

Target Market Analysis

Downtown Jackson, Michigan

THE MARKET STRATEGY

October 5, 2014



Final Report

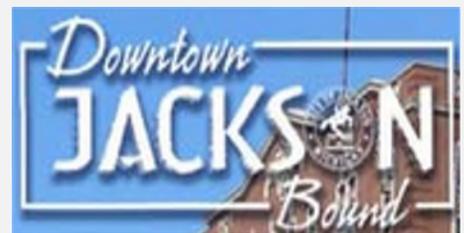


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The Executive Summary

Placemaking

Introduction – This Target Market Analysis report focuses on the strategy recommendations for the City of Jackson, Michigan, with a focus on its downtown study area and subareas. This narrative report includes descriptions and details on the optimal market strategy for urban housing formats over the next 5 years, including a combination of new construction and adaptive reuse of existing buildings. This section of the report provides only a succinct executive summary, and is followed by a more complete explanation of the analytic approach and TMA results.

Downtown Jackson offer the physical capacity to support a mix of new businesses, venues, retail, and residential units. Its large geographic size and the availability of developable parcels also make it a gem of potential for new businesses. However, today the district still lacks a critical mass of attractions that are demanded by new resident households – particularly among the upside target markets.

Most of the downtown’s challenges have already been acknowledged by the City of Jackson’s DDA and also by Anchor Initiative as part of their efforts to spur economic growth and downtown living. To focus and concentrate the results of reinvestment with impactful results, we recommend that the City focus on the heart or core of the Downtown, and mainly the area delineated by the W. Louis Glick Highway (north) and Washington Avenue (south), with Michigan Avenue serving as the spine.

Renovation of Buildings – The downtown core has seen a number of anchors depart, including VerMeulen Furniture, Woolworths, Citizen Patriot, and the Hayes Hotel. Today, these vacated buildings present new opportunities for reinvestment into the downtown, and ways to increase the choices among housing units for the target markets. These opportunities are reinforced by the success of recent projects, such as The Blake, City Lofts, Pearl Street Lofts, and Mechanic Lofts.

Additional Amenities – There is also a need to improve downtown Jackson’s mix of restaurants, retail and shopping choices, and entertainment and recreational venues. The need is reinforced by the mix of venues that the predominant and upside target markets will demand and expect in the downtown. In particular, they will be seeking out bars and nightclubs, comedy clubs, billiard halls, bowling alleys, game rooms, skating rinks, health clubs and gyms, game and toy stores, sporting goods stores, computer and electronics stores, organic groceries, value-priced general merchandise stores, and funky but affordable boutiques.

Hotels and Community Recreational Venues – Connecting hotels with other uses is a smart idea because hotel patrons can help fund the other uses during peak season, and local residents can help sustain them during any off-season months. Hotels are commonly connected to conference facilities, but they can also link with other venues that can be shared with the general public. Examples include multi-purpose arenas, fitness centers/ gyms, health clubs, day spas, wellness centers, game rooms, bowling alleys, billiards halls, art galleries, museums, martini bars, and restaurants.

Riverfront Access – Rivers that pass through downtown districts are often the most under-capitalized assets. Effective programming waterfronts can contribute to placemaking and also raise demand for downtown properties. We recommend that the City seek ways to optimize programming along, particularly north of the Farmers Market and connecting the downtown with Armory Arts Village. Revenue-generating venues could also be added on the County Fairgrounds.

Non-Motorized Paths – We understand that the City has already been reviewing its non-motorized pathways, and is seeking ways to extend existing paths and close any apparent gaps. Ideally, the inter-city bike trail can be extended with a clearly marked loop through the downtown. Amenities could include interactive fitness stations, bicycle ride & share stations, and connections to public transit. Complementary venues could be added, such as a bicycle ride and share, bicycle rental, ride sharing, and bicycle storage/parking.

Social Spaces – Indoor and outdoor social spaces are particularly important to the target markets, and they will be seeking out eateries with game rooms, urban and community gardens, urban greenhouses, and indoor/outdoor theaters, etc. connected by bike paths. Public gathering places should be designed to easily accommodate a range of venues across the seasons, including music in the park, art and craft fairs, parade staging, large outdoor television screen for major sporting events, outdoor ice rinks, impromptu music stages, and water attractions (splash pads, etc.)

