

HyettPalma
America Downtown®

Killeen

Downtown Action Agenda 2007

America Downtown® - New Thinking.New Life.

The National League of Cities
and
HyettPalma, Inc.

Making Downtown Renaissance A Reality

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January 18, 2007

The Honorable Mayor Timothy Hancock,
City Council Members,
and Members of the Process Committee
101 N. College Avenue
Killeen, TX 76541

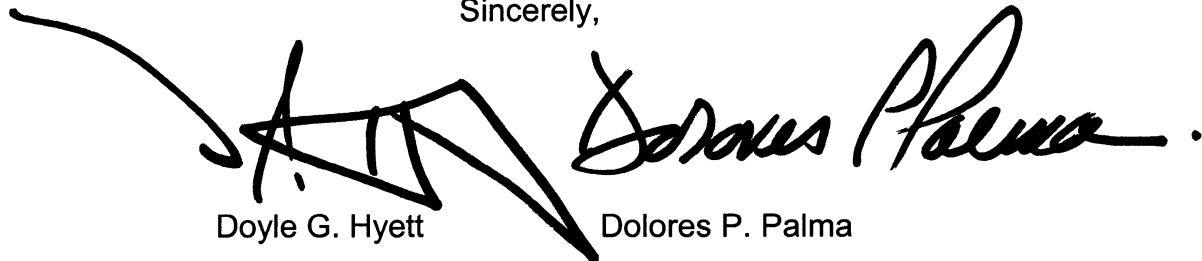
RE: Killeen Downtown Action Agenda 2007

HyettPalma, Inc., is pleased to present to you the following report titled: ***Killeen Downtown Action Agenda 2007***, completed under the program titled ***America Downtown® – New Thinking. New Life.***

This document includes the community's vision for Downtown as well as the findings of a comprehensive analysis of Downtown's commercial markets. The vision and market analysis findings were used to define a specific economic enhancement strategy for the Downtown project area. The recommended strategy was specifically designed to enable Downtown to attain the community's defined vision as well as the identified market opportunities.

Thank you for the opportunity to lend our firm's expertise to this very important project. We hope you will keep us informed of your success and know that we stand ready to assist in any way we can as you proceed with Killeen's Downtown enhancement effort.

Sincerely,

The image shows two handwritten signatures in black ink. The signature on the left is for Doyle G. Hyett, featuring a large, stylized 'H' and 'Y'. The signature on the right is for Dolores P. Palma, written in a cursive script.

Doyle G. Hyett

Dolores P. Palma

Process Committee Members

At the request of HyettPalma, Inc., Mayor Hancock established a Process Committee to oversee this project. HyettPalma would like to thank the members of the Downtown Killeen Process Committee, listed below, for all their time, hard work, and dedication in preparing for and participating in completing the ***Killeen Downtown Action Agenda 2007***.



Killeen Process Committee Members

Timothy L. Hancock	Mayor of Killeen
Dick Young	Killeen City Council Member
Bob Hausmann	Killeen City Council Member
John Fisher	Bell County Commissioner
Connie Green	Killeen City Manager
Dr. Jim Hawkins	Superintendent of Schools, Killeen ISD
John Crutchfield	Greater Killeen Chamber of Commerce- CEO
Ken Finch	CEO of Metroplex Health Systems
Patton Kaufman	President, First Texas Bank
T.J. Mills	Owner, Modern TV & Appliance
Allen Cloud	Chair of Killeen Economic Development Corp.
Kathy Gilmore	Co-owner, Big Chief Distributing Co.
Sis Beck	President, Union State Bank
Dr. Ann Farris	Chair of Killeen Arts Commission
Craig Langford	Killeen Area Heritage Association Rep. & City of Killeen Planning & Zoning Commissioner
Judy Parker	Former President of Killeen Volunteers, Inc.
Paul Jo	Owner of Jo's Farmer's Insurance Agency
Levi Balfour	Owner of Balfour Mens Wear
Dr. Carl Settles	Owner of Settles Counseling Service
Johnnie Morrison	Killeen Housing Authority Resident

HyettPalma would also like to thank Leslie Hinkle, Killeen Director of Community Development, for taking the lead regarding all data collection and preparations necessary for completing the ***Killeen Downtown Action Agenda 2007***.

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Introduction

INTRODUCTION

In 1992, as America's largest membership organization representing the elected officials of this nation, the National League of Cities (NLC) decided to assume a more aggressive role in the areas of Downtown enhancement and local economic development. That role would involve offering technical assistance to local elected officials concerned about the economic success of their Downtowns.

To fill this role, the National League of Cities approached HyettPalma, Inc. Together, NLC and HyettPalma designed an advanced new pilot program. The new pilot would offer on-site, technical assistance to a limited number of communities.

The new Downtown pilot was presented under the banner of *ACCEPTING THE CHALLENGE: THE REBIRTH OF AMERICA'S DOWNTOWNS*. It was structured to guide local governing bodies – working in partnership with local business owners, property owners and concerned citizens – in rethinking ways to rebuild our nation's Downtowns.

Availability of the Downtown pilot was limited to eleven cities. The purpose of limiting the number of communities that could participate in the pilot was to ensure quality service delivery to the participating cities. In addition, the pilot required the local governing body in each participating city to be the agency that contracted with NLC for services. This was done to ensure the involvement of the governing body from the very start of the local Downtown enhancement effort.

Once the pilot was completed, NLC and HyettPalma evaluated its effectiveness and whether or not to continue offering Downtown technical assistance. This was done with the assistance of local officials from the eleven pilot communities. Based on that evaluation, and specifically on the advice and needs expressed by the pilot's local officials, a new comprehensive technical assistance program was developed titled *AMERICA DOWNTOWN® – NEW THINKING. NEW LIFE*.

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America Downtown® – New Thinking. New Life. was structured to provide the help local officials need to reverse their Downtown's cycle of decline and help it evolve to a brighter future. The program brings together the political insight of the National League of Cities and the Downtown expertise of HyettPalma, Inc. Together, they offer individualized assistance and a combination of strengths not available anywhere else.

America Downtown® – New Thinking. New Life. provides direct, hands-on help to city officials and community leaders who want to start, refocus, or energize their Downtown enhancement efforts. In 2006, thanks to the leadership of Mayor Hancock and the City Council, Killeen became a member of this Downtown program. The program's strengths are built on the following convictions.

- The assistance provided is implementation-oriented – not another Downtown plan or study but an aggressive course of action that local officials and community leaders can start to implement immediately.
- The recommendations made for each Downtown are pragmatic – tailored to local resources so that they can be realistically implemented.
- The solutions offered are success-oriented – designed to improve each Downtown's economy so that the results are long-lasting.
- The on-site assistance is inclusive – providing a forum that brings public and private sector constituents together to identify Downtown issues, define a Downtown vision, and take needed actions in partnership.

Project Overview

I. PROJECT OVERVIEW

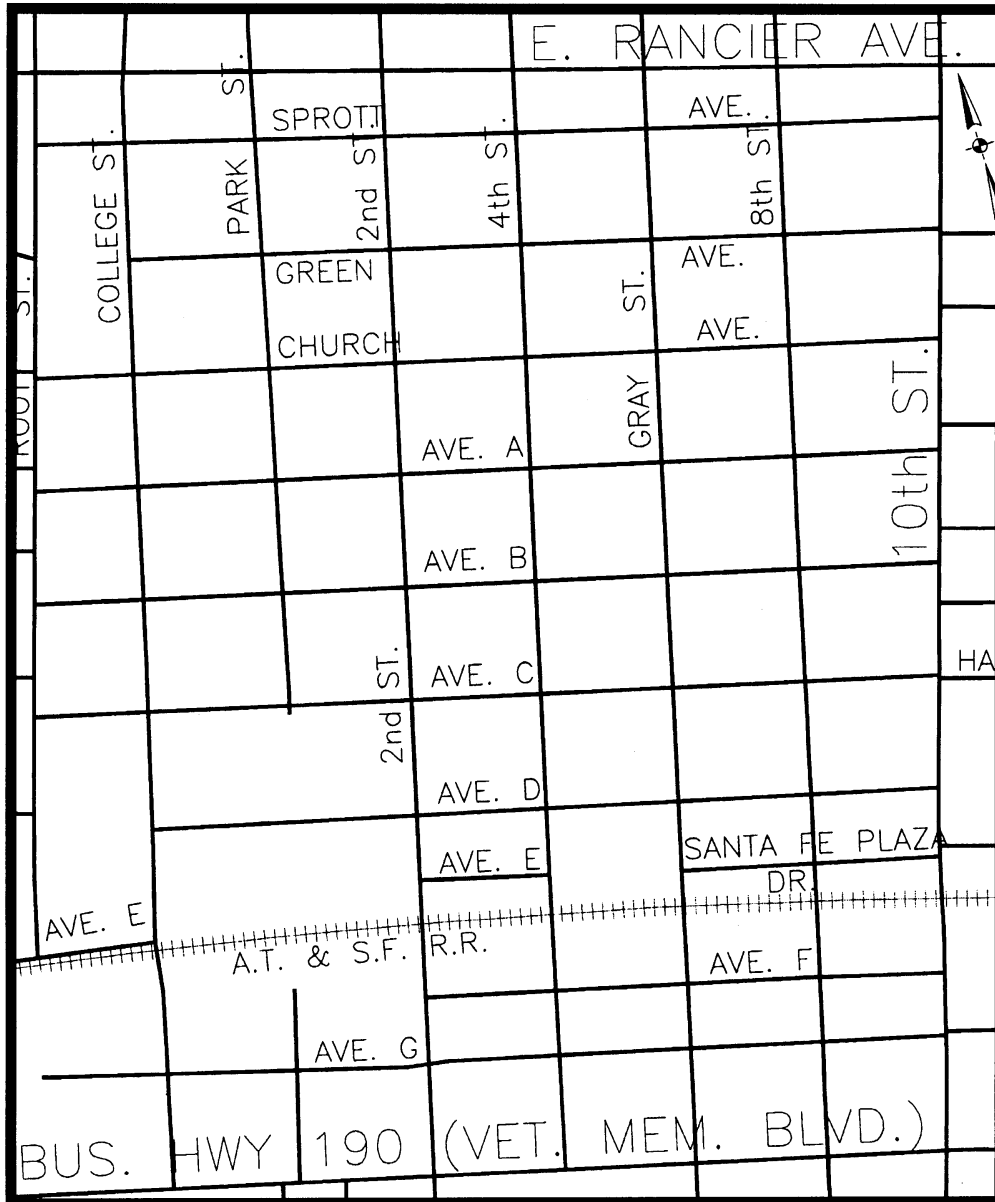
In 2006, the Mayor and City Council Members of Killeen determined that a Downtown enhancement strategy was needed to further strengthen Downtown Killeen. The ***Killeen Downtown Action Agenda 2007***, was defined with involvement from the City government, the local business sector, representatives of non-profit organizations, and members of the community. The ***Killeen Downtown Action Agenda 2007*** shown in the following pages, incorporates the desires, preferences, and concerns expressed by the people of Killeen for their Downtown. This local input was used as the foundation of the project.

Based on the desires and concerns expressed by the people of Killeen – combined with a realistic analysis of Downtown's market potentials – a ***Course of Action*** was defined for public and private sector implementation. The ***Course of Action*** is meant to enable Downtown Killeen to reach the vision defined locally, to overcome the key issues it faces, and capture the identified market potentials. The ***Course of Action*** is contained in this document along with a suggested Implementation Sequence.

Finally, this document contains advice regarding a private-public partnership. This is the vehicle that would be responsible for implementing the recommended ***Course of Action*** in a timely and quality manner.

A map of Downtown Killeen, as defined for this project, is shown on the following page.

Downtown Killeen



Downtown Killeen Today

II. DOWNTOWN KILLEEN TODAY

Following is a snapshot of Downtown Killeen, as it exists today, along with a synopsis of the desires and concerns expressed by the community during the *Killeen Downtown Action Agenda* process.

Strengths

Downtown Killeen is fortunate to have a variety of strengths in place, which bode well for its future. These include the following.

- A number of strong anchors remain in place in Downtown. Among these are the post office, the library, City offices and other government facilities, the Chamber of Commerce office, and the charter school.
- Community members often cite the “people of Downtown” as being one of its greatest assets, since they are viewed as being warm, personal, personable, and multi-cultural – making all feel welcomed in Downtown.
- Downtown contains the community’s remaining historic commercial buildings.
- Investment and new construction are occurring in Downtown, which are signs of investor confidence in Downtown’s future.
- Downtown is located in an area that is experiencing growth, as evidenced by annual increases in building permits and sales tax revenues.
- Downtown businesses are afforded visibility, due to the high traffic counts in and around Downtown.
- Downtown is centrally located between Fort Hood and the remainder of the City of Killeen.

- The leadership of the community chose to become involved in the process used to define this ***Downtown Action Agenda***, demonstrating their support of Downtown and their understanding of Downtown's importance to the future health of the City as a whole.
- The City's elected officials are committed to moving Downtown forward to a brighter future. And, the City's staff is strong, proficient, and ready to support the Downtown enhancement effort.

Concerns

Those participating in the process used to define this ***Downtown Action Agenda*** were asked to voice their concerns regarding Downtown's future. The concerns most frequently mentioned are shown below.

- Public safety;
- Physical appearance;
- Vacancies;
- Image;
- Business mix;
- Need for additional draws and reasons to come Downtown;
- The quality of housing in and around Downtown;
- How to market to a population that changes by some 40,000 each year;
- How to attract investors to Downtown; and
- How to pay for needed improvements.

Desires

Those participating in the ***Downtown Action Agenda*** process were also asked to voice their desires for Downtown's future. The desires most often mentioned in response follow.

- Define a clear strategy for Downtown's enhancement, which is methodical and success-oriented;
- Improve the perception of Downtown safety;
- Improve Downtown's image;
- Look to the future, rather than dwelling on the past;
- Make Downtown's long-term economic success a top priority;
- Make the necessary commitment to that priority;
- Find and apply the needed resources;
- Understand that City Hall cannot be the sole entity implementing or funding the Downtown enhancement strategy; and
- Capture the momentum surrounding Downtown's enhancement, since "everyone's excited!"

Image

A series of meetings were held to engage community members in defining their preferred image of the future Downtown Killeen. A synopsis of that image is shown below.

***A positive shopping place that offers a
Multi-cultural, ethnically eclectic,
Family-oriented experience.***

***A safe, clean, pretty Downtown that is
Comfortable and active,
Both day and night.***

***A Downtown that is filled with
Small, specialty, unique mom & pop shops –
Retail, food, art, and entertainment –
That appeal to, serve, and welcome all ages.***

***A warm, friendly, inviting, and
Pedestrian-oriented Downtown.***

***A Downtown that reflects Killeen, and
Is “unique to us” –
Since there’s no other place like Killeen.***

***A Downtown with a personality, flavor, and flair, which
Has a homey feeling, because
It is authentic.***

***A colorful, green, and well-maintained Downtown that
Shows our pride and
Draws you in.***

***An appealing place that is
Distinctive from other parts of the city.***

***A place where fun is in the air,
Causing locals to say to their friends,
“You come here, because
Downtown Killeen’s really got it goin’ on!”***

Guidelines

Given Downtown's current strengths – as well as the community's concerns, desires, and preferred future image for Downtown – HyettPalma strongly recommends that the ***Downtown Action Agenda*** be implemented using the following guidelines.

1. Focus

There is a great desire, and need, to create visible improvements in Downtown as quickly as possible. This is important as a means of improving Downtown's image, creating momentum around the Downtown enhancement effort, and increasing investor confidence in Downtown's future. To create the highest degree of visible Downtown improvements in as short a time as possible, it will be important to:

- Concentrate resources and actions in Downtown's historic core (defined later in this document); and
- Not expand Downtown's boundaries for the foreseeable future.

2. Investor Confidence

There is a great need to increase the confidence private sector investors have in Downtown's future. To accomplish this, it will be very important for government leaders and local lenders to spread the word that – with the completion of this ***Downtown Action Agenda*** – “it is a new day in Downtown Killeen.”

3. Safety

To enhance the public's patronage of Downtown – and to increase investor confidence in Downtown – job #1 must be improving the perception of Downtown public safety.

4. Community Hub

For Downtown to experience the highest level of success, Downtown must become more than simply a place of commerce. It must be made the community's hub and a place of convergence for all members of the community. This should be achieved by:

- Keeping all anchors in Downtown;
- Locating in Downtown any new anchors that are created, which serve the community as a whole; and
- Holding in Downtown all community-wide celebrations.

