

**EXECUTIVE SUMMARY  
DOWNTOWN NEW ALBANY MARKET STUDY  
AND IMPLEMENTATION PROGRAM**

**PREPARED FOR:**

**DEVELOP NEW ALBANY, INC.  
IN COOPERATION WITH  
THE INDIANA DEPARTMENT OF COMMERCE**

**PREPARED BY:**

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*Streets!*

## 1. INTRODUCTION

In October, 1990, Develop New Albany, Inc. contracted with Greenberg Development Services to prepare a market analysis and implementation plan for the organization to use in its business recruitment efforts. The project was funded in part, through the Indiana Department of Commerce.

The market analysis and implementation reports have been divided into four sections. They are as follow: Part One: Market Feasibility Study, Part Two: Commercial Base Assessment, Part Three: Downtown Implementation Program and an Executive Summary. Part One describes the regional and local demographic and employment trends that influence retail demand and identifies market demand opportunities for retail, residential and office development downtown. Part Two summarizes existing downtown strengths and weaknesses and identifies target customers and underserved market segments. Part Two also evaluates various issues or conditions that affect the overall revitalization process. These issues include real estate trends, the physical environment, design, traffic patterns, parking, the organizational structure and financial incentives.

Part Three describes a retail leasing plan for the downtown. Recommended business uses are identified for nine specific areas within the downtown project area. In addition to specific business recruitment suggestions, recommendations were made regarding appropriate roles and responsibilities for the DNA, the City and the financial community. The report also identifies specific business assistance recommendations, including strategies to reduce business costs and increase retail sales. Recommendations also were made regarding a general business recruitment strategy. Finally, specific activities were identified to strengthen or attract additional retail, residential, tourism and office development downtown. Although most of the information contained in the report refers to recruiting new businesses, business assistance and retention issues are as important to the overall health of the downtown. In fact, the current national economic slowdown makes it imperative that existing efforts to strengthen downtown's commercial base continue.

This executive summary contains highlights of the information contained in the above three sections and an implementation action agenda for Develop New Albany's Board of Directors, Economic Restructuring committee and other entities involved with economic development in downtown New Albany.

## 2. MARKET FEASIBILITY ANALYSIS

### 2.1 Demographic Characteristics and market trends

#### Trade area boundaries

For this report, two trade areas were identified: a primary trade area for convenience goods and a secondary trade area for more regionally-serving goods (Map 1 and 2). Downtown's primary trade area was defined as a three mile radius from I-64 and Spring

Street. The secondary market includes Floyd and Clark Counties and extends west and south to include portions of Harrison and Washington Counties. Both the primary and secondary trade areas include a small neighborhood in west Louisville, Ky.

Although several downtown New Albany businesses, the furniture stores for example, attract customers from the greater Louisville area, a decision was made to exclude this potential customer market from this market analysis. Interviews with local businesses indicated that new businesses locating in New Albany would initially find it difficult to generate significant sales from Louisville area residents. Individual stores that should be able to capture some sales from the greater LMSA include antique or artisan shops, specialty restaurants and quality furniture stores. Excluding Kentucky residents from the secondary market should result in a smaller, but more realistic estimate of market demand for downtown space.

#### Population and household trends

CACI, a computer data service, estimated the primary trade area to contain 75,000 persons or 28,300 households. The population for the entire secondary market is 188,000 persons or 75,000 households.

The City of New Albany's population declined between 1980 and 1990 by approximately 2%. However, New Albany Township, which includes the City of New Albany grew by approximately the same amount. Most of this growth occurred along the perimeter of the City's corporate limits. Floyd County experienced a 5.25% increase in population between 1980 and 1990, compared to a 1.6% increase for the Louisville metropolitan region.

Within Floyd County, the zipcode area of Floyd Knobs (47114), Georgetown (47122) and Greenville (47124) areas experienced the greatest percentage increase in population. However, in total numbers, these areas represent only a small percentage of the trade area's total population.

The presence of new more expensive housing in Floyd Knobs and Georgetown zipcode areas has skewed the median incomes in these areas above the City of New Albany. The median incomes in these areas were \$2,000 to \$8,000 higher than the New Albany zipcode area. New Albany's median income of \$26,000 was higher than many of the communities in Clark County. Approximately 8.6% or 1,241 households in the City have incomes over \$50,000.

The City population is slightly older than the County's or the State. The City's median age was 34.5 in 1990 compared to the State's median of 31.0 years.

#### Market segmentation

Households within the trade area have been categorized into six distinct market segments by CACI. These market segments are: 1) mature adults in stable neighborhoods, 2) young, middle-income families, 3) blue-collar families, 4) trend-setting suburban neighborhoods, 5) minority neighborhoods and 6) apartment households and college

community. A detailed description of the socio-economic and buying behavior of these market segments can be found in the appendix of the "Downtown New Albany: Market Feasibility Analysis" report.