Public Transit – A high share of the target market households are getting by without cars, and they have a propensity to choose housing that provides easy access to public transit. The attached exhibits labeled Transit 1.0 through Transit reinforce the importance of public transit. The downtown has an attractive Walk Score of 92, and 27% of the households in the downtown core rely on public transportation for commuting to work. We are assuming that the city will keep public transit at the forefront among long-term strategies for Placemaking in the downtown.

The Market Potential

Predominant and Upside Target Markets – Among 71 possible lifestyle clusters living in the United States, we have identified eight (8) lifestyle clusters as the “predominant” target markets for the City of Jackson’s downtown study area; plus four (4) as longer-term or “upside” target markets. The predominant target markets include: S71 Hard Times; S68 Small Town, Pockets; R67 Hope For Tomorrow; R66 Dare to Dream; Q65 Senior Discounts; O52 Urban Ambition; M45 Diapers, Debit Cards; K40 Bohemian Groove. The upside target markets include: O54 Striving Single Scene; O51 Digital Dependents; K37 Wired For Success; and G24 Status Seeking Singles.

Annual Downtown Market Potential – The downtown’s subareas (Geographic Sectors A – G) can collectively support a maximum of 270 dwelling units annually through 2020 (assuming that construction begins in 2015 and that 2016 is the first full year). Of these 270 units, the downtown core (Sector A) can support 97 units annually. The market potential for the other sectors is subdivided as follows: Sector B – 47 units annually; Sector C – 39 units; Sector D – 15 units; Sector E – 12 units; Sector F – 20 units; and Sector G – 40 units.

HUD Affordability Standards – Based on HUD standards, the Area Median Income (AMI) for a 4-person household in Jackson County is \$56,400; and 80% of the AMI is \$45,100 (the upper threshold for low-income households). Based on these guidelines, just over 60% of the predominant target market households have incomes at or below 80% of the AMI. Nearly 40% are in the very low income limits or lower; and 20% are in the extremely low income limits. New attached housing units in the downtown should be priced accordingly.

Potential by Predominant Target Market – There are three predominant markets that represent the lowest risks for near-term housing products in Jackson’s downtown core (Sector A), including Hard Times (about 95 rental units annually); Hope for Tomorrow (40 rental units annually); and Dare to Dream (about 60 rental units annually). In addition, products that could be targeted at the Urban Ambition (about 20 units annually) target market, and particularly for neighborhoods north of the downtown core (Sector B).

Potential by Upside Target Market – There is also an upside market potential for no more than 16 units annually, which could be targeted at the Striving Singles and Digital Dependents target markets. The Striving Singles are more likely to occupy rental units, whereas the Digital Dependents are more likely to seek owner-occupied houses. The Wired for Success and Status Seeking Singles represent longer-term targets for 2020 and beyond, and help raise the bar for adding Placemaking amenities and quality-of-life attractions in the downtown.

Owner-Occupied Attached Units – The average cost for building attached units in Jackson is about \$100,000 (in comparison, it costs nearly \$170,000 to build a detached house). There is an annual market potential for up to 48 owner-occupied units throughout the study area (including all Geographic Sectors A through G), but only 13 could be profitable as attached new-builds (such as new duplexes or row houses). The remaining 35 units could involve rehabilitations or conversions of existing units, which can be lower-cost but still profitable alternatives.

Renter-Occupied Attached Units – There is also a market potential for up to (a maximum) of 222 renter-occupied units each year over the next five years. Nearly 70% of the predominant target market households will be seeking contract rents of no more than \$600 per month. The other 30% will tolerate rents of more than \$600 per month.

The predominant target markets generate a market potential for 34 units annually among units priced at \$700 per month or higher. Of these, 12 households can tolerate rents of at least \$800 per month; and 4 households can tolerate rents of at least \$900 per month. We estimate that by year-end 2015, there will be about 35 attached and existing units in the downtown with prices of \$900 or more. Adding 4 upscale units a year would represent an annual increase of +10%, and they should be easily absorbed by the market.

A Focus on Detached Formats – The 8 predominant target markets generate a market-wide potential for 78 detached houses annually for the City of Jackson’s Downtown, which would be most appropriate for the neighborhoods in Geographic Sectors B – G, but not the downtown core (Sector A). The detached units represent about 30% of the total market potential among both detached and attached housing product. Some of this market potential can be filled by rehabbing and modernizing existing housing stock rather than building more detached houses.