5. This Time is Different

While attempts have been made in the past to “revitalize” Downtown Killeen, it must be realized that this **Downtown Action Agenda**, and the actions it recommends, are very different from those past attempts in that:

- The process used to complete this **Downtown Action Agenda** was highly inclusive, involving literally hundreds of community members, meaning that the recommendations included in this **Downtown Action Agenda** are based on the community’s desires and concerns;
- The **Downtown Action Agenda** is not a plan or a study but a five-year, strategic course of action specifically designed to address the unique opportunities facing Downtown, as well as the specific issues facing Downtown;
- The **Downtown Action Agenda** addresses the major issues which face Downtown Killeen – and which must be tackled for Downtown’s future success – and recommends specific steps for addressing each of those issues;
- The **Downtown Action Agenda** recommendations are pragmatic, being geared to local capabilities;
- The **Downtown Action Agenda** is highly action-oriented, implementation-oriented, and success-oriented; and

- The methodology used to define the ***Killeen Downtown Action Agenda 2007*** forms the basis of a national Downtown technical assistance program, in operation since 1992, and of three statewide Downtown technical assistance programs – as such, it has proven to yield substantial results.

6. Unified & Positive Voice

The ***Downtown Action Agenda*** must be adopted and used by local leaders – from the public, business, non-profit, and residential sectors of Killeen – to create, articulate, and promote a unified and positive voice for Downtown and its enhancement. All those in Downtown and involved in Downtown’s enhancement must speak in a positive manner about Downtown and its future – despite any internal or personal disagreements that might occur along the way.

7. Standards & Examples of Quality

The local government must establish clear standards of quality – in the form of design guidelines, a façade study, and other actions recommended in this document – so that private sector investors are aware of what is expected in Downtown. And, the community’s leaders (government entities, banks, churches, school district, etc.) should embrace and use those standards to continue to establish examples of quality in Downtown – as has been done with the Chamber of Commerce and City Hall buildings.

8. Preservation vs. Modern

It must be recognized that a large part of Downtown’s uniqueness is derived from its historic architecture. And, Downtown’s uniqueness must be leveraged and capitalized upon as a method of enabling Downtown to co-exist with newer commercial centers. Therefore, when at all possible, Downtown’s older buildings must be saved, appropriately rehabbed, and put to new, economically viable uses. At the same time, new buildings – known as “infill construction” – that are compatible with the old, should be welcomed in Downtown.

9. Multi-Cultural

The process used to complete this ***Downtown Action Agenda*** revealed that community members wish to see Downtown Killeen offer an experience that is multi-cultural and ethnically eclectic. Therefore, a concerted attempt should be

made to attract and welcome to Downtown businesses that are owned by, and that sell items of, multiple cultures – rather than enhancing Downtown as a “Korea Town,” “Hispanic Town,” or enclave of any single ethnicity.

10. Truisms

It must be recognized that Downtown’s enhancement is important to the image and future of the entire City – and that it will improve the quality-of-life enjoyed by all of Killeen’s residents – due to the following truisms:

“As Downtown goes, so goes the town.”

“You can’t have a first-class town without a first-class Downtown.”

11. World Class Downtown

Killeen is unique as the home of Fort Hood, which is the largest military base in the world and the largest single-site employer in Texas. At the same time, Killeen is becoming an even more dynamic city with the advent of its new airport, hotels and civic center, and the coming of Texas A&M. To reflect the city’s uniqueness and dynamic nature, Downtown Killeen should be positioned and recreated as a world-class Downtown as Killeen becomes more of a world-class city.

Resident and Business Surveys

III. RESIDENT AND BUSINESS SURVEYS

As a part of this project, two surveys were conducted to gauge the health of Downtown Killeen, as perceived locally. These were a survey of owners/managers of businesses located in the project area and a telephone survey of residents living in Downtown's primary trade area. A summary of the survey responses follows.

Use of Downtown

Just over one-half of trade area residents surveyed, 56%, reported coming to Downtown with great frequency (defined as between 1 and 7 times a week). Another 28% of those surveyed said they come to Downtown with moderate frequency (from 3 times a month to 6 times a year). And, 16% said they come to Downtown Killeen infrequently (5 times a year or less).

Purpose of Trips

When asked why they currently come to Downtown Killeen, the top four reasons cited by residents surveyed were:

- "Post office" (14%);
- "Work there" (10%);
- "Service businesses" (10%); and
- "Eating in restaurants" (9%).

Therefore, 43% of those surveyed said they primarily come to Downtown for one of these four reasons.

The remaining reasons cited for Downtown trips were:

- "Shopping" (7%);
- "Conducting personal business" (7%);
- "Banking" (6%);
- "Library" (6%);
- "Government business" (6%);

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- “Pay bills” (5%);
- “Religious services” (3%);
- “Recreation” (2%);
- “Entertainment” (2%); and
- “Other” (6%) – visiting friends/family, volunteering, rental property management, Chamber of Commerce.

In addition, 7% of those surveyed said they most often find themselves in Downtown because they are “passing through.”

Shopping Area of Choice

Those surveyed were asked where they do most of their family shopping at this time, other than grocery shopping. The following answers were given by survey respondents:

- Killeen Wal-Mart (38%);
- Killeen Mall (18%);
- Fort Hood PX (12%);
- Harker Heights Wal-Mart (6%);
- Copperas Cove Wal-Mart (5%);
- Internet (5%);
- Target (3%);
- Lowes (3%); and
- Other (10%) – Temple Mall, Sam’s Club, etc.

When asked why they choose to shop in a particular area, residents mentioned:

- Convenience (54%);
- Variety/selection offered (17%);
- Price (14%);
- Closeness to home (8%);
- Service (2%);
- Parking (1%); and
- Other (4%) – safer, cleaner environment.

Downtown Characteristics

Residents and business owners surveyed were asked to rate a list of Downtown characteristics as being "good," "fair," or "poor" at this time.

Two characteristics were rated "good" by a majority or significant percent (defined as up to 46%) of residents and the same two received this rating from a majority of business owners. These two characteristics were:

- Business hours (52% residents, 48% business owners); and
- Helpfulness of salespeople (47% residents, 60% business owners).

Downtown Improvements

Residents and business owners were asked to rate a list of possible Downtown improvements as being "very important," "somewhat important," or "not important" at this time.

Fourteen improvements were rated "very important" by a majority or significant percent of residents. Twelve received this rating from a majority or significant percent of business owners.

The improvements rated "very important" by a majority or significant percent of both residents and business owners were:

- Physically improve buildings (79% residents, 84% business owners);
- Improve the feeling of safety (74% residents, 76% business owners);
- Improve the area's cleanliness (73% residents, 82% business owners);
- Recruit additional retail businesses (69% residents, 83% business owners);
- Increase restaurant variety (68% residents, 84% business owners);

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- Improve restaurant quality (64% residents, 61% business owners);
- Increase the variety of retail goods (64% residents, 79% business owners);
- Improve parking convenience (62% residents, 58% business owners);
- Improve parking availability (62% residents, 56% business owners);
- Improve the quality of retail goods (56% residents, 61% business owners);
- Improve the variety of service businesses (52% residents, 65% business owners); and
- Improve the quality of service goods (50% residents, 50% business owners).

The two improvements rated “very important” by a majority or significant percent of residents, but not business owners, were:

- Improve customer service (51% residents, 38% business owners); and
- Improve traffic flow (49% residents, 29% business owners).

In addition, residents were asked what else could be done to make Downtown more appealing to them. In response, they stressed the importance of:

- Beautification;
- More restaurants;
- Outdoor cafes and coffee houses; and
- Activities for children and families.

***Downtown
Killeen
Tomorrow***

IV. DOWNTOWN KILLEEN TOMORROW

A series of discussions, focus groups, and meetings were held to define the community's preferred vision of Downtown Killeen – as it would ideally exist in the year 2012. A compilation of the thoughts and preferences expressed during those sessions is shown below.

By the year 2012, Downtown Killeen would be a multi-cultural, inclusive, family-friendly, pedestrian-oriented destination that has a warm, comfortable atmosphere. People would be attracted to Downtown as a great place to shop, dine, play, work, live, and worship.

Downtown would be safe, feel safe, and be perceived as being safe. There would be no loitering. Friendly police presence would be visible. Downtown would be cleaned-up, well-kept, well-maintained, and well-lighted – which would add to its feeling of safety and comfort.

Downtown would be active day and night and would appeal to all ages by offering a mix of uses. These would include retail, food, art, entertainment, offices, and housing. It would have more entertainment for area residents, college students, and soldiers – such as music clubs, comedy clubs, live theater, and movies. Downtown would be home to a variety of fine and casual dining restaurants that offer “top-notch” professional service, appealing ambience, and great food.

In addition to the above uses, Downtown would be able to attract patrons by offering:

- Specialty retail shops;
- Art galleries, craft shops, and art classes;
- Outdoor coffee shops and cafes, rooftop decks, and sitting areas;
- More cultural events and festivals;
- An expanded H-E-B that acts as a “thriving central market;”
- More opportunities and attractions for young kids;

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- A thriving farmers market;
- “High class” upper story loft apartments;
- Adult education classes;
- More computers in the library;
- Churches; and
- Meeting space.

A “central park” would be created in Downtown. This would “draw people in,” allow Killeen’s residents and visitors to mingle and gather, and be a place for entertainment and community celebrations.

And, an effort would also be made to “keep what we have now” in Downtown – e.g., banks, offices, the post office, and City Hall.

Older buildings in Downtown would be saved, restored, and put to new uses. “The original storefront look” of Downtown’s buildings would be “brought back.” Downtown would have a “cohesive look.” Building changes would be coordinated, business signs would be of high quality, and public improvements in Downtown – such as streetlights and sidewalks – would “fit” with Downtown’s older buildings. By doing this, the story of Killeen – “from cotton to Fort Hood” – would be told in Downtown.

Downtown would have an “artistic appearance,” created by public art, murals, and fountains. Public art in Downtown would reflect the history and multi-cultural character of Killeen. More landscaping would be present in Downtown, in the form of trees, shrubs, grass, and flowers. Downtown business owners would show great pride by cleaning walks and gutters, weeding, and “not waiting for the City to do it.” In addition, the motto in Downtown would be “put your money into your business, not your pocket,” so that Downtown remains clean and attractive.

The entrances to Downtown would be beautified and would, thereby, demonstrate “civic pride.”

Downtown parking areas would be easy to use, safe, and convenient for walking to shops. Downtown would be easily accessible via public transportation.

Housing areas surrounding Downtown would be enhanced and improved, for the benefit of those now living there and for future residents.

A “one-stop spot” would be created where those interested could obtain all the information they need and want about Downtown.

Downtown’s mix of uses, safety, attractive appearance, and welcoming atmosphere would enable it to appeal to a variety of users, including:

- Residents of the City;
- Fort Hood;
- College students;
- Church congregations;
- Residents of nearby towns;
- Banquet center-users;
- People coming to Killeen for reunions; and
- Convention-goers.

By the year 2012, Downtown Killeen would be well on its way to having the following image.

***A positive shopping place that offers a
Multi-cultural, ethnically eclectic,
Family-oriented experience.***

***A safe, clean, pretty Downtown that is
Comfortable and active,
Both day and night.***

***A Downtown that is filled with
Small, specialty, unique mom & pop shops –
Retail, food, art, and entertainment –
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“You come here, because
Downtown Killeen’s really got it goin’ on!”*

Downtown Market Analysis

V. DOWNTOWN MARKET ANALYSIS

To ensure long-term economic results and success, Killeen's Downtown enhancement effort must be market-driven. This means that the effort must be one that results in all of Downtown's investors -- business owners, property owners, developers, patrons, the local government, etc. -- being able to realize an increasing return on their investments. This can only be achieved via an enhancement effort that is based on a sound, realistic understanding of Downtown's economic potentials. The following chapter quantifies Downtown's economic potentials in terms of retail, office, and housing development.

Downtown Retail Opportunities

Retail Trade Area

Downtown Killeen's primary retail trade area has been defined as the geographic area from which the majority of retail customers are currently drawn and the geographic area which presents the greatest opportunity in the immediate future for gaining additional retail customers. Based on current customer travel patterns, discussions with local business leaders and government officials, and the opinion of HyettPalma, Inc., Downtown's primary retail trade area has been identified as the area shown on the following page.

Retail Economic Indicators

Downtown's primary retail trade area can be currently characterized by the following economic indicators.

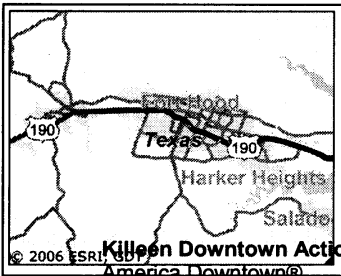
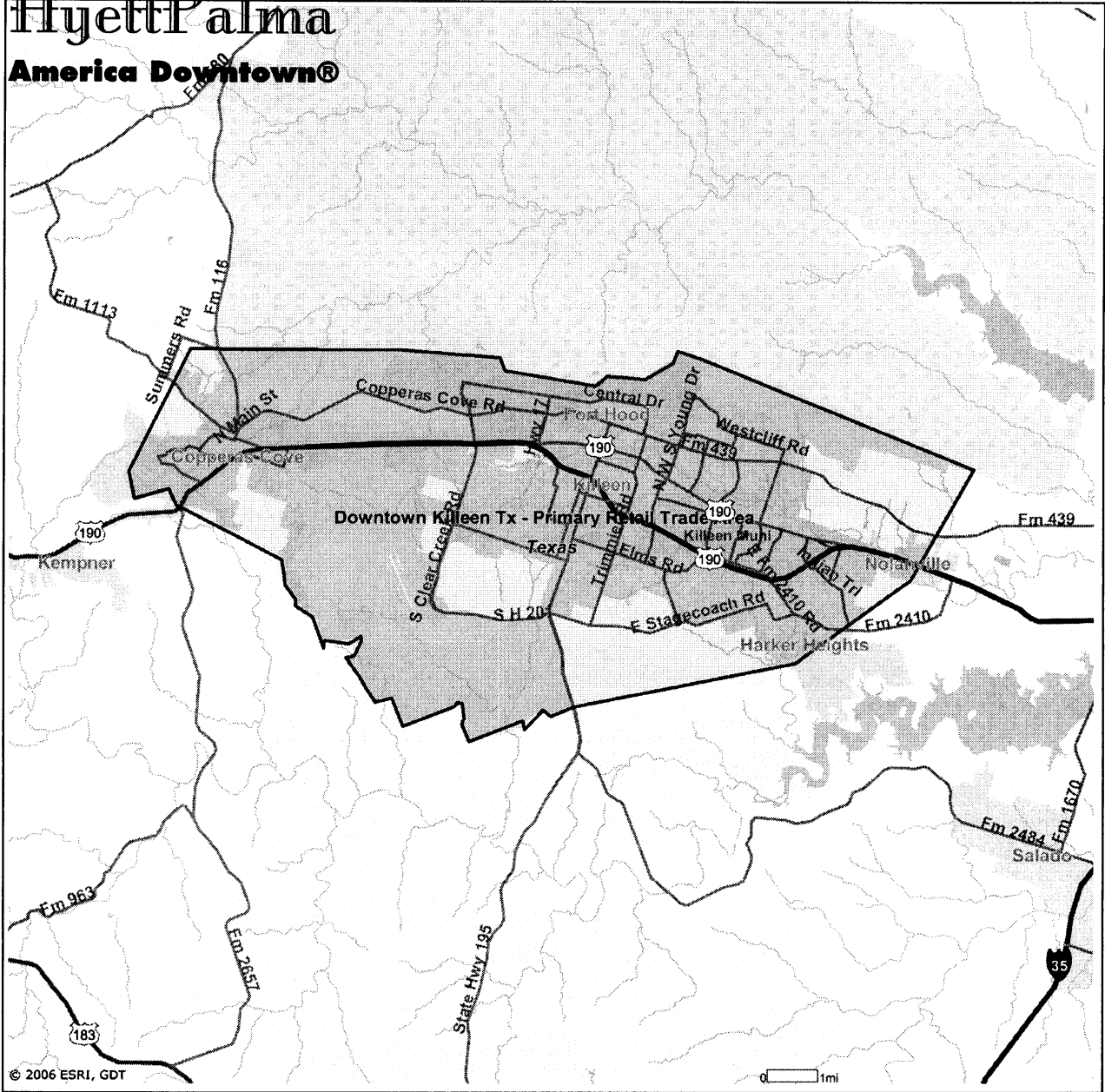
THE PRIMARY TRADE AREA HAS AN ESTIMATED POPULATION OF 194,764 -- WITH AN ESTIMATED 63,946 HOUSEHOLDS (Source: ESRI estimate)

Site Map

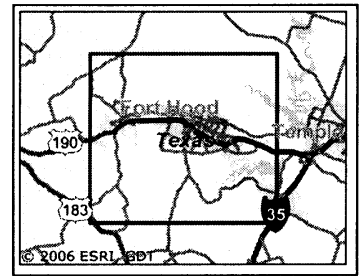
Downtown Killeen Tx - Primary Retail Trade Area

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THE PRIMARY TRADE AREA'S POPULATION IS ESTIMATED TO INCREASE TO APPROXIMATELY 210,763 BY 2011 -- WITH AN ESTIMATED 69,581 HOUSEHOLDS BY 2011 (Source: ESRI estimate)

THE AVERAGE HOUSEHOLD SIZE IS 2.86 PERSONS, WHICH IS HIGHER THAN THE NATIONAL AVERAGE OF 2.59 (Source: ESRI estimate)

THE TOTAL COMBINED INCOME OF HOUSEHOLDS WITHIN THE PRIMARY TRADE AREA IS APPROXIMATELY \$3,476,000,000 PER YEAR (Source: ESRI estimate)

THE AVERAGE HOUSEHOLD INCOME FOR THOSE IN THE PRIMARY TRADE AREA IS APPROXIMATELY \$54,363 AND IS PROJECTED TO INCREASE TO \$65,550 ANNUALLY BY 2011 (Source: ESRI estimate)

Current Retail Businesses

Downtown Killeen currently contains approximately 162 retail businesses, which occupy approximately 421,000 square feet of building space. The retail inventory was completed by the Downtown Killeen Process Committee and is shown on the following page.