## 2.2 Retail sales trends

Until the mid-1960's, downtown New Albany was the major shopping center for Southern Indiana. Today, that role has been assumed by Clarksville's regional malls. Although the City lost its dominance as a center for general merchandise and apparel, it remains a center for furniture and appliance goods. Greentree and River Falls Mall are the closest regional shopping centers to downtown New Albany; approximately 5 miles away in the town of Clarksville. Together, these regional centers contain almost 2 million square feet of retail space.

New Albany's seven largest neighborhood or community shopping centers are located along the major arterial roads leading into the City. Local strip centers are often anchored by a supermarket, a drugstore or both. The largest commercial centers in New Albany are the New Albany Plaza on State Street; the K-Mart Plaza and University Plaza Center on Grantline Road and the Charlestown and Colonial Manor Centers on Charlestown Road.

Despite the lack of a regional mall, the City of New Albany remains a major retailing center in the region. The City's total per capita sales in 1989 exceeded the County's and State of Indiana's in all categories except automotive. The City's total per capita sales surpassed Clark County and the Louisville MSA in three categories; food, furniture, drugs and appliances.

## 2.3 Principal findings of market study

### Retail development opportunities

The ultimate key to the successful development of new commercial activity downtown is through expanded consumer and business market support. This support can be generated in three ways: through new household growth; by strengthening downtown's competitive position and by creating new markets.

Downtown New Albany should be able to generate new market support from all three of the approaches described above. New Albany's regional trade area is expected to continue to grow over the next ten years, although at a slower pace than the last ten years. While the number of new retail center in the region also is expected to grow as a result of new household growth and housing development patterns, downtown should be able to capture some of the new demand generated in the region. To capture any of this new household growth, the downtown retail center will have to undergo fundamental changes in its business mix and promotional program. Traditionally, downtown has catered to older and blue-collar households. In the future, downtown businesses also will have to attract a younger, more affluent household living outside the City. Many of these new households have little loyalty to New Albany or downtown. To attract them to

**TABLE 2  
1990 ACTUAL SQUARE FOOTAGE DEMAND REGIONAL MARKET AREA  
DOWNTOWN NEW ALBANY MARKET STUDY**

	1990 POTENTIAL SQ. FT.			ACTUAL SQUARE FOOTAGE	TOTAL SQ. FT. DEMAND		
	CONSUMERS	INCOME	AGE		CONSUMERS	INCOME	AGE
Apparel and accessories	8,408	9,770	9,241	2,200	6,208	7,570	7,041
men and boys	15,882	17,569	16,038	14,100	1,782	3,469	1,938
women and girls	1,967	2,065	1,805	0	1,967	2,065	1,805
children	5,447	6,104	5,011	1,850	3,597	4,254	3,161
shoes	6,495	7,336	6,544	0	6,495	7,336	6,544
other							
Furniture and Appliances	67,719	76,160	69,022	43,948	23,771	32,220	25,074
furniture	5,357	6,684	5,255	5,040	317	1,644	215
floor covering	18,632	20,222	18,640	7,200	11,432	13,022	11,440
major appliances	2,213	2,439	2,177	6,250	(4,037)	(3,811)	(4,073)
small appliances							
Restaurant	78,104	90,011	77,777	37,586	40,518	52,425	40,191
Automotive							
new and used vehicles	77,749	85,159	77,876	19,800	57,949	65,359	58,076
Entertainment							
TV radio sound equip.	6,969	6,963	6,858	0	6,969	6,963	6,858
pet, toys, playground	8,960	10,541	8,940	0	8,960	10,541	8,940
other	15,895	19,514	15,321	13,920	1,975	5,594	1,401
Gifts	17,205	19,916	17,062	4,300	12,905	15,616	12,762
Miscellaneous	65,443	79,725	64,051	66,055	(612)	13,670	(2,004)