A Focus on Attached Formats – There is also an annual market potential for 192 attached units throughout the study area, which could include a mix of duplexes, triplexes, quads, row-houses, and stacked flats or lofts in low-rise, mid-rise, and high-rise buildings. Buildings with 20 or more units are most likely to appeal to the Hard Times target market; whereas buildings with fewer than 20 units are more likely to appeal to Hope for Tomorrow, Dare to Dream, and Urban Ambition target markets, and also the Striving Single Scene upside target market.

A Focus on Product Types – Strategy recommendations by product type should align with the appropriate context of place, with the urban transact as a general guide. In the urban core (downtown Geographic Sector A), flats and lofts above street-front retail and in mid-rise and high-rise buildings would be appropriate. In transitional areas around the urban core, low-rise buildings and row houses might be more appropriate. Detached houses, duplexes, and triplexes could be used as infill within the surrounding neighborhoods.

Attached products may include a combination of hard lofts (with exposed ductwork, etc.) and soft lofts that are relatively more finished. Units should include either 1 or 2 bedrooms, anticipating that the markets are likely to include young renters, including singles, couples, and/or have unrelated roommates.

In the individual units, some of the floor area can be traded for unique amenities, quality construction, and modern interior treatments. However, every bedroom must have a full private bath, and 2-bedroom units must have a ½ bath near the entrance. Ideally, kitchens will be centrally located and facing outward onto an open floor plan, with bedrooms on opposite ends (i.e., not sharing common walls.) All units should have balconies or patios that can accommodate at least two small chairs.

The Target Market Analysis

Introduction

This Target Market Analysis report focuses on the strategy recommendations for the City of Jackson, Michigan, with a focus on its downtown Study Area. This narrative report includes descriptions and details on the optimal market strategy for urban housing formats over the next 5 years, including a combination of new construction and adaptive reuse of existing buildings.

This report is accompanied by two Workbooks, which include additional narratives explaining the work methodology and approach. An outline of all three work products is provided below:

Table 1
Target Market Analysis – Outline of Three Work Products
The City of Jackson, Michigan

1. The Market Strategy

- Market Strategy
- Placemaking
- Transit (Mobility)

2. The TMA Workbook

- Section AA The Draw Area
- Section BB Geographic Sectors
- Section CC The Predominant Targets
- Section DD The Upside Targets
- Section EE All Lifestyle Profiles (tables)

3. The Supply-Demand Workbook

- Section A Reference Maps
- Section B Movership Rates
- Section C Supply-Demand
- Section D Migration by Tenure
- Section E Migration by Income
- Section F Migration by Geographic Origin
- Section G Owner-Occupied Housing
- Section H Renter-Occupied Housing

Contact Information

Questions regarding this target market analysis, work approach, analytic results, and strategy recommendations can be directed to Sharon Woods at LandUse|USA. Questions regarding economic growth initiatives and implementation of these recommendations can be addressed to Jonathan Greene at the City of Jackson.

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Analytic Approach

The analysis has involved a detailed study of the lifestyle attributes of households living in Jackson County and the City of Jackson, with comparisons to other counties in the Draw Area (namely Ingham, Calhoun, and Washtenaw Counties). We studied the geographic distribution of lifestyle clusters in the City, Study Area, and Draw Area, and also studied their demographic attributes - particularly household income, home values, and contract rents, tenure, and propensity to choose different building sizes, neighborhood types (urban, suburban, and rural), and building format (apartments, flats, houses, etc.)

The analysis also involved a detailed study of households who are on the move within Jackson County, and who are migrating into the county from other parts of Michigan, other states, and abroad. Adjustments have also been made for:

- The relatively large geographic size of the study area, including the downtown core and surrounding neighborhoods.
- The large number of under-developed and vacant downtown properties available for reinvestment (including the Hayes Hotel, VerMeulen, Woolworth, and Citizen Patriot buildings, plus a number of vacant lots).
- The need for the market to absorb a small amount of vacancy surplus among its existing housing stock (we made a small adjustment with minor implications to the analytic results).
- Movership rates that vary between the target markets, and particularly by tenure and income. (Renters with moderate incomes have the highest movership rates).