Downtown Killeen Retail Businesses by Standard Industrial Classification

<u>SIC CODE</u>	<u>BUSINESS TYPE</u>	<u># BUS.</u>	<u>TOT. SQ. FT.</u>
<u>52</u>	<u>Building Materials and Garden Supplies</u>	7	9,000
<u>54</u>	<u>Food Store</u>	4	37,310
<u>55</u>	<u>Automotive Dealers and Service Stations</u>	43	119,600
<u>56</u>	<u>Apparel and Accessories</u>	13	54,985
<u>57</u>	<u>Furniture and Home Furnishing</u>	19	32,596
<u>58</u>	<u>Eating/Drinking</u>	22	69,259
<u>59</u>	<u>Miscellaneous Retail</u>	21	40,309
	<u>Select Support Services</u>	30	45,387
	<u>Amusement and Recreation Services</u>	3	12,401
TOTAL NUMBER OF RETAIL BUSINESSES		162	
TOTAL SQUARE FEET OF OCCUPIED RETAIL BUSINESS SPACE			420,847
TOTAL NUMBER OF VACANT RETAIL SPACES		32	
TOTAL SQUARE FEET OF VACANT RETAIL BUSINESS SPACE			81,100

Source: Downtown Killeen Process Committee

Retail Potential

Currently, within Downtown's primary trade area, the total estimated demand for retail products is approximately \$1,011,000,000 per year. This demand is shown on the following graphs. A complete presentation of retail product demand for the primary trade area is shown in **THE RETAIL REPORT®**, contained in the Appendix of this document.

As a conservative estimate, it is assumed that Downtown Killeen retail businesses now generate an average (blended figure) of approximately \$175 per year per square foot in retail sales.

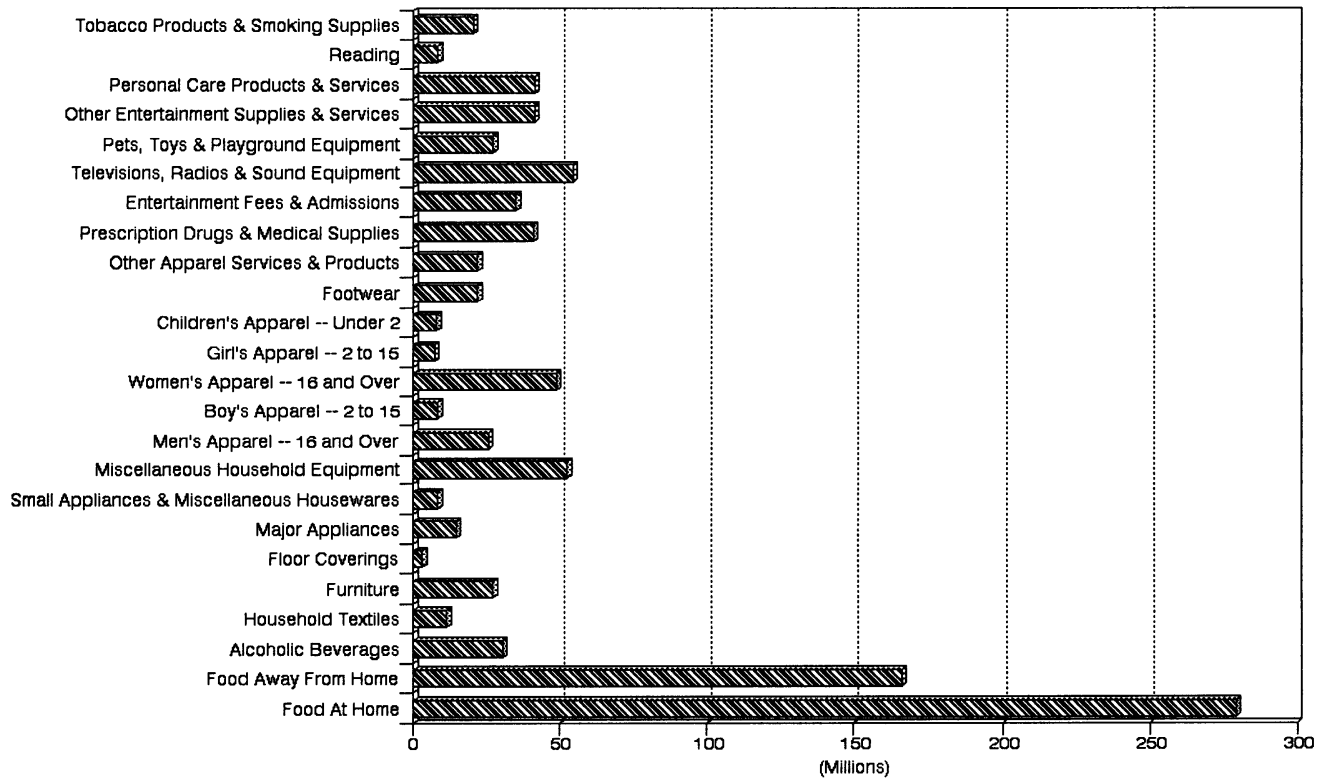
Since Downtown currently contains approximately 421,000 square feet of occupied retail space, Downtown Killeen should currently be generating approximately \$74,000,000 in retail sales per year.

By dividing the project area's estimated annual retail sales – \$74,000,000 – by the total estimated demand for retail products within the primary trade area – \$1,011,000,000 – it can be concluded that Downtown Killeen may currently be capturing approximately 7.3% of the retail sales potential within the primary trade area. And, the balance of the demand is being captured by businesses within other parts of the primary trade area and/or by businesses in other trade areas.

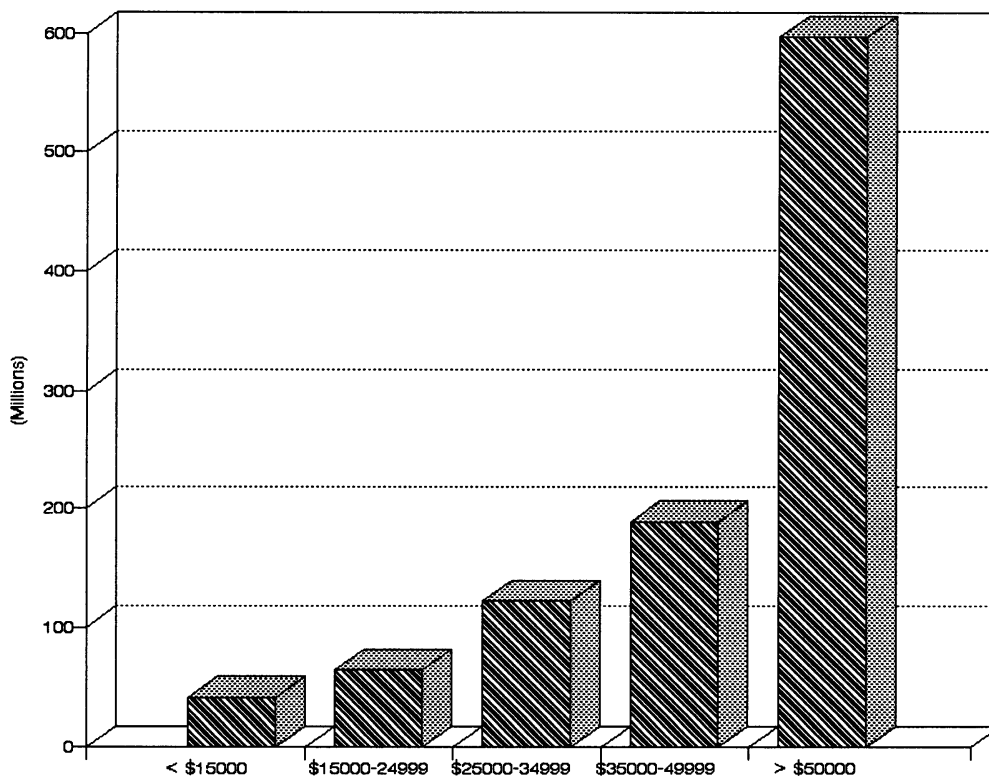
Taking steps to further enhance Downtown Killeen, and barring a significant decline in the national or regional retail economy, it is conservatively anticipated that Downtown may have the potential to increase its share of retail sales in its primary trade area from the current level of approximately 7.3% to between 8% and 8.25% by the year 2012. This should be considered a goal of the economic enhancement program.

If Downtown Killeen is able to increase its market share to between 8% and 8.25% by the year 2012, it is possible that the project area may be able to increase its total capture of retail sales to between \$81,000,000 and \$83,000,000 by the year 2012 – considered in constant 2007 dollars.

TOTAL PRODUCT DEMAND BY PRODUCT TYPE



TOTAL PRODUCT DEMAND BY INCOME GROUP



This increase in total retail sales could potentially support the development of between approximately 40,000 and 51,000 net square feet of additional retail space by the year 2012 – which could include expansions or sales increases by existing Downtown Killeen retail businesses and/or the construction of some limited amount of new retail space.

IMPORTANT NOTES:

It must be noted that Downtown's ability to gain a larger market share will be contingent on efforts to enhance its business climate, enhance and expand its existing businesses, and recruit additional retail businesses to the area. If such efforts are aggressively and diligently implemented – on an on-going basis – the actual growth in Downtown's market share could potentially be much higher than projected. Conversely, by the year 2012, Downtown Killeen's market share could be much less than projected above if efforts to enhance the area and expand/recruit businesses are not diligently and continually pursued.

In addition, it should be understood that new commercial space will likely continue to be developed in the southern portions of the community within the immediate future, as has been the case for the last several years. The introduction of this new space could potentially expand the community's trade area to the extent that gross revenue potential may increase for Downtown, or decrease depending on the draw of newer commercial venues. The introduction of a new commercial space in the south, in HyettPalma's opinion, will likely continue to distinguish Downtown's older commercial space from newer offerings, resulting in a potential amplification of demand for Downtown retail space as an alternative to the newer space.

ADDITIONAL NOTE:

No attempt was made to determine the condition of vacant space. Therefore, no judgment is made concerning the marketability of space based on condition.

Retail Business Development

Based on the findings of this retail market analysis, the opportunity exists to enhance and expand certain types of retail businesses that are currently located in Downtown Killeen. In addition, the opportunity also exists to attract additional businesses to Downtown. A list of the types of retail businesses recommended for potential enhancement, expansion, and attraction is presented in the chapter of this document titled ***Course of Action***.

Downtown Office Opportunities

Office Market Indicators

Several key economic indicators that characterize the current office operations within Downtown Killeen follow.

- Downtown Killeen currently has a broad range of office occupants, with a total of approximately 159 various office occupants occupying approximately 808,000 square feet of building space, as shown by the charts on the following pages of this ***Downtown Action Agenda***.
- Downtown Killeen has historically been the professional services center of the region, with a substantial concentration of communications, transportation, financial and related institutions, business services, legal services, membership organizations, professional services, and city/county government centers.
- Downtown's occupied office space serves, primarily, the personal needs of those who live within the community and primary trade area, with the demand for space expected to increase as the overall trade area continues to grow and prosper.
- Communities nationwide have experienced the fact that – as improvements are made in the overall economic and physical conditions of their Downtowns – an associated increase in demand for office space normally follows, which is expected to hold true for Downtown Killeen.

Downtown Killeen Offices by SIC Code

<u>SIC CODE</u>	<u>BUSINESS TYPE</u>	<u># BUS.</u>	<u>TOT. SQ. FT.</u>
<u>47</u>	<u>Transportation Services</u>	3	14,700
<u>48</u>	<u>Communications</u>	2	18,006
<u>60</u>	<u>Depository Institutions</u>	6	76,408
<u>61</u>	<u>Non-Depository Inst.</u>	7	13,746
<u>62</u>	<u>Security/Commod. Broker</u>	1	1,200
<u>63/64</u>	<u>Insurance</u>	8	20,850
<u>65</u>	<u>Real Estate</u>	6	10,135
<u>73</u>	<u>Business Services</u>	11	25,104
<u>80</u>	<u>Health Services</u>	8	17,237
<u>81</u>	<u>Legal Services</u>	16	60,246
<u>83</u>	<u>Social Services</u>	9	31,229
<u>86</u>	<u>Membership Organizations</u>	31	172,583
<u>87</u>	<u>Engineering/Mgt. Services</u>	4	11,794
<u>89</u>	<u>Services (General)</u>	16	106,564
<u>91</u>	<u>General Government</u>	13	100,970
<u>92</u>	<u>Courts/Justice/Public Safety</u>	1	19,420
<u>93</u>	<u>Finance, Tax & Monetary Pol.</u>	6	4,998
<u>94</u>	<u>Admin. of Human Services</u>	9	46,210

Downtown Killeen Offices by SIC Code

SIC CODE	BUSINESS TYPE	# BUS.	TOT. SQ. FT.
<u>96</u>	<u>Admin. of Economic Programs</u>	2	56,250

TOTAL NUMBER OF OFFICE BUSINESSES	159
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TOTAL SQUARE FEET OF OCCUPIED OFFICE BUSINESS SPACE	807,650
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TOTAL NUMBER OF VACANT OFFICE SPACES	38
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TOTAL SQUARE FEET OF VACANT OFFICE BUSINESS SPACE	79,099
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Source: Downtown Killeen Process Committee

Office Potential

It is anticipated that most of Downtown's office market growth will continue to consist of office uses that serve, primarily, the personal needs of those who live in, or in proximity to, Downtown Killeen's primary trade area – including those families anticipated to move into the area in the near future, as projected. And, as previously noted, communities nationwide have experienced the fact that – as improvements are made in the overall economic and physical conditions of their Downtowns – an associated increase in demand for office space normally follows, which is expected to hold true for Downtown Killeen.

Therefore, it is estimated that approximately 50,000 to 75,000 square feet of additional office space could potentially be supported in Downtown Killeen between now and the year 2012. This should be considered an economic goal for the enhancement effort.

It must be noted that the actual growth in Downtown's office demand could be higher if Downtown is able to attract general offices, or back office operations from outside the area; to attract office occupants currently located elsewhere in the community; or to experience significant expansion by current Downtown office operations. Also, as the broader community continues to prosper, it is anticipated that Downtown Killeen will continue to experience increased demand for quality office space in Downtown.

NOTE:

No attempt was made to determine the condition of vacant space. Therefore, no judgment is made concerning the marketability of space based on condition.

Office Business Development

A listing of office types recommended for recruitment and expansion in Downtown Killeen is presented in the chapter of this document titled ***Course of Action.***

Downtown Housing Opportunities

The Downtown project area contains approximately 148 housing units at this time, according to an inventory recently prepared by the Downtown Killeen Process Committee. This supply of dwellings include both single-family and multi-family housing units on individual lots, with a small number of units located above first floor commercial establishments.

Downtown also contains a significant number of single- and multi-family housing units surrounding the edges of Downtown, including units in and adjacent to the project area.

Downtown Killeen is also fortunate to be centrally located to those living in neighborhoods in proximity to Downtown, who enjoy the convenience of being able to walk or drive a short distance to the heart of Downtown Killeen. And, with excellent road systems, access to Downtown from throughout the trade area and beyond is convenient from all directions of travel.

