. 24-to-44-year-olds were most likely respond that making Downtown Reno more walkable and bikeable is the MOST important action.



Improvements to casino properties: Respondents under 24 were not as convinced that improvements to casino properties had made a substantial impact on Reno in the past 5 years.

Improvements to blighted properties: Older respondents (e.g. 87% and 91% of the 65-74 and over-74 cohorts, respectively) feel that redeveloping blighted and/or vacant properties is very important. 73% of those aged 18-24 and 79% of those 25-34 felt this action was very important.

Innovation District: A greater percentage of younger respondents see the value in creating an innovation district that uses light industrial and other flexible space (31% of the youngest cohort vs. 10% of the oldest cohort).

Diversity: On average, the younger the respondent, the more likely "creating more events that embrace the diversity of the community" was seen as very important (52% of the youngest cohort vs. 14% of the oldest cohort).

Educating the public about the value of downtown: 32% of respondents aged 44-and-younger felt that "educating Reno residents, leaders, and visitors on the value of downtown" was "very important." On the older end of the spectrum, respondents were more enthusiastic: 47% of those aged 65-74 and 57% of those over-74.