Project Assumptions

The strategy presented in this report reflects an optimized, maximum scenario based on current market conditions (in both 2013 and 2014), and a number of market assumptions that are summarized below:

Project Assumptions

- It is assumed that recent movership rates within and into Jackson County will continue at a stable rate over the next five years and through 2020.
- Consistent with the City's new Master Plan (which will be completed in early 2015), we are assuming that significant improvements will be implemented for quality of life amenities and placemaking attributes within the downtown, increasing its overall appeal to the "upside" target markets.
- It is also assumed that the City will continue collaborating with local developers to help them make real and quality projects materialize. The DDA and Anchor Initiatives have been progressive on this front, and we believe that new projects can and will continue to materialize.
- It is assumed that developers will align their strategies with the market potential outlined in this TMA, and will continue focusing on modern formats of attached housing products in both the renter- and owner-occupied markets, and in both the affordable and market-rate markets. The recent and ongoing conversion of vacant buildings into loft apartments is a smart approach, and is already helping meet some of the market potential.
- We are assuming that developers will strive to integrate new retail opportunities and anchor stores into their urban projects, with a focus on conveniences that meet the needs of downtown residents (grocery, pharmacy, hardware, consignment, and ready-to-assemble furniture) They should also strive to add amenities like health clubs, funky eateries, billiard halls, public ice rinks, etc.)
- Developers will focus on new housing formats that a) are truly unique to each neighborhood; b) support socio-economic diversity; and c) are smartly planned and well-constructed as quality projects with appropriate placemaking attributes.
- Place-based planning, investment, job creation, new urban housing choices, and quality projects are implemented in a way that collectively improve the City's ability to stabilize the market-wide trend of net out-migration and population decline.
- In turn, these collective efforts improve the downtown's ability to intercept lifestyle clusters that are on the move and seeking new choices among urban and downtown housing formats. They will also improve the downtown's ability to intercept some target markets that are currently bypassing the market and/or downtown.

Outline of Attached Exhibits

The following sections of this report provide explanations of the annual market potential for the geographic sectors in downtown Jackson, Michigan. We explain the potential by the following: a) geographic sector (or sub-area); b) HUD’s affordability standards; c) target market; d) price point; and e) building type. The narratives also reference a number of attached exhibits, with the following outline:

Table 1
Market Strategy – Outline of Attached Exhibits
Downtown City of Jackson, Michigan

Strategy 1.0	Street Map and Urban Grid
Strategy 2.0	Maps Outlining Geographic Sectors A – G
Strategy 3.0	Annual Market Potential by Predominant Target Market
Strategy 4.0	Annual Market Potential by HUD Affordability Standard
Strategy 5.0	Annual Market Potential by Home Value
Strategy 6.0	Annual Market Potential by Contract Rent
Strategy 7.0	Annual Market Potential by Building Size
Strategy 8.0	Surveyed Employees Interested in Living Downtown
Strategy 9.0	Analysis of Upside Market Potential

All of the attached tables focus on the optimized, near-term (through 2020) market potential and strategy for eight (8) “Predominant” target markets. Later sections of this report summarize the strategy with a series of inset tables. The inset tables also display the upside market potential for four (4) additional “Upside” target markets. These terms are explained below, along with other TMA terminology.

TMA Terminology

This section of the report defines some key terminology used in this housing study and in other Target Market Analyses.

Market Supply and Demand – Conventional approaches to housing studies involve direct comparisons of supply and demand within the existing market. Demand is traditionally based on the attributes of households currently living in the market. Studies should also make adjustments for movership rates that can vary considerably by income bracket, head of householder’s age, and tenure (owner v. renter.)

It has also been traditional to assume that the form and style of current supply is a good indicator of what new buyers and renters will want. In other words, it is assumed that developers have accurately gauged market preferences and that what is built (and sold or rented) is an accurate reflection of what households want. This approach is advocated by lending institutions, which will often require evidence of market “comparables” as evidence of a proposed project’s appropriateness for the market.

Market Gap – A direct comparison of demand with supply is made to gauge market gaps, where $\text{Gap} = (\text{Demand}) - (\text{Supply})$. Market gap is usually measured by a) the number of units by tenure; b) by size range (square feet); and c) and price range (value or rent). The results might be qualified for building styles or form, but almost always based on the attributes of current supply, and seldom based on household preferences for products that might be missing from the market.

Limitations of Supply and Demand – The supply and demand approach to housing studies is flawed because it fails to consider the buying and renting capacity of households who are moving into a market (as well as within); and also fails to consider that the style and form of the housing that they would buy or rent if given a choice.