Downtown Killeen is also the commercial center near and most convenient to Fort Hood.

As has been found throughout the nation during the past four decades – regardless of community size – as a Downtown's physical environment and mix of businesses is improved, it is very likely that the demand for housing in and near that Downtown will also increase. This can also be expected in Killeen. In addition, as more and more housing is developed in outlying areas – with the suburban sameness it usually displays – it is likely that Downtown's "urban" atmosphere will be an attractive and unique alternative to the repetition of style noted in many recent developments and anticipated developments in outlying areas and surrounding communities.

Every effort should be made, consistent with the implementation of the ***Downtown Action Agenda***, to introduce more quality housing – particularly market-rate housing – in and in proximity to Downtown Killeen.

As market conditions allow, every effort should be made to introduce:

- Loft apartments in the upper floors of existing commercial structures throughout Downtown;
- Townhouses and garden-style apartments – market-rate and affordable – at the edges – both inside and outside the project area boundaries – of Downtown and on underutilized redevelopment properties; and
- Both owner-occupied and rental units.

A concerted effort should also be made to protect and enhance housing in Downtown's valuable adjacent neighborhoods. These units will always be home to patrons of extreme importance to Downtown Killeen, as potential customers.

Rather than placing arbitrary or artificial limits on the number of housing units appropriate for Downtown Killeen – and in neighborhoods near the commercial district – it is suggested that the absorption of units in the marketplace be used as the indicator of demand. And, that every effort be made to develop the greatest number of quality units possible in and near Downtown when market conditions allow.

Course of Action

VI. COURSE OF ACTION

This chapter includes a ***Course of Action*** specifically designed to help Downtown Killeen attain the community's vision, take advantage of the economic opportunities revealed through the market analysis, and become more economically successful and self-sustaining.

The specific recommended ***Course of Action*** is shown following a reiteration of the guidelines which HyettPalma suggests be embraced as the basis of this ***Downtown Action Agenda***.

Guidelines

As was stated earlier, HyettPalma strongly recommends that the ***Downtown Action Agenda*** be implemented using the following guidelines – given Downtown's current strengths, as well as the community's concerns, desires, and preferred future image for Downtown.

1. Focus

There is a great desire, and need, to create visible improvements in Downtown as quickly as possible. This is important as a means of improving Downtown's image, creating momentum around the Downtown enhancement effort, and increasing investor confidence in Downtown's future. To create the highest degree of visible Downtown improvements in as short a time as possible, it will be important to:

- Concentrate resources and actions in Downtown's historic core (defined later in this document); and
- Not expand Downtown's boundaries for the foreseeable future.

2. Investor Confidence

There is a great need to increase the confidence private sector investors have in Downtown's future. To accomplish this, it will be very important for government

leaders and local lenders to spread the word that – with the completion of this **Downtown Action Agenda** – “it is a new day in Downtown Killeen.”

3. Safety

To enhance the public’s patronage of Downtown – and to increase investor confidence in Downtown – job #1 must be improving the perception of Downtown public safety.

4. Community Hub

For Downtown to experience the highest level of success, Downtown must become more than simply a place of commerce. It must be made the community’s hub and a place of convergence for all members of the community. This should be achieved by:

- Keeping all anchors in Downtown;
- Locating in Downtown any new anchors that are created, which serve the community as a whole; and
- Holding in Downtown all community-wide celebrations.

5. This Time is Different

While attempts have been made in the past to “revitalize” Downtown Killeen, it must be realized that this **Downtown Action Agenda**, and the actions it recommends, are very different from those past attempts in that:

- The process used to complete this **Downtown Action Agenda** was highly inclusive, involving literally hundreds of community members, meaning that the recommendations included in this **Downtown Action Agenda** are based on the community’s desires and concerns;
- The **Downtown Action Agenda** is not a plan or a study but a five-year, strategic course of action specifically designed to address the

unique opportunities facing Downtown, as well as the specific issues facing Downtown;

- The ***Downtown Action Agenda*** addresses the major issues which face Downtown Killeen – and which must be tackled for Downtown’s future success – and recommends specific steps for addressing each of those issues;
- The ***Downtown Action Agenda*** recommendations are pragmatic, being geared to local capabilities;
- The ***Downtown Action Agenda*** is highly action-oriented, implementation-oriented, and success-oriented; and
- The methodology used to define the ***Killeen Downtown Action Agenda 2007*** forms the basis of a national Downtown technical assistance program, in operation since 1992, and of three statewide Downtown technical assistance programs – as such, it has proven to yield substantial results.

6. Unified & Positive Voice

The ***Downtown Action Agenda*** must be adopted and used by local leaders – from the public, business, non-profit, and residential sectors of Killeen – to create, articulate, and promote a unified and positive voice for Downtown and its enhancement. All those in Downtown and involved in Downtown’s enhancement must speak in a positive manner about Downtown and its future – despite any internal or personal disagreements that might occur along the way.

7. Standards & Examples of Quality

The local government must establish clear standards of quality – in the form of design guidelines, a façade study, and other actions recommended in this document – so that private sector investors are aware of what is expected in Downtown. And, the community’s leaders (government entities, banks, churches, school district, etc.) should embrace and use those standards to

continue to establish examples of quality in Downtown – as has been done with the Chamber of Commerce and City Hall buildings.

8. Preservation vs. Modern

It must be recognized that a large part of Downtown's uniqueness is derived from its historic architecture. And, Downtown's uniqueness must be leveraged and capitalized upon as a method of enabling Downtown to co-exist with newer commercial centers. Therefore, when at all possible, Downtown's older buildings must be saved, appropriately rehabbed, and put to new, economically viable uses. At the same time, new buildings – known as "infill construction" – that are compatible with the old, should be welcomed in Downtown.

9. Multi-Cultural

The process used to complete this *Downtown Action Agenda* revealed that community members wish to see Downtown Killeen offer an experience that is multi-cultural and ethnically eclectic. Therefore, a concerted attempt should be made to attract and welcome to Downtown businesses that are owned by, and that sell items of, multiple cultures – rather than enhancing Downtown as a "Korea Town," "Hispanic Town," or enclave of any single ethnicity.

10. Truisms

It must be recognized that Downtown's enhancement is important to the image and future of the entire City – and that it will improve the quality-of-life enjoyed by all of Killeen's residents – due to the following truisms:

"As Downtown goes, so goes the town."

***"You can't have a first-class town
without a first-class Downtown."***

11. World Class Downtown

Killeen is unique as the home of Fort Hood, which is the largest military base in the world and the largest single-site employer in Texas. At the same time, Killeen is becoming an even more dynamic city with the advent of its new airport, hotels and civic center and the coming of Texas A&M. To reflect the city's

uniqueness and dynamic nature, Downtown Killeen should be positioned and recreated as a world-class Downtown as Killeen becomes more of a world-class city.

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Downtown Districts

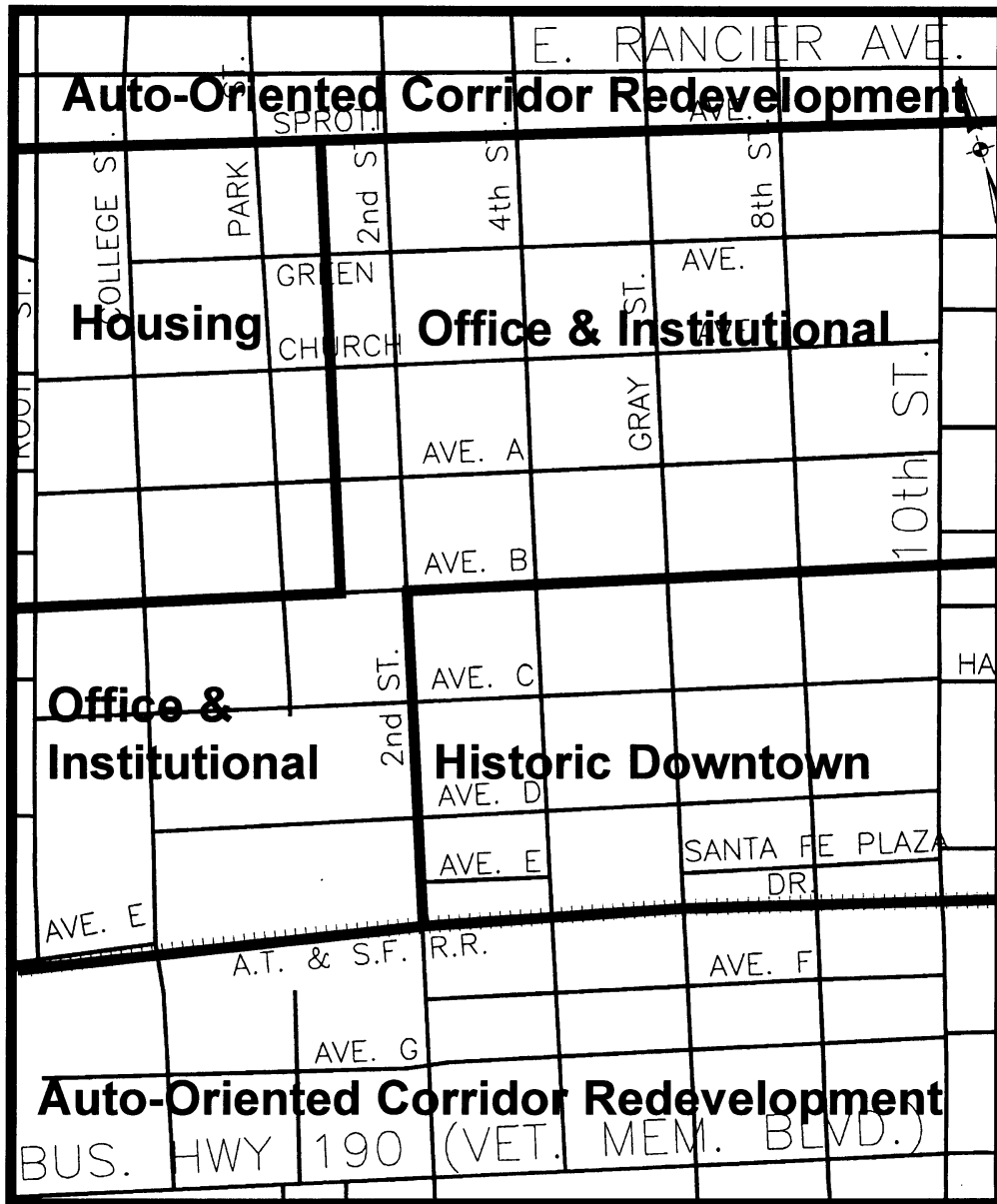
The following Downtown districts, shown on the map on the next page of this document, should be created via the enhancement effort.

1. Historic Downtown District

This is the historic core of Downtown Killeen and should be enhanced to have the following characteristics.

- Multi-cultural and ethnically eclectic businesses should be sought for and welcomed to this district.
- Impulse-oriented uses should be concentrated in first floor building spaces in this district. These uses should include specialty retail shops, food, art, and entertainment uses.
- Upper floors in this district should be used as housing or offices.
- The district's older buildings should be saved and put to the above uses.
- Infill construction should be encouraged in this district, in the form of mixed-use projects containing impulse-oriented uses in first floors with housing/offices above.
- This district should continue to be as pedestrian-oriented and pedestrian-friendly as possible.

Downtown Killeen Districts



2. Office & Institutional District

This district now contains – and should continue as – Downtown’s concentration of office and institutional uses. This includes banks, government offices, professional offices, and non-profit organizations, along with convenience retail businesses and housing. As Downtown is enhanced, this district would be appropriate for more intensive development than it contains today, in the form of 4- to 6-story buildings.

3. Auto-Oriented Corridor Redevelopment

Due to high traffic counts on Rancier and Business 190, this area is, and will continue to be, attractive to businesses that seek high exposure. Due to periodic road expansions that have occurred in the past, however, many buildings in this district are marginal or obsolete, in terms of their economic life. And, the future of the corridors located in this district will be affected by what occurs on the portions of the corridors located outside of Downtown. Therefore, it is recommended that a corridor study (discussed later in this document) be conducted for this district.

4. Housing District

It appears that some degree of investment is occurring in Downtown housing. This Downtown district is an appropriate location for the following types of housing:

- Single-family homes;
- Low-density multi-family housing units, in the form of townhouses and garden apartments; and
- Both market-rate and affordable housing.

It should be recognized that, as Downtown’s economic health is improved, the demand for Downtown housing will increase.

5. Focus Area

For the next five years, the Downtown enhancement effort should be focused on strengthening the Historic Downtown District, as a unique and irresistible destination that attracts and appeals to Killeen's residents and visitors.

Catalyst Projects

The following projects should be implemented to catalyze Downtown's enhancement.

1. Public Safety

As was stated earlier, improving the buying public's perception of Downtown safety must be viewed as job #1 in moving Downtown toward a brighter future. Fortunately, the Killeen Police Department is working diligently on this issue and stands ready to take any actions necessary to continue to do so.

The following public safety-related initiatives should be implemented in Downtown Killeen at the earliest possible date.

- The presence of friendly police patrols should be increased, including foot, bike, and horse patrols. Particularly in the Historic Downtown District, such patrols should be highly visible and have a 24-7-365 presence.
- All graffiti – whether on private or public property – should be removed within 24-hours of its appearance.
- It is understood that a new police headquarters building is to be constructed outside of Downtown. To maintain and ensure visible police presence in Downtown after this occurs, a police “sub-station” should be created in Downtown.
- The cleanliness of a Downtown has a direct bearing on the public's perception of that Downtown's safety. Therefore, to address the issue of Downtown public safety, clean-up measures must be

implemented in Downtown Killeen hand-in-hand with the steps recommended above. Specifically, abandoned automobiles and household appliances should be removed from public rights-of-way and public view, storage areas (e.g., of fuel, recycling areas, etc.) should be screened, and business signs and sign standards no longer in use should be removed. The goal of the clean-up effort should be to make Downtown's appearance cleaner, more orderly, more organized, and more attractive.

2. Special Event

Currently, there are no special events staged in Downtown, other than the Veteran's Day Parade and Christmas Parade. As part of repositioning Downtown as the community's hub and point of convergence for the entire community, a major Downtown special event should be created that:

- Is multi-cultural, family-oriented, and uniquely Killeen;
- Is held and grown annually;
- Acts as a "signature event" for which Killeen becomes widely known;
- Includes food, art, and entertainment; and
- Is great fun for all ages and is welcoming to all cultures.

Given the wide range of cultural groups living in Killeen, thanks to the presence of Fort Hood, an event that could possibly fit the above bill is a "Taste of Killeen" festival that offers a "taste" of ethnic foods, arts, and entertainment.

3. Health & Human Services Building

The City government should be commended for taking the lead in turning the former First Baptist Church building into a one-stop health and human services center. This project will not only make such services more convenient for clients, but it will also create a northern anchor within Downtown.

An opportunity exists to add another facet to this building's reuse by turning the former sanctuary into a quality, live entertainment venue for the performing arts (e.g., music, theater, dance, etc.). This opportunity should be seized as quickly as possible.

4. H-E-B

This is a very important anchor that serves not only those in Downtown, but the whole northern part of the city. The *Downtown Action Agenda* process revealed that the community greatly desires that this facility not only be retained, but enlarged. This should be done in the following manner:

- The EDC should incentivize this project so that it occurs at the earliest possible date;
- H-E-B should be urged to construct a new store on the current site;
- The new facility should include a full-service pharmacy; and
- The new facility should be designed to accommodate deliveries and trash containment/removal away from public view.

5. New City Hall

When and if it is determined that the local government has outgrown its current City Hall building, City officials should commit to relocating City Hall in another Downtown location, which is absolutely essential since doing so would:

- Retain this very important anchor in Downtown;
- Constitute a strong statement of support for Downtown's future; and
- Allow Downtown to be centrally located – between Fort Hood and the City's population growth, which is occurring to the south – thereby making access to Downtown convenient for all.

When and if the time comes for a larger City Hall, consideration should be given to the following scenario:

- Locating City Hall on the block now occupied by the Police Building – land which the City already owns;
- Locating the police sub-station, mentioned earlier, in the new City Hall;
- Housing the City's Community Development Department in the new City Hall; and
- By so doing, create a centrally located economic stimulator for Downtown.

6. Central Park

The **Downtown Action Agenda** process revealed that the community very much wants to see a public gathering place developed as part of Downtown's enhancement. This should be achieved by:

- Creating a "Central Park" on the entire block where Military Plaza is now located – a block which is mostly owned by the City – bounded by Avenues C and D, and 2nd and 4th;
- Designing the park as a beautiful oasis, located just to the south of the potential new City Hall building;
- Including in the park public art, fountains, and a pond of significant size; and
- Considering vacating Avenue C in order to more fully tie together the park and City Hall.