Source: Table 22 and Co. tax assessor cards and field observation

**TABLE 1  
ACTUAL SQUARE FOOTAGE DEMAND: PRIMARY MARKET AREA  
DOWNTOWN NEW ALBANY MARKET STUDY**

	1990 POTENTIAL SQ. FT.		ACTUAL SQ. FOOTAGE	TOTAL SQ. FT. DEMAND	
	CONSUMER	INCOME		CONSUMER	INCOME
Apparel and accessories					
men and boys	1,516 Ft	1,543 Ft	1,568 Ft	2,200 Ft	(684) Ft (657) Ft (657) Ft
women and girls	6,204	6,197	6,035	14,100	(7,896) (7,903) (8,065)
children	329	315	285	0	329 315 315
shoes	2,210	2,250	1,976	1,850	360 400 400
other	2,635	2,631	2,540	0	2,635 2,631 2,631
Restaurants	40,327	41,673	38,542	33,063	7,264 8,610 8,610
Food					
groceries	9,916	9,885	9,600	7,000	2,916 2,885 2,885
bakery	1,222	1,213	1,193	4,400	(3,178) (3,187) (3,187)
meat and poultry	3,378	3,317	3,269	3,000	378 317 317
fruits and vegetable	1,682	1,650	1,652	1,500	182 150 150
Automotive					
maint and repair	25,761	26,365	24,783	97,780	(72,019) (71,415) (71,415)
Drugs and medical supply	8,382	8,418	9,782	6,000	2,382 2,418 3,782
Personal care	23,621	23,181	28,625	19,375	4,246 3,806 9,250
Gifts	10,470	10,584	12,494	4,300	6,170 6,284 6,284
Miscellaneous	11,023	18,960	16,787	66,000	(54,977) (47,040) (49,213)

Source: Table 22, Co. Tax Assessor cards and field observations

### Residential development opportunity

In the short term, there appears to be an opportunity to develop additional elderly housing projects and to market existing residential units in and around the downtown to single and start-up households. Diversifying the demographic profile of the surrounding neighborhoods could strengthen existing downtown businesses. On a very limited scale, there also is an opportunity to convert vacant upper-floor space to apartments. These apartments should target the young, professional households rather than the retired household.

The natural aging process in the community, combined with downtown's convenience and close proximity to necessary goods and services should continue to strengthen downtown's elderly housing market opportunities. To attract these households, downtown will need to meet several prerequisites. These prerequisites include a high degree of safety, visual ambiance, and the presence of nearby support services and amenities. Existing food, drug, medical and social service agencies in the downtown are an important amenity to attract residents to the downtown. Additional amenities such as recreational shopping, developed recreational areas or eating and drinking establishments could improve the residential ambiance of the downtown.

A prime location for a quality elderly housing project is the New Albany Inn on the corner of Market and Bank. This building is currently in residential use, but could be renovated for either market rate or subsidized elderly housing. Given the limited incomes of many older households in New Albany, it may be difficult to develop a market rate residential project. However, existing subsidized elderly housing programs combined with investment tax credits for historic rehabilitation should make a downtown elderly rehab project attractive to potential investors.

Despite the strong competition for younger, professional tenants, downtown should be able to attract some of these households on a very limited basis, if spaces were available at the right price. Given the number of affordable housing structures in and around the downtown, efforts should be made to target new tenants for these buildings. Although these structures are currently occupied by older and lower income residents, there may be opportunity to attract younger more professional households. Like the elderly households, these areas will need to be perceived as having high security and visual ambiance as well as affordable rent or sale price.

Although limited, there should be some opportunity downtown to convert existing buildings for upper-floor residential. In order to be competitive, these residential conversions would have to be developed in buildings that were once used for residential use or in buildings that could be inexpensively converted. Projects that had a riverview would also be easier to market. Unless these residential conversions have elevators, the units should be targeted to recently divorced middle-age persons, students and younger households without children. Several small residential conversions should be done on a limited basis to test the market, before a larger project is attempted.

### Office development opportunities

Future office growth will be influenced by cost, rents, space availability and net new employment growth. Downtown's ability to capture a share of the region's office market will depend on its supply of space and its ability to position itself as the region's predominant office center. The primary determinant of future office space demand is the growth in the finance, insurance and real estate (FIRE) and business service sectors.

Based on employment trend projections prepared by the State of Indiana, the Southern Indiana labor market is not expected to grow significantly during the next five years. The largest increase in employment is expected to be in the wholesale and retail trade sectors. Based on calculations presented in Tables 32 and 33 of the "Downtown New Albany: Market Analysis" report there will be demand for 140,000 square feet of new office space in the region between 1990 and 1995. Assuming that the downtown can capture 65% of this demand, there is demand for an additional 91,000 square feet of office space in downtown New Albany. This calculation assumes that employment in the region occurs along State forecasts. Recruitment of new industry to Floyd or Clark Counties could alter potential demand calculations. Demand for future space downtown also assumes that downtown will retain its dominance as the region's office center.

Although existing conditions do not support new office development in New Albany, long term, there is the potential to develop Class A space in the downtown. Currently, downtown New Albany has retained its role as the area's only major office center. Recent trends regarding suburban office development make it imperative that actions be taken by both the City and the private sector to improve downtown's image and role as the center for government, legal, financial and professional services in Southern Indiana. As a first step, DNA needs to initiate an aggressive small office tenant retention and recruitment program. This program should concentrate on identifying all existing small office space users currently located outside the downtown. These businesses should be targeted for recruitment to downtown. All existing office users downtown should be contacted for future expansion or relocation plans. Initially, DNA should concentrate on vacancies in existing office buildings. Once these vacancies are filled, additional upper-story space should be converted for office space.