Market Potential – The Market Potential approach does a better job by focusing on a) the number of households moving into the market (as well as within); b) their buying and renting capacity; c) their lifestyle attributes; and d) their preferences for various housing types and form. If the preferred housing types and form are absent from the market then they represent “Missing Middle” housing products. Adding unique styles and forms of housing can significantly improve a market’s ability to compete and intercept households who are on the move.

Target Market Analysis – Housing market studies for MSHDA-funded projects have traditionally used conventional measures of supply and demand in local markets, and have been based on the choices that existing residents have already made among existing housing products. This approach is flawed because it fails to consider that residents would make other choices if they were available. It can also contribute to redundancy in the housing market, and blandness in neighborhoods and communities.

The alternative TMA approach relies on measuring demand based on the migration of populations that have a clear preference for living in urban and downtown environments. This is combined with a study of the lifestyle characteristics of those populations that are on the move, and of the types of housing that they are choosing in other markets throughout the Upper Midwest.

Mosaic Lifestyle Clusters – Based on definitions provided by Experian Decision Analytics (the vendor of demographic data used in this study), there are 71 possible lifestyle clusters located across the United States, which Experian also calls Mosaics.

Experian’s definitions of the lifestyle clusters are based primarily on a) geographic region in the United States; b) household density; c) household income; d) tenure (owner and renter-occupancy); d) consumer behavior (credit and debt); and e) a wide variety of socio-economic variables, of which ethnicity is just one factor. Many of these variables also have direct correlations. For example, it is a proven fact that renter-occupancy rates are higher among lower-income households.

Sorted by Income – Experian Decision Analytics has assigned codes to the 71 Mosaic lifestyle clusters based on income, with the highest income cluster getting a code of A01, and the lowest income cluster being assigned a code of S71. Most of the predominant target markets for downtown Jackson have moderate incomes and place low relative to the group (71, 68, 67, 66, and 65th among the group). Others have better incomes and are in 52, 45, and 40th place. Throughout this report, the target markets are generally listed with the lowest incomes first, and the highest incomes last.

Predominant Target Markets – When we identified lifestyle clusters as realistic candidates for downtown housing in Jackson, then it became the “target markets”. In this study for Jackson, we first identified eight (8) “Predominant” target markets, which represent the near-term market potential through 2020. Detailed profiles are provided in Sections CC – EE in the TMA Workbook.

Upside Target Markets – We have also tested the market for an additional four (4) “Upside” target markets, of which two (2) represent smaller magnitudes of potential. All four of the “Upside” targets represent good goals for the community, employers, and developers to aspire for longer-term.

Rationale for the Upside Targets – The upside target markets have been added to this analysis based on the following:

1. Major employers like Consumer's / CMS Energy have been particularly interested in taking a longer-term and proactive approach to attracting new residents who will also help fill white-collar professional jobs.
2. In 2013, Anchor Initiatives completed a survey of downtown employees, and the results suggest that there could be some upside market potential. About 30% of surveyed employees report that they would consider living in Downtown Jackson (see attached exhibit Strategy 9.0).
3. In 2014, Anchor Initiative completed a survey of downtown employers, and the results again suggest that there might be some upside market potential. LandUse|USA studied the data results and determined that newly created jobs in 2013 and 2014 could increase the total market potential by 12 to 15 units each year.
4. We also re-evaluated the migration data, and confirmed that the vast majority of households signing new leases are moving within Jackson County, and very few are being attracted from other counties. The upside target markets are more prevalent in the surrounding counties, yet they are not showing a propensity to move the Jackson county. Even so, this could improve longer-term.
5. We also updated year-end 2013 data on the lifestyle clusters, and used new data through July 2014 to more accurately gauge the magnitude of upside market potential. Based on the results of this last step, we have identified a maximum upside potential of no more than 16 units each year for two (2) additional target markets. More details are provided later in this report.

In general, more moderate households are more likely to be renters and they have higher movership rates. Moderately-priced (and smaller) rental units will have correspondingly faster absorption rates. In comparison, households with higher incomes have lower movership rates, and they are also more likely to qualify for home ownership – with lots of houses to choose from. These and related considerations are reflected in this analysis of the market potential for downtown Jackson.

Missing Middle Housing – Results of the TMA are used to identify “missing middle” housing products for developers and to encourage the development of unique products to fill those missing categories. Depending on each unique market, missing middle housing formats could include duplexes, triplexes, quads, cottages, condominiums, row houses, brownstones, hard and soft lofts, and stacked flats above street-front retail.