7. Old City Hall

This is an attractive and significant Downtown structure, which should be put to new uses should City Hall be relocated to a larger facility. The best alternate uses for this structure would be:

- Housing;
- Offices; and/or
- Youth activity center (in conjunction with the nearby Boy's and Girl's Club).

While there has been some discussion of using this structure as a museum in the future, doing so would not be advisable given the building's remote location and distance from the Historic Downtown District.

8. Art Center/Museum

If an art center/museum is created in Downtown, it should be located in proximity to the Historic Downtown District so that the users of this facility can easily walk to Downtown's specialty retail, food, art, and entertainment venues – and vice versa. Therefore, locations such as the First Methodist Church (which is moving) or the first fire station should be considered when seeking a location for a Downtown art center/museum.

9. Cow House Hotel

This structure has, unfortunately, become marginal in terms of its appearance and use. Therefore, optimally, this site should be redeveloped for an office building or for a mixed-use structure containing offices, service businesses, convenience retail stores – with, possibly, housing above.

10. KISD

If the Killeen Independent School District has expansion needs, its building located at the edge of Downtown would be ideal for keeping administrative functions in Downtown as a Downtown anchor.

11. Library

Use of this facility has increased greatly in recent years, with the library attracting some 200,000+ visits per year. As the community's main library, this facility must remain in Downtown. Therefore, every attempt should be made to accommodate the library's space needs on its current site.

12. TIF/Tax Abatement

There is a need in Downtown to capture increments in property taxes, but to also incentivize property improvements by offering tax abatements. These contrasting needs should be balanced by taking the following steps.

- The City should create a Downtown Tax Increment Financing (TIF) district – covering the entire Downtown project area – which should stay in place for a period of at least twenty-years.
- The City should also create a tax abatement overlay district – covering only the Historic Downtown District – which would offer an abatement of the increase in taxes realized due to new construction or significant renovation. The abatement period should be of a limited number of years – such as five- to seven-years.
- Within the tax abatement district, 100% of all new taxes should be abated that result from the construction of new buildings or significant improvements to existing structures – defined as over \$50,000 in value.
- To encourage timely investment, the City should require that only projects completed within three-years from the date that the overlay district is created will be eligible for abatements.
- All those receiving abatements should be required to follow and comply with Downtown's design standards (discussed later in this document).

- When the five- to seven-year tax abatement program ends, all increments should be captured and applied to Downtown improvements – using the year the TIF was created as the baseline for determining increments.

Private Property Improvements

The following actions should be taken to stimulate and encourage the improvement of private properties located in Downtown.

1. Focus

The focus of Downtown property improvements encouraged and incentivized in Downtown should be:

- Respecting, saving, appropriately rehabbing, and reusing Downtown's older architecture; plus
- Blending compatible and complementary new buildings with the old.

2. Design Guidelines

A professional preservation architect or architectural historian should be retained to define complete guidelines for all of Downtown. The guidelines should define and illustrate the "do's and don'ts" of façade improvements – given Downtown's various architectural styles – and infill construction. And, the design guidelines should address the appropriate size, design, and placement of business signs.

3. Façade Study

A preservation architect or architectural historian should also be retained to complete a façade study – just for the Historic Downtown District. The façade study should show, via illustrations, what each block of buildings in this district could and should be made to look like by following the design guidelines.

4. Façade Grants

A 50-50 matching façade grant program should be created and offered solely in the Historic Downtown District. The maximum grant amount offered should be \$10,000 per façade. And, compliance with the design guidelines should be required.

5. Sign Grants

A grant program should also be created for the Historic Downtown District to encourage business owners to erect signs that are in keeping with the design guidelines. The maximum grant amount offered should be \$500 per business. The sign grant should not require a financial match, but should require all grant recipients to include English on their sign, in addition to other languages, if desired.

6. Ordinances

To strengthen and protect Downtown's economic viability, the City government should pass ordinances that:

- Do not allow Downtown business signs to be solely in a language other than English; and
- Require at least 75% of store display windows to be free of signs, merchandise, or other items that obstruct visibility into the business.

In the Historic Downtown District, there are currently an inordinate number of churches located in street level spaces that were originally built as retail space and other commercial business space. Such so-called "storefront churches" limit a Downtown's opportunity to create a cluster of impulse-oriented businesses that attract shoppers. And, they tend to monopolize scarce Downtown parking spaces during services, funerals, and other church functions. Therefore, it is suggested that consideration be given to either:

- Not allowing additional churches to locate in storefronts within the Historic Downtown District; or

- Revising the City's zoning ordinance to require storefront churches to provide adequate on-site parking.

The only other option in dealing with this issue is to hope that Downtown's "economic ship" rises quickly enough so that businesses – of the types recommended in this document – can be successfully recruited to Downtown, filling vacant spaces before additional storefront churches choose to.

Which of these options to execute must be determined by the community, since this issue is both an economic and social concern in any given community. However, it must be recognized that the intent is not to limit churches in Downtown, but to locate churches in building space and in locations that can ensure compatible co-habitation within what is a commercial district, serving many needs of residents and visitors.

7. Code Enforcement

The City should continue the diligent enforcement of all codes that pertain to life safety and public health. And, the City should adopt portions of appropriate building codes that allow for flexibility and leniency in rehabbing historic buildings located in the Historic Downtown District – while, again, protecting life safety and public health.

8. Corridor Study

As was stated earlier, Rancier and Business 190 are commercial corridors that contain marginal and obsolete structures (due to road widenings) and whose future will be determined, in part, by what occurs along their lengths that are outside of Downtown. Therefore, they require consideration apart from this ***Downtown Action Agenda*** in the form of a corridor study that should:

- Determine the best economic orientations for the corridors;
- Determine the appropriate uses to be allowed along the corridors;

- Define standards for building design and placement, sign design and placement, and public improvements to be made along the corridors;
- Address traffic flow and ingress/egress along the corridors; and
- Address how to ensure that the corridors become attractive gateways into Downtown.

9. Housing

Currently, residential areas exist to the east and west of Downtown. And, additional housing is recommended for the Housing District within Downtown. The goal regarding all of these housing areas should be to create and encourage quality single-family and low-density multi-family housing, both market-rate and affordable, by working with private developers and with non-profit groups, such as Habitat for Humanity.

Public Improvements

The following actions should be taken to improve Downtown's public spaces.

1. Streetscape

Currently, Downtown's streetscape is sorely lacking in amenities. And, the streetscape elements that are in place – such as trash receptacles, streetlights, and landscaping – are very disjointed in terms of design and styles.

To rectify this situation, and make Downtown appear better managed and cared for, it is suggested that a professional landscape architect – with considerable experience in Downtown settings – be retained to design an overall streetscape plan for:

- The Historic Downtown District; and
- 4th Street and Gray Street, from the Historic Downtown District to Sprott Avenue, in order to link this district to the recommended

catalyst projects – e.g., H-E-B, the Health and Human Services Building, the library, the Cow House Hotel block, and the potential art center/museum.

The streetscape plan should address:

- Sidewalk design and ADA accessibility;
- Street resurfacing;
- Streetlights – that are decorative, pedestrian-scale, and “historic” in design;
- The design and placement of benches and trash receptacles;
- Landscaping – with irrigation systems built-in;
- Enhancement of off- and on-street parking areas; and
- Undergrounding of utilities and utility upgrades.

Overall, the streetscape plan should stress:

- Minimalism, yet comfort;
- The clustering of elements, such as landscaping and public art; and
- Elements that are easy to repair and replace, yet are decorative.

2. Banners

Quality, custom designed banners should be commissioned for the Historic Downtown District. And, these should reflect the multi-cultural nature of Downtown Killeen.

3. Wayfinding

An overall wayfinding sign system should be designed that:

- Is distinctive and creative in design;
- Is reflective of Killeen's identity and of Downtown's image;
- Directs motorists to Killeen, to the City's attractions, to Downtown, and to Downtown's attractions; and
- Includes signs welcoming motorists to Killeen and signs welcoming motorists to Downtown.

Ideally, the wayfinding system would be developed as a partnership between the City of Killeen, Fort Hood, and the city's colleges. And, the signs should be designed in conjunction with the recommendations of the corridor study, mentioned above.

4. Vacant Lot

The vacant lot on the northwest corner of D and Gray Streets should be cleaned-up and greened-up to improve its current appearance. The goal of the enhancement effort, however, should be to encourage infill development on this lot, in terms of a mixed-use building that contains retail, food, art, and/or entertainment uses in the first floor with housing and/or offices above.

5. Parking

In the Historic Downtown District, parking supply appears to be adequate for the near future. However, the following should occur, in conjunction with making streetscape improvements in this district:

- The number of on-street parking spaces should be maximized wherever possible;

- Angled parking should be created wherever possible; and
- All obstacles – such as large planters and plantings – should be removed where they create blind spots or block the visibility of businesses.

6. Dumpsters

Currently, there are a considerable number of dumpsters located in Downtown alleys. To improve alley appearance and maneuverability, consideration should be given to the use of trash compactors – which would reduce the number of dumpsters needed. In all cases, dumpsters and compactors should be screened from public view.

Business Development

The following actions should be taken to strengthen Downtown's businesses and improve its business mix.

1. One-on-Ones

The Downtown Director (discussed later in this document) should hold one-on-one meetings with each and every business owner located within the Historic Downtown District to:

- Lessen economic isolation;
- Foster economic cooperation;
- Identify business issues and needs;
- Assist owners in addressing those issues and needs;
- Encourage use of available incentives;
- Encourage participation in the enhancement effort; and
- Improve the quality, appeal, and economic success of each business and of Downtown as a whole.

It should be noted that, given the multi-cultural nature of Downtown's businesses, the Downtown Director might need the assistance of someone who speaks the language of – and is respected by – the business owners located in the district.

2. Farmers Market

The farmers market, now located on the southern edge of Downtown, should be relocated to Central Park and should be expanded to include a larger number of vendors, plus food, art, and entertainment.

3. EDC Incentives

The EDC is urged to apply its incentives to:

- The Catalyst Projects recommended in this document; and
- Attract quality businesses shown on the “Top List” below.

4. Fast Trac

The Chamber of Commerce’s Fast Trac program should be used to encourage veterans to:

- Open businesses within the Historic Downtown District that are of the type recommended in this document; and
- Open businesses that broaden the range of Downtown’s multi-cultural offerings.

5. Quality, Variety, Cleanliness

Every Downtown business owner must recognize that these three items – quality, variety, and cleanliness – are essential for business success. And, as a result, they must ensure that they offer these three items in their businesses. This is essential in any Downtown, and even more so in Downtown Killeen, given the commercial development occurring on 190.

6. The HOP

In the future, as Downtown becomes more of a destination, consideration should be given to expanding bus service to include Saturdays, in addition to the Monday through Friday service now provided.

7. Business Recruitment

In association with the overall Downtown enhancement effort, an aggressive effort should be made to attract appropriate new businesses to better serve the needs of those in the marketplace and share customers with Downtown's host of existing businesses.

Focus

The initial focus of the recruitment effort should be to create a more viable mix and cluster of businesses – particularly specialty retail, food, art, and entertainment businesses – in the Historic Downtown District.

Top List

Initially, the following types of businesses should be sought for the Historic Downtown District:

- Multi-cultural restaurants, cafes, and specialty food establishments, offering both indoor and outdoor seating;
- Entertainment in restaurants;
- Arts, crafts;
- Small, specialty shops, including apparel, home accessories, and gifts; and
- Offices, particularly offices located at the edges of the Historic Downtown District and in the upper floors of buildings located in that district.

Full List

The full listing of businesses and other uses appropriate for Downtown Killeen includes the following:

Prepared Food

- Fine Dining Restaurants;

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- Moderate Priced Restaurants;
- Sandwich Shops;
- Bistros;
- Coffee Houses;
- Delis;
- Bakeries;
- Candy/Ice Cream/Yogurt Shops;
- Pubs/Taverns -- with Atmosphere/Operation Welcoming to Families; and
- Ethnic Foods -- i.e., Korean, Italian, Greek, French, Chinese, Mexican, Thai, etc.

Food for Home

- Grocery;
- Green Grocer;
- Health Foods; and
- Meat/Fish Market.

Entertainment

- Live Theater;
- Entertainment in Restaurants -- i.e., piano player, guitarist, small combos, dancing, etc.; and
- Small Movie Theater, such as an art theater.

Specialty Retail

- Antiques;
- Appliances;
- Art Galleries, Framing and Supplies;
- Bike Shop;
- Books;
- Cameras and Photo Supplies;
- Casual Apparel and Accessories;
- Children's Apparel;
- Computers/Software;
- Florist;
- Gifts, Stationery and Cards;
- Hardware;
- Home Decorating Products and Design Services;
- Men's Apparel;
- Music (Recorded and Sheet);
- Office/School Supplies;
- Optical Products;

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- Radio/TV/Electronics;
- Sewing Supplies;
- Shoes, Dress and Casual;
- Small Variety Store;
- Sporting Goods;
- Toys, Games and Crafts;
- Traditional and Costume Jewelry;
- Wall Coverings and Paint; and
- Women's Apparel and Accessories.

Convenience Retail/Select Services

- Auto/Home Supply;
- Barber Shops;
- Beauty Shops;
- Dance Studio;
- Dry Cleaners/Tailor Shop;
- Gas Service Station;
- Pharmacy;
- Physical Fitness Facility;
- Shoe Repair/Shine; and
- Video Rental.

Offices

- Accounting, Auditing, Bookkeeping;
- Administration of Educational Programs;
- Administration of Public Health Programs;
- Administration of Veterans' Affairs;
- Administration of Economic Programs;
- Administration of Utilities;
- Advertising;
- Child Care Services;
- Commercial Banks;
- Computer and Data Processing;
- Courts;
- Credit Reporting and Collection;
- Credit Unions;
- Dentists Offices and Clinics;
- Doctors Offices and Clinics;
- Engineering, Architectural Services;
- Executive Offices of Government;

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- Fire, Marine Casualty Insurance;
- Health and Allied Services;
- Home Health Care Services;
- Individual and Family Services;
- Legal Services;
- Library;
- Life Insurance;
- Management and Public Relations;
- Medical Service and Health Insurance;
- National Security;
- Newspapers and Other Media Outlets;
- Passenger Transportation Arrangement;
- Personnel Supply Services;
- Photographic Studios;
- Post Office;
- Print Shops;
- Public Order and Safety;
- Real Estate Agents and Managers;
- Residential Care;
- Savings Institutions;
- Security Brokers and Dealers;
- Subdividers and Developers;
- Tax Services; and
- Title Abstract and Insurance Offices.

Housing and Other Uses

- Housing above first floor uses;
- Housing as infill on redeveloped lots, underutilized lots and surface parking lots;
- Museums;
- Churches in buildings designed as churches, not storefronts; and
- Hotel facilities, if market conditions prove feasible in the future.

Internal Business Recruitment

Encouraging existing businesses to expand, relocate to more appropriate and visible space, and/or open new businesses is referred to as internal business recruitment – meaning to grow from within. This form of business enhancement and creation has already proven profitable and viable in Downtown Killeen, with the recent expansion of successful, established businesses in Downtown Killeen. And, more similar ventures are in the making at this point. Every effort should be

made to encourage and assist, when appropriate, existing Downtown businesses in their efforts to better serve the needs of the marketplace through line re-orientations, expansion of business space, relocating to other portions of Downtown in order to gain more space and/or visibility, or opening new businesses in Downtown – prior to major efforts to attract new businesses.

External Recruitment

Once every effort has been made to encourage existing businesses to meet the identified needs of the marketplace through line re-orientations, business expansions, relocations, or opening of additional businesses, an aggressive effort should be made to seek appropriate new businesses for Downtown Killeen. It should be recognized that news media coverage of further Downtown enhancement, undertaken consistent with the ***Downtown Action Agenda***, will likely generate significant new business prospects for Downtown Killeen over time. This is normally the case in any contemporary Downtown revitalization effort. However, if sufficient prospects do not surface in a timely manner, new business prospects should be sought from throughout the trade area and from throughout central and northeast Texas. Prospects should be sought through field research, identifying appropriate prospects and encouraging the prospects to visit Downtown Killeen, view appropriate building space, and to either open an additional store in Downtown Killeen or relocate to Downtown Killeen. Appropriate new business prospects should be offered every incentive available through the overall Downtown enhancement program, including design assistance, façade enhancement assistance, EDC incentives, etc.

Marketing

The following marketing campaign should be developed and implemented in order to attract investors and spenders to Downtown Killeen.