## **3. COMMERCIAL BASE ASSESSMENT**

### **3.1 Summary of strengths and advantages**

#### Business clusters

An important selling point for downtown is the presence of business clusters that generate consistent customer traffic. Together these business clusters can maximize sales more effectively than as individual businesses. These business clusters typically target similar demographic characteristics or inventory. The three largest business clusters are the furniture, automotive and office/financial/professional clusters. Other smaller business clusters include a small middle-income shoppers goods cluster, a home improvement cluster, a moderate income business cluster and a restaurant/entertainment

#### Strong individual retailers

The downtown commercial base is fairly stable. Most of the businesses' downtown have been in operation for over 15 years. These established businesses appear to be profitable, well-run operations with loyal customers. Merchants report that gross sales have held steady or slightly increased over the past few years. Several downtown retailers are open at least one evening a week.

#### History of public investment

The City has invested a considerable amount of public funds downtown. New trees, sidewalks and a riverfront amphitheater have helped improve downtown's physical appearance. Housing programs are focusing on improving the housing stock in and around the downtown.

#### Downtown development organization

Develop New Albany, Inc. is a newly formed organization established to help manage and direct downtown development. The organization has an active membership and has developed a strong reputation in the community. The organization is working to strengthen consensus among various organizations regarding downtown priorities. The organization has good a working relationship with other governmental and civic organizations.

#### Public support for the downtown

A recent telephone survey indicated that the public believes the downtown is safe, clean, accessible and has good special events. While survey respondents expressed concern for downtown's future, they also expressed support for continued revitalization efforts.

#### Affordable real estate

Generally, downtown real estate is attractively priced for both sale or lease at prices that are well below competing commercial centers.

#### Historic buildings

The downtown still has much of its historic building stock. These buildings offer an opportunity for adaptive reuse for retail, office and housing. A large portion of the downtown is eligible to be placed on the National Register of Historic Places. If approved, buildings in the district would be eligible for a 20% investment tax credit for qualified renovation.

#### Parking deficiencies

The City's parking garage on Main Street is in need of immediate repair. This project may require both public and private resources. Many of the City's surface parking lots need screening, landscaping and resurfacing. There also is a need for better management of existing parking lots. This could include better signage and designated employee parking areas.

#### Physical obsolescence

Many of downtown's buildings are in need of major refurbishment before they can be occupied. Existing businesses need both interior and exterior improvements. Many downtown buildings are owned by persons unable or unwilling to make necessary repairs.

#### City regulations and policy

The City's building code provides only limited design control over downtown redevelopment projects. Although the comprehensive plan identifies downtown as the site for all government agencies, the City does not have an official policy regarding the preferential location of local, State or federal agencies or offices in the downtown. Without strong local endorsement, the downtown may not retain its role as the center for governmental or office use. The City's present zoning ordinance permits warehouse uses and other potentially incompatible uses in all areas of the downtown. This use can be incompatible with the City's revitalization objectives for the downtown. Storage facilities tend to depress real estate values and hinder retail or office development. The City may want to restrict warehouse uses downtown, particularly in the core area.

#### Negative investment climate

The gradual cycle of disinvestment that has occurred in downtown New Albany has created a negative attitude among many of the key downtown financial and business leaders. While this attitude is partially based on tangible factors such as rent and building conditions, it also is based on perceptions and attitudes. In many communities, negative attitudes become a self-fulfilling prophesy. Low expectations and general pessimism regarding downtown's future have made it difficult for DNA to encourage some members in the business community to assume a more aggressive role in revitalizing downtown.

#### Limited financial incentives

Outside traditional financing sources, there are no public or privately financed programs to stimulate development.

### **3.3 Downtown's target markets**

Below is a brief description of the market segments or niches currently being served by downtown businesses. Results from the consumer intercept survey as well as in-store

observations were used to identify market groups. By comparing the market segments being served by downtown businesses with the potential market segments identified in the market analysis, we can identify gaps or opportunities for existing businesses.

#### Low and moderate income households

Historically, New Albany and its environs have been a blue-collar community. The dominance of this market segment has greatly influenced the community's mix of goods and services. These blue-collar households are generally white, older and live in the City and surrounding rural areas.

Despite increased competition, there is sufficient demand to sustain existing downtown budget stores and to attract additional goods and services. Examples of stores that serve this income group are the Fashion Shop and Save, Rader's fabric, Abe's rental, Ace Loan and Sport, the used car dealers, social service agencies and legal and medical services. The presence of government and social service agencies strengthens these businesses' ability to capture retail sales. Long term, it will be difficult for downtown budget stores to compete with regional mass merchandisers unless stores are clustered together and aggressively marketed.