By matching unique housing formats with the preferences of the target markets, Jackson can benefit through population retention and growth. We have carefully aligned the housing formats with the propensity for each of the target markets to choose attached, renter-occupied, and multi-unit buildings. We also focused on target markets that show a high propensity for choosing to live in urban and exurban places, and to live in higher-density areas (v. low-density suburban places).

Branding by Form, not Target Market – When considering missing middle housing products for downtown Jackson, developers should avoid labeling projects or buildings as “affordable”, “subsidized”, “senior”, “student” or “worker”. Projects should be described according to their format and function, which will help diversify developer risk, optimize the market potential, and support socio-economic diversity within the community. Here are some form-based qualifiers:

- Single-use and mixed-use, including residential units above retail, civic, and/or office space.
- Tenure, including renter, owner, lease-to-own, and mixed tenure.
- Building scale, including mid-plex, mid-rise, low-rise, and units per building.
- Building format and style, attached, detached, row house, stacked flats, cottages, lofts, etc.

Migration Patterns – Migration patterns are usually tracked at a county level of geography, and include a combination of 1) migration within a given county; 2) in-migration into the county; and 3) out-migration from the county. Migration into (and from) any given county can be measured at the county, state, and country levels of geography. Net migration is the difference between in-migration, and out-migration.

In-migration and internal migration are at the foundation of measuring market potential for new housing. Each household that moves in any given year is a candidate for renting or buying a new or refurbished unit. If their preferences in housing units are not met, then they simply shuffle among the existing choices, or leave the market altogether.

The target market analysis approach is designed to identify the housing formats that the migrating households are seeking, so they can be intercepted and retained with new and refurbished units. It is also designed to attract households that are migrating throughout the region (and draw area), and that are showing a propensity to migrate into the subject county.

Movership Rates – Movership rates refer to the share (or percent) of population that is likely to make a change in address during any given year. In general, movership rates tend to be higher among young renters with relatively low incomes.

- Movership rates are almost always higher among renter than home owners.
- Movership rates are almost always higher among lower-income households.
- Movership rates are almost always higher among younger populations.
- After adjusting for incomes, movership rates tend to be higher for larger families.

TMA Geography

This section of the report outlines the underlying geography defined for the Target Market Analysis. The assignment focuses on downtown in the City of Jackson as the study area; the primary county is Jackson County; and the primary draw area includes Jackson, Washtenaw, Ingham, and Calhoun Counties in South Central Michigan.

The Study Area – For purposes of our analysis, the Downtown Jackson study area was subdivided into Sectors A-G, with boundaries that geographically align with census block groups. The sectors extend slightly beyond the Jackson Downtown Development Authority (DDA) District (see also [Exhibit A.8](#) and [Exhibit A.9](#) in the Supply-Demand Workbook). The downtown core is generally delineated by the W. Louis Glick Highway to the north, and W. Washington Street to the south, but also extends about one block to the north (to Van Buren Street), and two blocks to the south (to Franklin Street).

The Primary Draw Area – The primary draw area is delineated to include migration within Jackson County as well significant in-migration from other counties in the region. Wayne County is a large contributor, but Washtenaw, Ingham and Calhoun Counties are adjacent and more accurately representative of the primary Draw Area.

Table 2 - a
Determination of the Primary Draw Areas by Annual Migration
Downtown City of Jackson, Michigan

Draw Area	Draw Area	Migration For the City of Jackson	2010 Census Population Number	Share
The City of Jackson	Study Area	50.0%	33,534	20.9%
Balance of Jackson Co.	Primary	<u>18.0%</u>	<u>126,714</u>	<u>79.1%</u>
Total Jackson Co.	Primary	68.0%	160,248	100.0%
Ingham County	Primary	3.0%	280,895	--
Washtenaw County	Primary	2.0%	344,791	--
Calhoun County	Primary	1.0%	136,146	--

Table 2 - b
 Determination of the Secondary Draw Area by Annual Migration
 Downtown City of Jackson, Michigan

Draw Area	Draw Area	Migration For the City of Jackson	2010 Census Population Number	Share
Wayne County	Secondary	3.0%	--	--
Hillsdale County	Secondary	1.0%	--	--
Lenawee County	Secondary	1.0%	--	--
Other Mich. Counties	Tertiary	15.0%	--	--
Other USA States	National	5.0%	--	--
Abroad, Overseas	Global	<u>1.0%</u>	--	--
All Draw Areas	Total	100.0%		

The Study Area – The study area for this project is Downtown Jackson, located in Jackson County, Michigan, and the boundary aligns with census block groups. Geographically, the study area is not a perfect match with the Downtown Development Authority (DDA) District, and this later is delineated by the red boundary shown on the top map in the attached exhibit [Strategy 1.0](#).