1. Media Relations

A massive, concerted, tireless, and on-going effort must be made to get positive stories about Downtown and its enhancement placed with major media to:

- Get the word out that an action-oriented gameplan has been defined, and is being implemented, for Downtown's enhancement;

- Make the public aware that positive and coordinated improvements are occurring in Downtown; and
- Pique investor interest in Downtown.

The media relations effort should entail developing contacts with, working closely with, and disseminating information through:

- The local daily newspaper, the local Korean newspaper, and the Fort Hood newspaper;
- Major print and electronic media located throughout Central Texas;
- The City's Director of Public Information;
- The Chamber of Commerce's newsletter and Web site; and
- The City of Killeen's Web site.

2. Special Events

As was stated earlier, an annual, signature special event should be created and held in Downtown Killeen. This event should be uniquely Killeen, family-oriented, and include multi-cultural food, art, and entertainment.

In addition, two existing Killeen events – Celebrate Killeen and Hot Summer Nights – should be moved to Downtown, so that Downtown is positioned as the community's hub and the point of convergence for the entire community.

3. Future

In the future, once Downtown's image and business mix have been strengthened, the marketing effort should be broadened to include:

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- A year-round campaign of ads that promote the experience offered by Downtown and Downtown's image;
- A Downtown "lure brochure," that conveys Downtown's image in graphics and text, and that is widely distributed;
- A Downtown Web site;
- Prominent mention of Downtown in the Killeen Visitor's Guide; and
- Positioning Downtown as a key element of the community, in the Chamber of Commerce-led effort to create a "brand" for the City.

Partnership for Success

VIII. PARTNERSHIP FOR SUCCESS

The most successful Downtown enhancement efforts nationwide are those that are implemented by a partnership between the private and public sectors. For Downtown Killeen to reach its full potential, Downtown's key private and public sector leaders and constituents *must*:

- Build on, leverage, and grow the momentum being created in Downtown Killeen;
- Implement the *Downtown Action Agenda* in partnership;
- Embrace a shared direction for Downtown;
- Provide the strong and persistent leadership needed for implementation to occur;
- Take *quality actions and improvements* – and stimulate others to do the same – that move Downtown towards the community's defined vision for Downtown and that allow Downtown to capture the market opportunities defined through the market analysis; and
- Act as a true partnership of the private and public sectors.

This is essential for Downtown success and the recommendations shown below will allow this to occur in Downtown Killeen.

1. Existing Entities

Currently, a number of entities are in and/or involved in Downtown Killeen. These primarily include:

- The City Government;
- The Chamber of Commerce, Business Resource Center, and EDC;

- Killeen Volunteers, Inc., Keep Killeen Beautiful, and the Special Events group;
- Killeen Area Heritage Association;
- Civic Art Guild; and
- The two Korean Chambers of Commerce.

2. Downtown Partnership

A Downtown Partnership – formed as a consortium of the above entities – should be formed to:

- Provide leadership;
- Spearhead implementation of the **Downtown Action Agenda**;
- Foster cooperation and communication among entities;
- Act as an advocate for Downtown’s enhancement; and
- Ensure that Downtown’s enhancement is moved forward in a unified, timely, and quality manner.

The Downtown Partnership should be comprised of the Mayor, City Manager, and the CEOs/Chairs of the entities listed above.

3. Staff

The City should retain a professional Downtown Director, whose primary job would be to ensure timely and quality implementation of the **Downtown Action Agenda**. To do so, the Downtown Director should work with and staff the Downtown Partnership and work closely with the staff members of the City and the Chamber of Commerce.

In addition, a concerted effort should be made to engage and involve Killeen Volunteers, Inc., in the Downtown enhancement effort.

4. Funding

As was stated earlier, a Tax Increment Financing (TIF) district should be created that covers all of Downtown.

In addition, the City should create a “linkage” program that would channel funds to Downtown from new commercial developments occurring elsewhere in the community – and be used to implement the ***Downtown Action Agenda***.

Additional sources of funds that should be considered to implement the ***Downtown Action Agenda*** include:

- EDC;
- Arts Commission;
- Bed tax;
- City and State government;
- Major real estate developers, through the suggested linkage program;
- Major employers throughout the region;
- Business owners and commercial property owners;
- Banks and other financial institutions;
- Utilities, foundations, and non-profit groups;
- Service clubs; and
- Any individual, entity, or institution that stands to benefit from an enhanced Downtown Killeen.

5. Document

To document the strides being made in Downtown Killeen, the following benchmarks should be recorded annually:

- Total taxable value of property in Downtown;
- Number of new jobs created;
- Dollar amount of new private investment;
- Public improvements and their costs;
- List of economic development tools that were utilized;
- Number of business openings;
- Number of business closings;
- Total number of businesses in Downtown;
- Total number of housing units;

- Occupied retail space (sq. ft.);
- Vacant retail space (sq. ft.);
- Occupied office space (sq. ft.);
- Vacant office space (sq. ft.);
- Occupied residential space (sq. ft.);
- Vacant residential space (sq. ft.);
- New investment or economic development projects (and their value) that occurred outside of the Downtown project area, in part, due to Downtown's enhanced image.

6. Adopt

The Downtown Partnership should adopt the ***Downtown Action Agenda*** as its official guide for Downtown's enhancement. And, it is suggested that City Council adopt the ***Killeen Downtown Action Agenda 2007*** as the Downtown element of the City's comprehensive plan.

Implementation Sequence

VII. IMPLEMENTATION SEQUENCE

This document contains numerous actions recommended for revitalizing Downtown Killeen. This chapter shows the recommended actions that should be carried out during the first year of the enhancement effort.

At the end of each year, the implementation sequence should be updated. And, within five to six years, consideration should be given to updating the entire *Killeen Downtown Action Agenda 2007*, depending on the level of program accomplishments realized.

Year-1 Implementation Sequence Killeen Downtown Action Agenda 2007

Partnership and Management Actions

- Formal adoption by the City of Killeen of the *Killeen Downtown Action Agenda 2007* as the Downtown element of the City's comprehensive plan.
- Formation of the Downtown Partnership and formal adoption by the Partnership of the *Killeen Downtown Action Agenda 2007* as its official guide for Downtown's enhancement.
- Hire staff.
- Document results.

Catalyst Projects Actions

- Implement catalyst projects ASAP, including:
 1. Public safety initiatives;
 2. Creation of new Downtown special event;
 3. Creation of live entertainment venue in former sanctuary of former First Baptist Church building;
 4. Work with H-E-B to enhance/expand or build new facility;
 5. Encourage and work with developer(s) to redevelop site of former Cow House hotel, if the opportunity surfaces; and
 6. Create TIF district and abatement program.

Private Property Improvements Actions

- Prepare design guidelines and promote their use.
- Complete façade study and promote use of findings.
- Create façade grant program, promote, implement.
- Create sign grant program, promote, implement.
- Modify sign and window display ordinances.
- Address the storefront church issue.
- Enforce codes.

Year-1 Implementation Sequence Killeen Downtown Action Agenda 2007 (Continued)

Public Improvements Actions

- Prepare streetscape plan and implement ASAP.
- Prepare and install customized banners.
- Design wayfinding system and install ASAP.

Business Development Actions

- Conduct one-on-one consultations.
- Move farmers market to Central Park and expand market.
- Apply EDC incentives to Catalyst Projects and business recruitment.
- Use Chamber's Fast Trac program to stimulate the opening of businesses and broadening of multi-cultural offerings.
- Create new businesses internally.
- Organize for new business recruitment.

Marketing Actions

- Implement media relations actions.
- Create new signature special event and move two existing events to Downtown.

Appendix

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THE RETAIL REPORT®

**Downtown Killeen
Primary Retail Trade Area**



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THE RETAIL REPORT®

THE RETAIL REPORT, presented within this document, was specifically prepared for Downtown Killeen, Texas. This document presents information concerning the characteristics of the Downtown Killeen primary retail trade. The report was prepared in 2006 by HyettPalma, Inc.

THE RETAIL REPORT presents:

- The current demographic and socio-economic characteristics of customers in the Downtown Killeen primary retail trade area;
- A five year projection of changing demographic and socio-economic conditions in the Downtown Killeen primary retail trade area;
- A projection of the number of retail dollars that residents in the Downtown Killeen primary retail trade area spend on retail goods; and
- A projection of the total retail spending potential for 24 classes of retail goods sought by customers in the Downtown Killeen primary retail trade area.

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DEMOGRAPHIC AND SOCIO-ECONOMIC CHARACTERISTICS



Demographic and Income Profile

Downtown Killeen Tx - Primary Retail Trade Area

Study Area: Custom Shapes

Shape: 1

Summary	2000	2006	2011
Population	170,429	194,764	210,763
Households	55,771	63,946	69,581
Families	42,203	48,358	52,436
Average Household Size	2.85	2.86	2.86
Owner Occupied HUs	25,158	30,631	33,791
Renter Occupied HUs	30,613	33,315	35,790
Median Age	25.4	26.3	26.8

Trends: 2006-2011 Annual Rate	Area	State	National
Population	1.59%	2.1%	1.30%
Households	1.7%	2.05%	1.33%
Families	1.63%	2.04%	1.08%
Owner HHs	1.98%	2.2%	1.41%
Median Household Income	3.23%	3.29%	3.32%

Households by Income	2000		2006		2011	
	Number	Percent	Number	Percent	Number	Percent
< \$15,000	6,838	12.2%	5,723	8.9%	4,952	7.1%
\$15,000 - \$24,999	9,401	16.8%	6,674	10.4%	5,469	7.9%
\$25,000 - \$34,999	10,987	19.6%	10,467	16.4%	8,578	12.3%
\$35,000 - \$49,999	12,111	21.7%	13,930	21.8%	14,427	20.7%
\$50,000 - \$74,999	10,044	18.0%	14,127	22.1%	15,785	22.7%
\$75,000 - \$99,999	4,125	7.4%	6,386	10.0%	9,281	13.3%
\$100,000 - \$149,999	1,756	3.1%	5,071	7.9%	8,144	11.7%
\$150,000 - \$199,000	346	0.6%	888	1.4%	1,578	2.3%
\$200,000+	314	0.6%	682	1.1%	1,366	2.0%
Median Household Income	\$35,704		\$43,916		\$51,483	
Average Household Income	\$42,895		\$54,363		\$65,550	
Per Capita Income	\$15,106		\$18,663		\$22,471	

Population by Age	2000		2006		2011	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	17,535	10.3%	20,858	10.7%	22,872	10.9%
5 - 9	15,326	9.0%	16,957	8.7%	18,347	8.7%
10 - 14	13,104	7.7%	14,339	7.4%	15,533	7.4%
15 - 19	13,689	8.0%	14,813	7.6%	14,889	7.1%
20 - 24	24,123	14.2%	24,323	12.5%	25,504	12.1%
25 - 34	34,620	20.3%	41,457	21.3%	43,581	20.7%
35 - 44	24,292	14.3%	26,069	13.4%	27,513	13.1%
45 - 54	13,252	7.8%	17,929	9.2%	21,032	10.0%
55 - 64	7,366	4.3%	9,547	4.9%	12,076	5.7%
65 - 74	4,626	2.7%	5,256	2.7%	5,506	2.6%
75 - 84	1,975	1.2%	2,554	1.3%	3,042	1.4%
85+	522	0.3%	662	0.3%	868	0.4%

Race and Ethnicity	2000		2006		2011	
	Number	Percent	Number	Percent	Number	Percent
White Alone	90,970	53.4%	97,588	50.1%	99,685	47.3%
Black Alone	48,507	28.5%	56,510	29.0%	62,177	29.5%
American Indian Alone	1,495	0.9%	1,754	0.9%	1,938	0.9%
Asian Alone	5,931	3.5%	7,793	4.0%	9,416	4.5%
Pacific Islander Alone	1,322	0.8%	1,617	0.8%	1,856	0.9%
Some Other Race Alone	13,365	7.8%	18,412	9.5%	22,772	10.8%
Two or More Races	8,839	5.2%	11,092	5.7%	12,918	6.1%
Hispanic Origin (Any Race)	27,076	15.9%	37,759	19.4%	47,034	22.3%

Data Note: Income is expressed in current dollars.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2006 and 2011.

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PRODUCT DEMAND BY INCOME GROUP



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF TOTAL RETAIL PRODUCT DEMAND
BY INCOME GROUP**

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	7,019	40,169,737
\$15000-24999	6,674	9,633	64,290,642
\$25000-34999	10,467	11,594	121,354,398
\$35000-49999	13,930	13,518	188,305,740
> \$50000	27,154	21,979	596,817,766
TOTAL DEMAND FOR PRODUCT		=	\$1,010,938,283

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Food at home, food away from home, alcoholic beverages, household textiles, furniture, floor coverings, major appliances, small appliances and miscellaneous housewares, miscellaneous household equipment, men's apparel, women's apparel, boy's apparel, girl's apparel, children's apparel, shoes, other apparel products and services, prescription drugs and medical supplies, entertainment fees and admissions, televisions, radios, sound equipment, toys, play-ground equipment, entertainment equipment, personal care products and services, reading products, tobacco products and smoking supplies.

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PRODUCT DEMAND BY PRODUCT TYPE

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF TOTAL RETAIL PRODUCT DEMAND
BY PRODUCT TYPE**

PRODUCT	DEMAND
Food At Home	279,566,004
Food Away From Home	166,461,249
Alcoholic Beverages	30,495,505
Household Textiles	11,982,959
Furniture	27,630,087
Floor Coverings	3,467,940
Major Appliances	14,989,104
Small Appliances & Miscellaneous Housewares	8,458,027
Miscellaneous Household Equipment	52,714,134
Men's Apparel -- 16 and Over	26,059,996
Boy's Apparel -- 2 to 15	8,696,389
Women's Apparel -- 16 and Over	49,005,360
Girl's Apparel -- 2 to 15	7,498,270
Children's Apparel -- Under 2	7,907,614
Footwear	22,425,419
Other Apparel Services & Products	22,176,561
Prescription Drugs & Medical Supplies	41,301,252
Entertainment Fees & Admissions	35,143,544
Televisions, Radios & Sound Equipment	54,826,333
Pets, Toys & Playground Equipment	27,567,865
Other Entertainment Supplies & Services	41,415,053
Personal Care Products & Services	41,578,176
Reading	8,858,101
Tobacco Products & Smoking Supplies	20,713,341
TOTAL DEMAND BY PRODUCT TYPE	= \$1,010,938,283

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

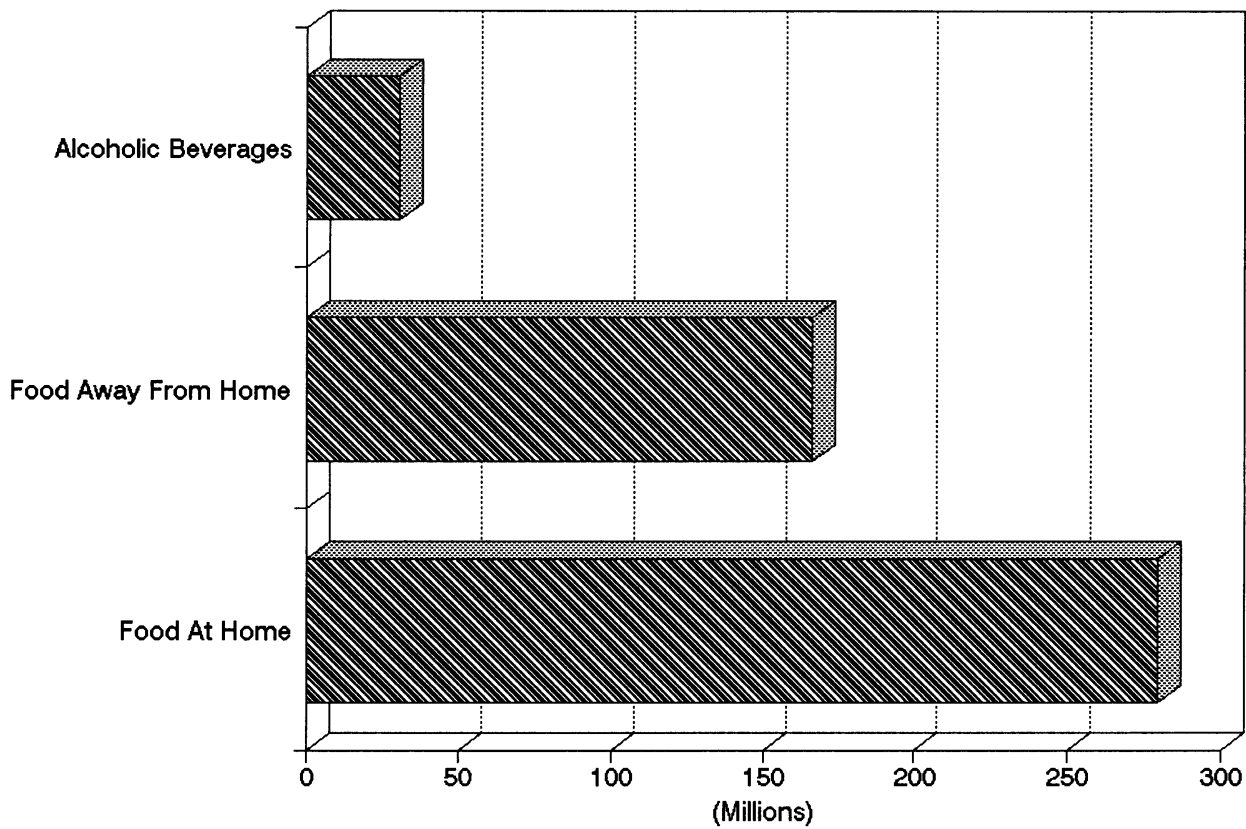
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DEMAND FOR FOOD PRODUCTS