#### Older and retired customers

This market segment includes households between the ages of 50 and 65 and retired persons, age 65 years and older. Many of these households have low or moderate incomes. These households are loyal downtown customers. They frequent the downtown more often than other market segments. Many of these households live in or near the downtown and walk to local businesses. The presence of medical, financial, and social service uses downtown help strengthen downtown's ability to capture a large share of this market segment.

This market segment group has a limited and extremely focused expenditure pattern. Generally, retired persons on fixed incomes are less inclined to make major dollar purchases. Typical purchases include health, beauty, medical products and services, food, gifts, jewelry and apparel goods. This market niche would be strengthened with the recruitment of additional craft, hobby, business and personal service uses.

Several downtown stores serve this customer group including the Fashion Shop and Save, Southside Inn, Wolfs Supermarket and a variety of personal service and convenience businesses like the hair salons, shoe repair, drugstores, health care services, florist and card stores. Many of these stores also serve the low and moderate income household cluster described above.

#### Home owners

New housing starts and a strong residential resale market in Floyd County have helped generate steady growth in the furniture and home improvement sectors. These downtown businesses target both moderate and middle-income households in the region. Despite the recent downturn in the housing market, this business sector is expected to remain strong

and Market streets. Although parking is always a problem for convenience stores, it is alleviated somewhat in New Albany by the enforced turnover of on-street parking and adjacent private or public parking lots.

#### Specialized hobbies or lifestyles

Some downtown businesses target households by their hobbies or lifestyles rather than by their income or age. Examples of downtown New Albany businesses that serve a lifestyle preference include Heirloom Bridal, Jim's Gun Room, Kaiser Tobacco, the Bingo parlor, the used book stores and the baseball card store.

### 3.4 Underserved market segments

#### Middle income households

Historically, there have been few stores in New Albany that catered to the middle and upper income customer. This market segment includes both older, middle-class families and younger families with children. Despite the recent growth in this market segment in the region, there are very few businesses downtown or in the community that serve this group. These households primarily shop in Clarksville, Louisville or Indianapolis. Downtown businesses that have captured some of this market include the furniture, home decorating and jewelry stores and many of the financial and professional businesses.

#### Students

This market segment includes both the local school system and Indiana University-Southeast. While some of these students commute, many live in New Albany. Although these students have low to moderate incomes, the market segment has distinct buying preferences. Very few of the stores downtown target this market group. Types of businesses that could serve this market group include additional clothing, record, sporting good and personal service uses.

#### Minority households

There are two distinct minority neighborhoods in the trade area. One neighborhood is directly adjacent to downtown, while the other is directly across the river from New Albany; in west Louisville. While this market segment is similar to the larger low and moderate income market segment identified earlier, it also has its own unique buying preferences. Businesses that serve this group include the convenience stores, financial, medical and social agencies.

#### Visitor

This market segment includes both the tourist visiting southern Indiana or Louisville and the recreational shopper from the Louisville MSA. Although several businesses and historic sites attract visitors downtown, the downtown is not perceived to be a tourist destination center in its own right nor is it a recreational shopping destination. To increase downtown's share of the potential visitor market, additional tourism destinations

will need to be developed and stronger links developed between existing businesses and downtown tourist destinations.

### 3.5 Consumer opinion

To determine consumer opinion regarding the downtown, DNA developed and administered two specific consumer surveys. The first survey, a telephone survey of local residents was developed by Dr. Tom Apaiwongse, an IUSE marketing professor. Two hundred and ninety five persons were surveyed in the New Albany and Floyd County area. The second survey, an intercept survey, surveyed 141 downtown customers or employees. A more detailed breakdown of the survey findings are included in Part Two of the "Market Feasibility Analysis" report.

Survey respondents were asked to rate the downtown as being "good", "fair", "poor", or "don't know" for eleven characteristics. Telephone survey respondents gave the highest ratings to downtown special events, safety, friendliness of sales help and cleanliness. Intercept survey respondents gave the downtown a higher rating in all categories except safety. Both surveys identified the need to improve downtown's attractiveness, parking, store hours and variety of goods.