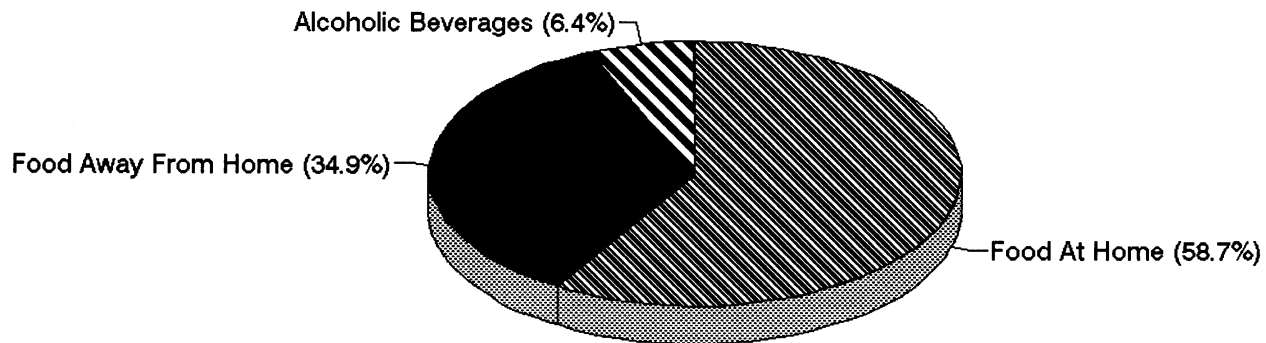
FOOD PRODUCTS

\$ DEMAND BY PRODUCT TYPE



FOOD PRODUCTS

% DEMAND FOR EACH DOLLAR





Making Downtown Renaissance a Reality

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: FOOD AT HOME

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	2,429	13,901,167
\$15000-24999	6,674	3,164	21,116,536
\$25000-34999	10,467	3,575	37,419,525
\$35000-49999	13,930	4,033	56,179,690
> \$50000	27,154	5,559	150,949,086

TOTAL DEMAND FOR PRODUCT = \$279,566,004

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Food at grocery stores or other food stores.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: FOOD AWAY FROM HOME

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	976	5,585,648
\$15000-24999	6,674	1,400	9,343,600
\$25000-34999	10,467	1,827	19,123,209
\$35000-49999	13,930	2,209	30,771,370
> \$50000	27,154	3,743	101,637,422
TOTAL DEMAND FOR PRODUCT =			\$166,461,249

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All food at restaurants, carryouts and vending machines.



Making Downtown Renaissance a Reality

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: ALCOHOLIC BEVERAGES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	208	1,190,384
\$15000-24999	6,674	190	1,268,060
\$25000-34999	10,467	313	3,276,171
\$35000-49999	13,930	413	5,753,090
> \$50000	27,154	700	19,007,800

TOTAL DEMAND FOR PRODUCT = \$30,495,505

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

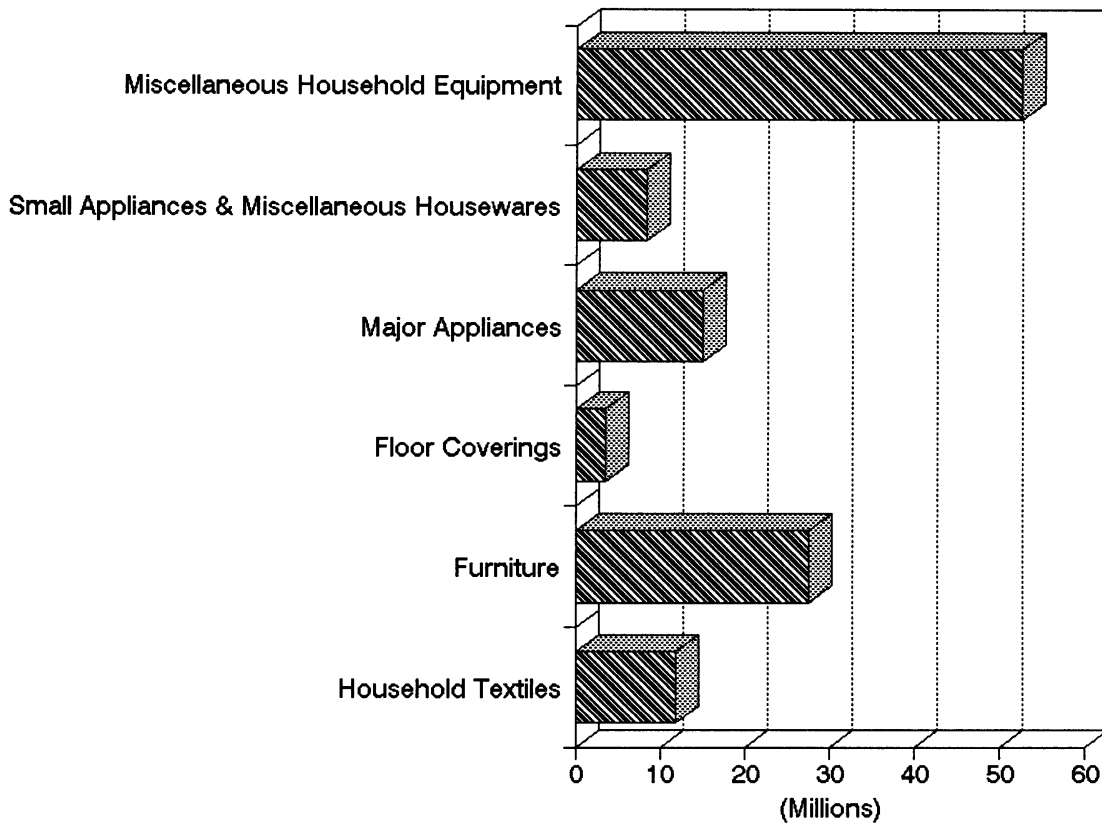
All alcoholic beverages.

HyettPalma

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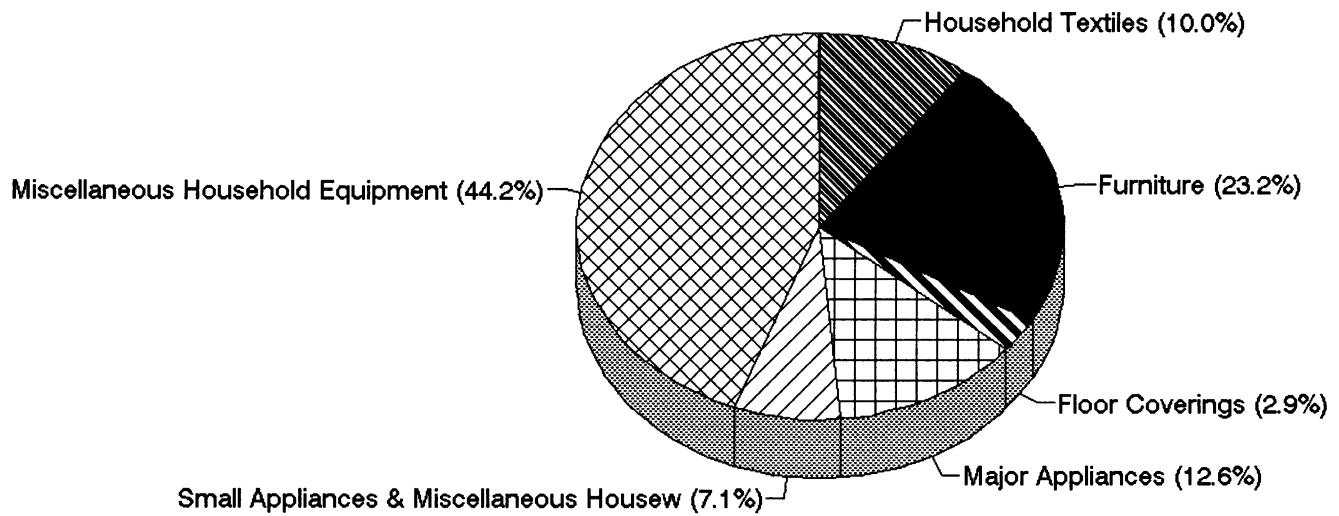
DEMAND FOR HOME PRODUCTS

HOME PRODUCTS \$ DEMAND BY PRODUCT TYPE



HOME PRODUCTS

% DEMAND FOR EACH DOLLAR





Making Downtown Renaissance a Reality

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: HOUSEHOLD TEXTILES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	59	337,657
\$15000-24999	6,674	116	774,184
\$25000-34999	10,467	140	1,465,380
\$35000-49999	13,930	145	2,019,850
> \$50000	27,154	272	7,385,888
TOTAL DEMAND FOR PRODUCT =			\$11,982,959

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Bathroom, bedroom, kitchen, dining room, and other linens, curtains and drapes, slipcovers, pillows and sewing materials.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: FURNITURE

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	132	755,436
\$15000-24999	6,674	191	1,274,734
\$25000-34999	10,467	209	2,187,603
\$35000-49999	13,930	285	3,970,050
> \$50000	27,154	716	19,442,264
TOTAL DEMAND FOR PRODUCT =			\$27,630,087

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All indoor and outdoor furniture.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: FLOOR COVERINGS

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	10	57,230
\$15000-24999	6,674	15	100,110
\$25000-34999	10,467	18	188,406
\$35000-49999	13,930	37	515,410
> \$50000	27,154	96	2,606,784
TOTAL DEMAND FOR PRODUCT =			\$3,467,940

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Carpet, rugs and other soft floor coverings.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: MAJOR APPLIANCES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	57	326,211
\$15000-24999	6,674	137	914,338
\$25000-34999	10,467	145	1,517,715
\$35000-49999	13,930	225	3,134,250
> \$50000	27,154	335	9,096,590
TOTAL DEMAND FOR PRODUCT =			\$14,989,104

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Refrigerators, freezers, dishwashers, stoves, ovens, garbage disposals, vacuum cleaners, microwaves, air conditioners, sewing machines, washing machines, dryers, and floor cleaning equipment.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: SMALL APPLIANCES & MISC. HOUSEWARES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	43	246,089
\$15000-24999	6,674	85	567,290
\$25000-34999	10,467	114	1,193,238
\$35000-49999	13,930	122	1,699,460
> \$50000	27,154	175	4,751,950
TOTAL DEMAND FOR PRODUCT =			\$8,458,027

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Small electrical kitchen appliances, portable heaters, china and other dinnerware, flatware, glassware, silver and serving pieces, nonelectrical cookware and plastic dinnerware.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: MISCELLANEOUS HOUSEHOLD EQUIPMENT

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	259	1,482,257
\$15000-24999	6,674	361	2,409,314
\$25000-34999	10,467	519	5,432,373
\$35000-49999	13,930	610	8,497,300
> \$50000	27,154	1,285	34,892,890
TOTAL DEMAND FOR PRODUCT =			\$52,714,134

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Typewriters, luggage, lamps, light fixtures, window coverings, clocks, lawnmowers, garden equipment, hand and power, tools, telephone devices, computers, office equipment, house plants, outdoor equipment, and small miscellaneous furnishings.

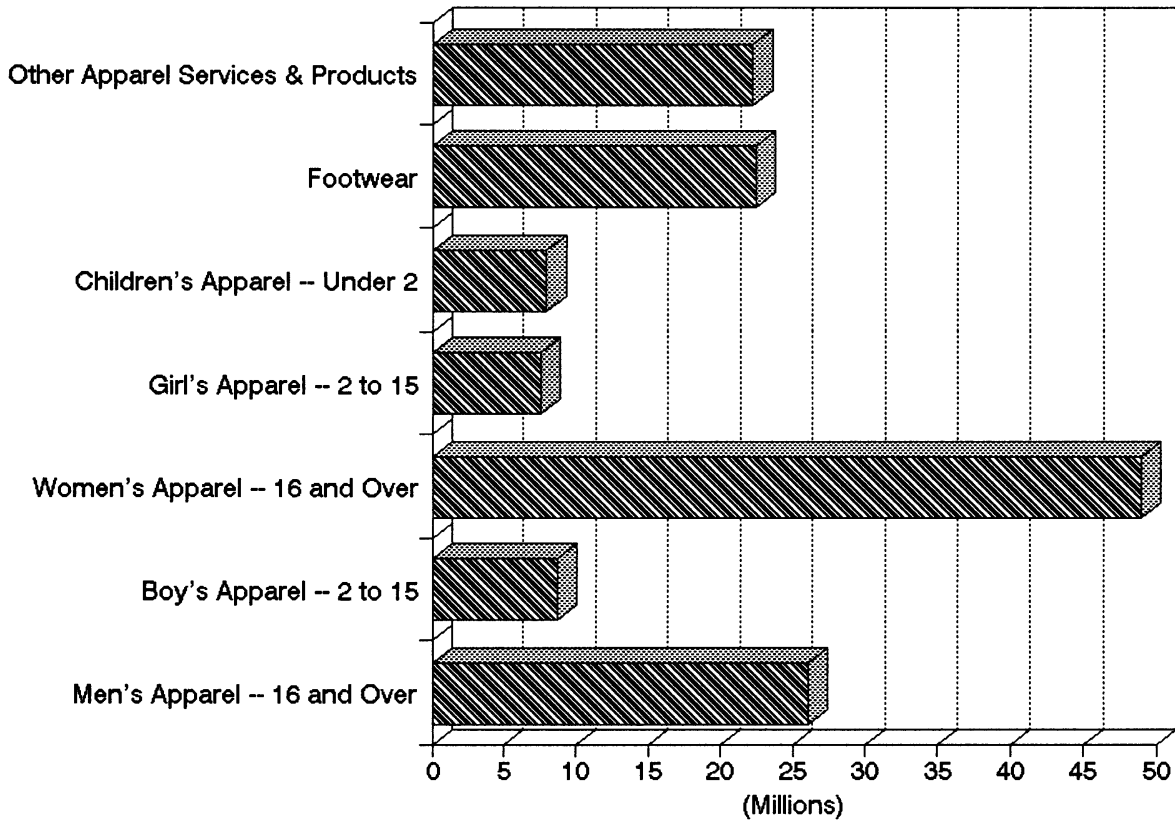
HyettPalma

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DEMAND FOR APPAREL PRODUCTS

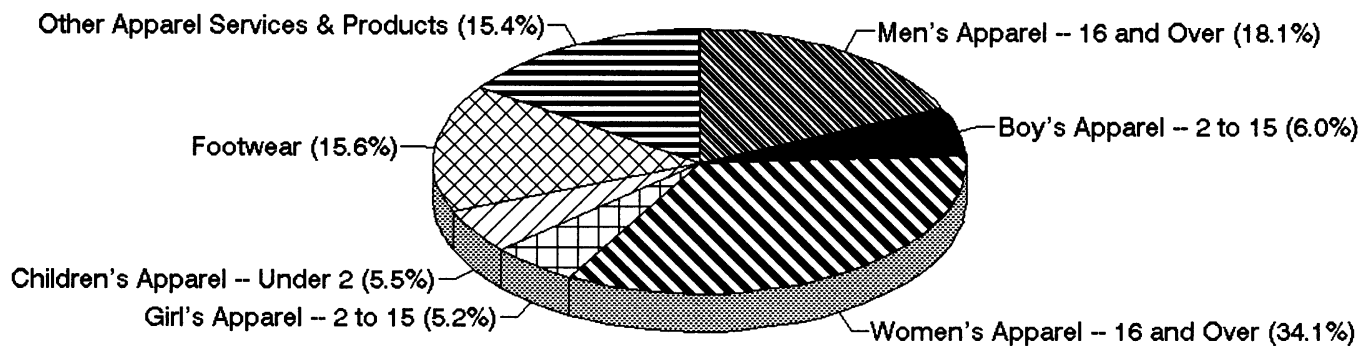
APPAREL PRODUCTS

\$ DEMAND BY PRODUCT TYPE



APPAREL PRODUCTS

% DEMAND FOR EACH DOLLAR





Making Downtown Renaissance a Reality

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: MEN'S APPAREL -- 16 AND OVER

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	147	841,281
\$15000-24999	6,674	186	1,241,364
\$25000-34999	10,467	247	2,585,349
\$35000-49999	13,930	331	4,610,830
> \$50000	27,154	618	16,781,172
TOTAL DEMAND FOR PRODUCT =			\$26,059,996

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All apparel items and accessories, excluding footwear.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: BOY'S APPAREL -- 2 TO 15

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	61	349,103
\$15000-24999	6,674	93	620,682
\$25000-34999	10,467	108	1,130,436
\$35000-49999	13,930	109	1,518,370
> \$50000	27,154	187	5,077,798
TOTAL DEMAND FOR PRODUCT =			\$8,696,389

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All apparel items and accessories, excluding footwear.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: WOMEN'S APPAREL -- 16 AND OVER

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	359	2,054,557
\$15000-24999	6,674	419	2,796,406
\$25000-34999	10,467	503	5,264,901
\$35000-49999	13,930	591	8,232,630
> \$50000	27,154	1,129	30,656,866
TOTAL DEMAND FOR PRODUCT =			\$49,005,360

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All apparel items and accessories, excluding footwear.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: GIRL'S APPAREL -- 2 TO 15

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	42	240,366
\$15000-24999	6,674	71	473,854
\$25000-34999	10,467	90	942,030
\$35000-49999	13,930	88	1,225,840
> \$50000	27,154	170	4,616,180
TOTAL DEMAND FOR PRODUCT =			\$7,498,270

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All apparel items and accessories, excluding footwear.

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: CHILDREN'S APPAREL -- UNDER 2

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	68	389,164
\$15000-24999	6,674	88	587,312
\$25000-34999	10,467	96	1,004,832
\$35000-49999	13,930	96	1,337,280
> \$50000	27,154	169	4,589,026
TOTAL DEMAND FOR PRODUCT =			\$7,907,614

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All apparel items and accessories, including footwear.



Making Downtown Renaissance a Reality

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: FOOTWEAR

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	208	1,190,384
\$15000-24999	6,674	217	1,448,258
\$25000-34999	10,467	285	2,983,095
\$35000-49999	13,930	333	4,638,690
> \$50000	27,154	448	12,164,992
TOTAL DEMAND FOR PRODUCT =			\$22,425,419

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

All footwear, except for children under 2 and special footwear used for sports such as bowling or golf shoes.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: OTHER APPAREL SERVICES & PRODUCTS

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	154	881,342
\$15000-24999	6,674	188	1,254,712
\$25000-34999	10,467	219	2,292,273
\$35000-49999	13,930	278	3,872,540
> \$50000	27,154	511	13,875,694
TOTAL DEMAND FOR PRODUCT =			\$22,176,561

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

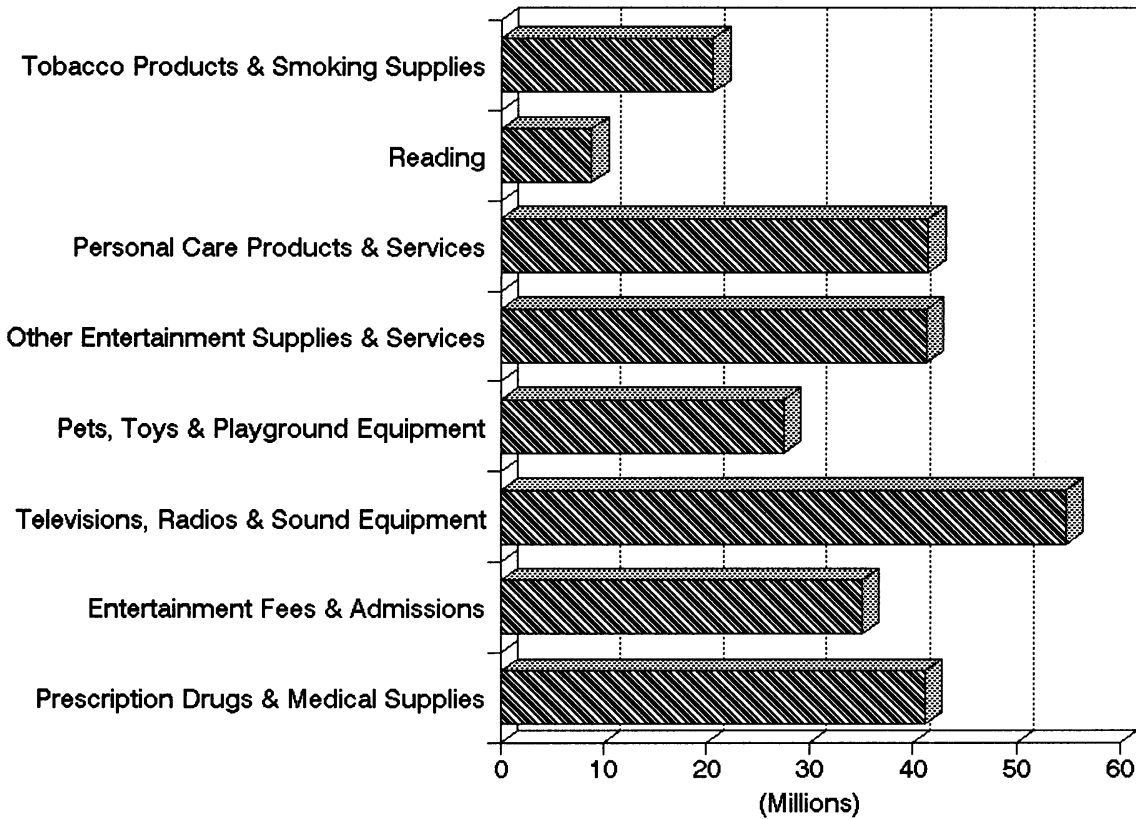
Material for making clothes, shoe repair, alterations, sewing patterns and notions, clothing rental, clothing storage, dry cleaning, and jewelry.

HyettPalma

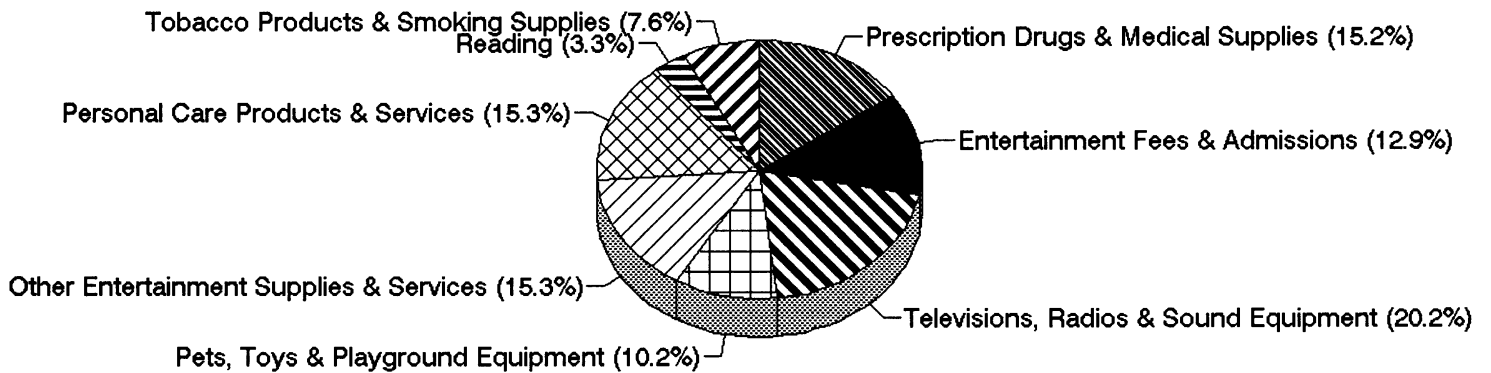
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DEMAND FOR PERSONAL CARE AND ENTERTAINMENT PRODUCTS

PERSONAL CARE/ENTERTAINMENT \$ DEMAND BY PRODUCT TYPE



PERSONAL CARE/ENTERTAINMENT % DEMAND FOR EACH DOLLAR





Making Downtown Renaissance a Reality

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: PRESCRIPTION DRUGS & MEDICAL SUPPLIES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	396	2,266,308
\$15000-24999	6,674	586	3,910,964
\$25000-34999	10,467	614	6,426,738
\$35000-49999	13,930	641	8,929,130
> \$50000	27,154	728	19,768,112
TOTAL DEMAND FOR PRODUCT =			\$41,301,252

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Prescription drugs, over-the-counter drugs, dressings, medical appliances, contraceptives, eyeglasses, hearing aids, rental medical equipment, and medical accessories.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: ENTERTAINMENT FEES & ADMISSIONS

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	153	875,619
\$15000-24999	6,674	183	1,221,342
\$25000-34999	10,467	263	2,752,821
\$35000-49999	13,930	356	4,959,080
> \$50000	27,154	933	25,334,682
TOTAL DEMAND FOR PRODUCT =			\$35,143,544

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Admissions to sporting events, movies, concerts, plays, and movie rentals.



Making Downtown Renaissance a Reality

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: TELEVISIONS, RADIOS & SOUND EQUIPMENT

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	400	2,289,200
\$15000-24999	6,674	562	3,750,788
\$25000-34999	10,467	669	7,002,423
\$35000-49999	13,930	752	10,475,360
> \$50000	27,154	1,153	31,308,562
TOTAL DEMAND FOR PRODUCT =			\$54,826,333

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Television sets, video recorders, tapes, video game hardware and cartridges, radios, phonographs and components, records and tapes, musical instruments, and rental of the same equipment.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: PETS, TOYS & PLAYGROUND EQUIPMENT

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	167	955,741
\$15000-24999	6,674	220	1,468,280
\$25000-34999	10,467	312	3,265,704
\$35000-49999	13,930	362	5,042,660
> \$50000	27,154	620	16,835,480
TOTAL DEMAND FOR PRODUCT =			\$27,567,865

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Pets, pet food, toys, games, hobbies, tricycles and playground equipment.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: OTHER ENTERTAINMENT SUPPLIES & SERVICES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	133	761,159
\$15000-24999	6,674	360	2,402,640
\$25000-34999	10,467	424	4,438,008
\$35000-49999	13,930	480	6,686,400
> \$50000	27,154	999	27,126,846
TOTAL DEMAND FOR PRODUCT =			\$41,415,053

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Indoor exercise equipment, athletic shoes, bicycles, camping equipment, sporting goods, and photographic equipment and supplies.



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**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: PERSONAL CARE PRODUCTS & SERVICES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	284	1,625,332
\$15000-24999	6,674	414	2,763,036
\$25000-34999	10,467	482	5,045,094
\$35000-49999	13,930	561	7,814,730
> \$50000	27,154	896	24,329,984
TOTAL DEMAND FOR PRODUCT =			\$41,578,176

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Services and products for hair, oral hygiene products, cosmetics, and electric personal care appliances.



Making Downtown Renaissance a Reality

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: READING

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	58	331,934
\$15000-24999	6,674	85	567,290
\$25000-34999	10,467	95	994,365
\$35000-49999	13,930	114	1,588,020
> \$50000	27,154	198	5,376,492
TOTAL DEMAND FOR PRODUCT =			\$8,858,101

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Books, newspapers and magazines.



Making Downtown Renaissance a Reality

**DOWNTOWN KILLEEN'S RETAIL TRADE AREA
COMPUTATION OF DEMAND BY RETAIL PRODUCT**

PRODUCT: TOBACCO PRODUCTS & SMOKING SUPPLIES

Household Income	# Hlds.	\$ Per Hld.	Total \$ Demand
< \$15000	5,723	216	1,236,168
\$15000-24999	6,674	302	2,015,548
\$25000-34999	10,467	327	3,422,709
\$35000-49999	13,930	347	4,833,710
> \$50000	27,154	339	9,205,206

TOTAL DEMAND FOR PRODUCT = \$20,713,341

SOURCE: U.S. Department of Labor, Consumer Expenditure Survey; ESRI BIS; and HyettPalma, Inc.

DEFINITION OF PRODUCT:

Tobacco products and smoking accessories.

The Retail Report[®]

USER GUIDE

The Retail Report is a business development tool customized for your Downtown. In it, HyettPalma has targeted the kinds of retail businesses that Downtowns across the country are attracting.

The Retail Report brings effective data to your business development efforts in a user-friendly format. Tables, graphs and charts interpret and present information critical to your Downtown's future. And, the report is customized for YOUR Downtown, containing information unique to your Downtown.

In The Retail Report, demographic and socio-economic data are amplified and taken to a new level of detail. Households in your trade area are segmented by income bands, and consumer spending habits are analyzed by these income groupings. This allows you to determine which income groups to target in your business development program.

Business prospects will expect to review information like this prior to making a commitment to Downtown. The Retail Report shows them your Downtown -- and your Downtown enhancement program -- are one step ahead of the competition.

The following pages list numerous ways you can use The Retail Report to improve the economy of your business district.

What Does The Retail Report Tell You ?

The Retail Report reveals what you can expect the customers in your defined retail trade area to spend in 2006.

The Retail Report shows the number of dollars residents of your trade area spend each year on over 100 different types of products -- products such as food at home, food away from home, furniture, appliances, apparel, prescription drugs, toys, reading material, etc.

The Retail Report is not a listing of national figures or projections; it is a customized report that gives you accurate and definitive information for your own trade area.

A demographic and socio-economic profile of trade area residents is included -- both a snapshot of their characteristics today and a five year projection of their changing characteristics.

Who Can Benefit By Using The Retail Report ?

Current owners of businesses within a given trade area;

Business owners who are thinking of opening a store in the trade area;

Entrepreneurs who are determining what type of business to open or who are deciding on a business location;

Bankers and others who are deciding whether or not to invest in specific types of retail businesses;

Downtown directors and other economic development professionals whose work entails business retention, entrepreneur development and business recruitment; and

Downtown revitalization leaders, Downtown directors, economic development professionals, and local elected officials who want sound information that lets them speak with certainty about their Downtown's potential to sustain specific types of retail businesses.

How Can Downtown Directors and Economic Development Professionals Use The Retail Report ?

To attract customers to Downtown by creating a mix of strong businesses which appeal to trade area residents.

To raise the confidence of investors in the profitability of your business district.

To help existing businesses become more profitable -- so that Downtown's rate of business turnover is lessened.

To fill building vacancies with the types of retail businesses that can succeed and thrive in your district.

To strengthen existing businesses and lessen business closings by:

- showing existing business owners what trade area residents are spending their money on;

- helping business owners determine how to cater to those shopping preferences -- and capture more shopping dollars; and

- enabling them to develop a business plan that is based on realistic market data.

To improve the variety and selection of retail goods offered in the business district by:

- showing existing business owners that there is money to be made by expanding or revising the types of retail goods they sell;

- showing existing business owners that there is money to be made by opening additional types of retail businesses in the business district; and

- targeting specific types of retail businesses -- so that you can actively recruit those businesses having the greatest potential to succeed and remain in your Downtown.

To attract additional businesses to the business district by:

providing definitive data that shows a market exists for the retail goods they sell.

How Can Business Owners Use The Retail Report ?

Business owners frequently ask, "How much money do residents of Downtown's trade area spend on the retail goods I sell?" Or stated another way, "How do I know there's money to be made in Downtown?"

The Retail Report allows you to answer these questions with certainty and authority by quantifying:

what the market is for particular retail products;

the spending potential of residents in your trade area for particular retail goods; and

the current "economic pie" -- how much money is being spent on various retail goods by residents in your Downtown's trade area.

To better plan, manage, and grow your business -- by using the information in The Retail Report, business owners can:

set annual benchmarks for how much of the "economic pie" they intend to capture for their business -- measured in anticipated gross sales receipts for YOUR Downtown;

set an annual budget based on their gross receipts benchmarks;

make informed budgeting decisions about how much to spend each year on inventory, overhead, advertising, staff, etc.; and

complete a business plan that persuades their banker to extend a commercial loan to them.

How Can Entrepreneurs Use The Retail Report ?

The Retail Report shows the sales potential within a given trade area for over 100 types of retail businesses. This would be invaluable in order to:

- compare the markets for a variety of different retail products;
- determine what type of retail business to open;
- complete a realistic business plan before opening that business; and
- persuade bankers and investors that a strong market exists for the type of retail business being opened.