**TABLE 3  
COMPARISON BETWEEN INTERCEPT AND TELEPHONE SURVEY  
QUESTION 5 and 11  
DOWNTOWN NEW ALBANY MARKET STUDY**

	GOOD		POOR	
	<u>Telephone</u>	<u>Intercept</u>	<u>Telephone</u>	<u>Intercept</u>
1. Attractiveness	14%	18%	17%	28%
2. Cleanliness	36%	38%	7%	11%
3. Parking	11%	12%	32%	47%
4. Traffic flow	28%	32%	12%	15%
5. Shopping hours	18%	18%	15%	15%
6. Friendliness of sales help	38%	36%	2%	3%
7. Safety	40%	28%	4%	12%
8. Variety	8%	16%	33%	38%
9. Costs of Goods	22%	27%	4%	5%
10. Quality	24%	45%	3%	5%
11. Special events	42%	20%	5%	24%

Source: DNA consumer survey

brokers, computer service, photocopier service or personal service uses that serve office employees. These uses include hair salons, travel agencies and news stands (map 4). Apparel, gift and miscellaneous retail should be discouraged from locating in area. Warehouse and automotive uses should be prohibited in this area.

#### Market Street: State to East 3rd. Street

Table 2 identifies possible uses for several large buildings in this area. The block between State and Pearl should be given highest priority by DNA's recruitment program. As vacancies occur, these ground-floor spaces should be targeted for gift, home accessory and specialty apparel uses (map 5). These uses could include a china and gift store, kitchenware store, a drapery outlet, specialty food and gift basket store, upscale women's or men's clothing. The martial arts building should be evaluated as a possible site for a restaurant. This building would be suitable for a restaurant because of its good visibility from State and Spring Streets and available on and off-street parking. The building's one-story, open layout makes it easier to satisfy fire and handicap requirements. The building's exterior facade would need to be enhanced as part of the project.

The blocks between Pearl and E. 3rd. Streets should target those miscellaneous specialty stores that would strengthen the area as an entertainment and visitor area. These uses could include uses described above, but also could include entertainment uses such as music or comedy clubs, art galleries or craft stores. Key projects that should be sustained or developed to anchor this area are the Farmers' Market, the Grand Convention Center and the New Albany Inn. The Farmers' Market also could be an important traffic generator for the area. During the fall and winter, the market could sell pumpkins, Christmas trees etc. Through expanded programming and interior improvements, the Grand also could become a significant traffic generator.

The vacant warehouse building near the corner of Pearl and Market should be leased to a tenant requiring a large space. This tenant could be a nursery or garden shop; classrooms for local vocational, extension programs or senior centers; or a restaurant. A tenant, like Huber's Winery or Food store, also would be a good tenant for this building and would complement the Farmers' Market. The Odd-fellows' building should be evaluated for ground-floor restaurant or entertainment uses and upper-story residential. Other potential tenants for the building include art galleries and studio space. A feasibility analysis should be undertaken for the possible redevelopment of the New Albany Inn for retirement housing. Retail uses such as a hair salon, apparel or restaurant should be included in the facility. It may be possible to develop a joint project with the Grand Convention Center. Warehouse uses should be prohibited in this area.

#### Main Street from State to E. Third, the railroad tracks to Main Street

Table 2 identifies potential uses for several buildings. A more detailed discussion of the parking deck is discussed in Section 6. Regardless of the City's plans for this facility, it is important that sufficient off-street parking be maintained in the area.

The blocks between State and Bank Streets are the strongest retail blocks. The block between State and Pearl Streets captures the greatest amount of visitor traffic. The furniture store, the restaurant and the Scribner House attract regional customers. New businesses recruited to this area should strengthen this regional customer traffic pattern. These uses could include additional furniture and accessory stores, craft and collectibles. Other uses for the area include additional antique and salvage stores, vintage clothing and architectural supply stores. The buildings between Pearl and East Third appear to offer opportunities for upper-story office space with river views. Upper-story residential also may be possible.

Many of the vacant or underutilized buildings in this area may remain vacant for several more years. The Floyd Co. Token Club and the Schmitt buildings may be difficult to develop because they are still being used and may not be available for sale for some time. If available, these buildings should be leased to other furniture stores. Unfinished wood, country furniture, "hearth and pool" furniture or rent to own furniture stores would be suitable tenants for either building. The building occupied by the Floyd County Token Club also may be a good site for an antique mall or a restaurant.

The architectural significance of the First State Bank building, its visibility from I-64 and the owner's flexibility regarding financing are important leasing assets for the building. However, the building's limited on-site parking and internal space configuration limits the type of tenants that can use the facility. One use for the building would be for a business or non-profit that wanted a landmark building, but had limited customer or employee parking needs. The building also could be used for a restaurant. In fact, the building was seriously considered by a local Louisville restaurant interested in expanding in New Albany. The restaurant was attracted by the building's architecture and visibility from the highway.

The building also could be used as a specialty store, i.e., upscale antiques, art gallery, or Christmas store. Customers patronizing these types of uses are usually more willing to walk from off-site parking lots than are apparel or restaurant customers. To use the building for a restaurant, adjacent property would have to be purchased for on-site parking.

#### Pearl Street: Spring Street to railroad tracks

Ground-floor space on Pearl Street should be targeted for apparel, gift and miscellaneous retail uses. These uses could include craft supply, sporting goods, men's or boy's clothing (possible relocation of existing business), larger women's clothing, upscale women's boutique. Given the success and regional name recognition of the discount clothing store, DNA may be able to attract additional off-price stores. These uses should be targeted to the block between Market and Main Streets. This block has several large vacant buildings that could be utilized by off-price clothing, furniture, book, household good stores. While it is unlikely that downtown can attract chain stores, there are regional off-price stores and start-ups that could be recruited.

These discount or off-price stores should target regional middle-income households as well as the more moderate blue-collar households. Care will need to be taken to ensure

that these stores offer quality products. Stores selling second-hand or "cheap" products should be discouraged from the area. For example, stores like salvation army or goodwill store would be inappropriate although the vacant buildings meet their space needs. If efforts to attract middle income and off-price retailers fail, then large vacancies in the block could be marketed to variety or general merchandise tenants such as Dollar General.

Efforts should be made to lease existing vacant second-story office space in the Bank building, Baer, Gibson and Beardsley building. Once this space is absorbed additional office space could be developed. The area between Main Street and the flood levee should eventually be redeveloped for office use.

#### State Street: Railroad tracks to Elm Street

The block between Main and Market Streets should be targeted for home improvement, gift and accessory stores. These uses would complement the existing furniture and antique stores on State Street and the potential furniture and home cluster identified for Main Street. Because there are clothing stores in this area, it may be possible to attract additional clothing stores. If existing stores are to survive and new apparel stores attracted, there will need to improvements with merchandise displays and exterior appearance. The pool hall on this block also will need to be relocated.

The parking lots in the block between Market and Spring Streets should be paved and landscaped. The uses in the block from Spring to Elm Streets are appropriate for the area. Eventually, the property occupied by the gas station might be incorporated into a site for a new office building.

#### Elm Street: State to 3rd. Street

Given the concentration of uses that serve older households, this business cluster should be maintained and strengthened. Additional uses such as medical supplies, health care services and restaurants that target this customer group should be encouraged. Because of the presence of the U.S. Post Office, it may be possible to recruit a mailbox business to the blocks between Pearl and East 3rd. This business provides additional mail boxes for businesses unable to secure one at the U.S. Post office.

TABLE 4  
 POTENTIAL RETAIL AND SERVICE TENANTS  
 DOWNTOWN NEW ALBANY

TYPES OF USES/1	LOCATION MAP NUMBERS/2
1. <u>General large space tenants</u> off-price clothing craft supply stores classroom or meeting room space health clubs furniture	5, 6, 7
2. <u>Furniture and related store uses</u> outdoor, patio, pool unfinished wood rent to own contemporary lighting and mirror pool, sauna, spa kitchen cabinets venetian blinds antiques	6, 8
3. <u>Convenience and personal service</u> hair and nail salon exercise studio, aerobics news stand ice cream parlor deli, submarine shop alterations shoe repair	2, 4, 7
4. <u>Apparel and accessories</u> off-price women's and children's men and boys (possible relocation) moderate price professional women's uniforms, athletic clothing dance or exercise upscale boutique larger women's upscale children's consignment orthopedic shoe and repair work shoes and boots outdoor clothing	7, 8, 5

TABLE 5  
KEY VACANT AND UNDERUTILIZED DOWNTOWN SPACE  
DOWNTOWN NEW ALBANY IMPLEMENTATION PROGRAM

<u>STREET ADDRESS</u>	<u>SQUARE FOOTAGE</u>	<u>PREFERRED USES/1</u>
1. 213 Pearl	9,500	off-price clothing or housewares, furniture, classroom or meeting facility, health club
2. 222 Pearl	28,440	1. if bingo use is cont.: sublease small retail spaces in front clothing, beauty supplies etc.  2. if vacant: subdivide into three storefronts for clothing, misc. retail  3. if leased as is: partition off back and lease front for large tenant similar to 213 Pearl.
3. 225 Pearl	1,848	apparel uses: large women's, career women, men or boy's, upscale women boutique, shoe, uniform
4. 227 Pearl	3,060	same as above
5. 230 Pearl	3,060	same as above; could be leased to travel agent, optometrist etc.
6. 321 Pearl	4,250	upstairs: professional offices ground-floor: personal service or convenience (ice cream, cosmetic, hair, alteration etc)
7. 319 Pearl	7,800	same as above
8. 117 E. Main	13,440	antique mall, furniture, restaurant
9. 134 E. Main	8,394	upper floors: office or retail ground floor: office, retail

10. 146 E. Main 20,760 furniture, business incubator
11. 203 E. Main 5,300 professional or corporate office,  
restaurant, art gallery, interior  
design, antique
12. 207 E. Main 9,700 upper floors: residential  
ground floor: same as 203
13. 101 E. Market 6,000 restaurant
14. 109 E. Market 3,330 upstairs: office  
ground-floor: gift store (china,  
kitchen, home, gift basket)  
catering,
15. 117 E. Market 8,040 same as above
16. 133 E. Market 9,580 classroom or training facility  
indoor farmers' market or craft
17. 148 E. Market 22,480 retirement housing
18. 201 E. Market 9,000 upstairs: residential or office  
ground-floor: art, craft,  
entertainment
19. 302 E. Market 14,000 convenience or personal services,  
office uses

1/ preferred uses are based on cluster development described  
in section 3. Preferred use for vacant buildings may  
change if uses in block change.

## 5. IMPLEMENTATION ACTION AGENDA

Below are a series of "next steps" for Develop New Albany, Inc and are related entities to take in the implementation of this report. For each task, a priority, responsibility and time line is suggested. The Board of Directors and the Economic Restructuring committee should take these recommendations and reevaluate, re-prioritize, adjust dates add and delete tasks as they see fit. When finalized, this action agenda will become the blue print for future economic development activity downtown.

TASK	RESPONSIBILITY
1. Distribute market analysis to Board for review and comment	M.S. Board
2. Review implementation program revise and adjust as necessary	M.S. Board
3. Hold individual meetings with owners, businesses and realtors to explain clustering concept	E.R. Committee
4. Prepare property owner agreements	M.S staff
5. Formally adopt leasing plan Develop new workplan	E.R. Committee
6. Adopt a recruitment strategy	E.R. Committee
7. Adopt a business assistance strategy	E.R. Committee
8. establish monthly meetings with recruitment "network"	E.R. Committee
9. Distribute cluster plan to property owners	staff and E.R. Committee
10. Prepare report summarizing consumer surveys	M.S. staff, intern
11. Prepare a business directory	M.S. staff
12. Complete data base for downtown	M.S. staff

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|-----|--|---|
| 13. | Distribute monthly real estate update to property owners, lenders realtors | M.S. staff                                |
| 14. | Prepare recruitment material and brochures                                 | M.S. staff and                            |
| 15. | Develop financial incentives   | M.S. staff, City, E.R. Committee, lenders |
| 16. | Review and strengthen downtown zoning ordinance                            | City, M.S. staff E.R. committee           |
| 17. | Prepare a "going-out of-business" ordinance                                | City, E.R. committee                      |
| 18. | Prepare a national district nomination for downtown                        | City                                      |
| 19. | Develop a capital improvement plan for downtown                            | City                                      |
| 20. | Prepare a sign ordinance for   | City, E.R. Committee                      |
| 21. | Develop a plan for parking garage  | City, E.R. Committee                      |
| 22. | Develop a start-up business program  | E.R. Committee                            |
| 23. | Develop targeted assistance program  | E.R. Committee                            |
| 24. | Develop annual seminar series  | E.R. Committee                            |
| 25. | Target three businesses to recruit   | E.R. Committee                            |
| 26. | Encourage retail uses on Pearl and Market Streets                          | E.R. Committee                            |
| 27. | Encourage the expansion of existing clusters                               | E.R. Committee                            |
| 28. | Encourage the recruitment of middle-income stores                          | E.R. Committee                            |

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|-----|---|--------------------------------------|
| 29. | Identify potential downtown office tenants within City    | M.S. staff                           |
| 30. | Solicit office tenants outside city                       | City, M. S. staff                    |
| 31. | Hold open House for out-of-town realtors                  | E.R. Committee                       |
| 32. | Encourage new housing downtown                            | City, M.S. staff                     |
| 33. | Identify potential upper floor housing projects           | City, E.R. Committee                 |
| 34. | Encourage the formation of a housing association downtown | City                                 |
| 35. | Investigate possibilities for New Albany Inn              | City                                 |
| 36. | Recruit new restaurant for downtown                       | City, E.R. Committee                 |
| 37. | Strengthen links between tourism uses and downtown        | E.R. Committee,<br>tourism committee |
| 38. | Hold charrate on riverfront development                   | Design committee                     |
| 39. | Develop a new special event                               | Promotion committee                  |
| 40. | Increase usage of amphitheater                            | Promotion committee,<br>City         |
| 41. | Increase passive uses along river                         | City                                 |
| 42. | Encourage additional antique stores                       | E.R. Committee                       |
| 43. | Expand farmers' market                                    | Promotion committee                  |
| 44. | Develop walking tour guides                               | Design committee                     |
| 45. | Develop a "what to do" guide                              | Promotion committee                  |