The Draw Area - The draw area for new households in Downtown Jackson includes Jackson, Washtenaw, Calhoun, and Ingham Counties. In some instances, Washtenaw, Calhoun, and Ingham Counties may be referred to as “comparative geographies” to Jackson County. Among these, Calhoun and Ingham County represent the best reasonable “standards” or analogs for Jackson County, whereas Washtenaw County is less comparable (see [Exhibit A.1](#) in the Supply-Demand Workbook for a map of these counties).

Geographic Sectors – We also sub-divided the study area into smaller Geographic Sectors A – G, with Sector A representing the downtown core, and Sectors B - G including a mix of residential neighborhoods and commercial areas (including large industrial areas in Sector E). The geographic sectors are delineated along on census block group boundaries. The attached tables, and also the inset tables embedded in this narrative both break-down the market potential among these geographic sectors.

Annual Market Potential

Most figures reported in this study are intended to demonstrate the annual market potential over the next five years (2016 first full year; 2020 fifth full year). So theoretically, each year of data could be multiplied by 5 to determine the market potential over the next 5 years. However, caution is recommended, because any missed years cannot be “rolled-over” to accumulate with subsequent years. In other words, if the market potential is not served any given year, then the migrating households dissipate into other neighborhoods and the clock is reset.

On the other hand, regardless of whether the market potential is served within any given year, it is also replenished with new households (and target markets) that are on moving in each subsequent year. The table below is intended to demonstrate three alternative scenarios under three different timelines, assuming that the first project breaks ground in 2016, or is delayed until 2017, or delayed another year and until 2018.

Table 3
 Example of Non-Cumulative Annual Market Potential
 Proactive Upside Scenario for the Downtown Core

Hypothetical Sector A – G	2016 Year 1	2017 Year 2	2018 Year 3	2019 Year 4	2020 Year 5	Total Potential
Timeline 1	100	100	100	100	100	500
Timeline 2	--	100	100	100	100	400
Timeline 3	--	--	100	100	100	300

The Target Markets

Among 71 possible lifestyle clusters living in the United States, we have identified eight (8) lifestyle clusters as the “predominant” Target Markets for the City of Jackson’s downtown study area. In other words, there are 8 lifestyle clusters that could be targeted by developers and private investors as new households in the downtown and surrounding neighborhoods.

Table 4
Predominant and Upside Target Markets
Downtown City of Jackson, Michigan

Code	Predominant Target Markets
S71	Hard Times
S68	Small Town, Pockets
R67	Hope For Tomorrow
R66	Dare to Dream
Q65	Senior Discounts
O52	Urban Ambition
M45	Diapers, Debit Cards
K40	Bohemian Groove
Code	Upside Target Markets
O54	Striving Single Scene
O51	Digital Dependents
K37	Wired For Success
G24	Status Seeking Singles

The TMA workbook includes detailed profiles on each of these target markets, including maps showing their geographic distribution in downtown Jackson and the region, with comparisons for the draw areas. Included is a one-page narrative that describes the target’s typical preferences in geographic setting, tenure, and housing format. Detailed 20-page profiles for each target market are also available upon request.

Market Potential by Geographic Sector

The results of this target market analysis indicate that the downtown subareas, or Geographic Sectors A – G, can collectively support a maximum of 270 dwelling units annually through 2020 (assuming that construction begins in 2015 and that 2016 is the first full year). Regardless of how many units are actually developed, at least 80% should be designed for renter-occupancy, and no more than 20% should be designed for owner-occupancy. The following table shows how the 270 units are allocated among the geographic sectors.

Table 6
Allocation of Market Potential by Geographic Sector
Predominant Target Markets Only
Downtown City of Jackson, Michigan

Geographic Sector	Max. Annual Potential	Max. 5-Yr. Potential ¹	Share of Total
Sector A	97	485	35.9%
Sector B	47	235	17.4%
Sector C	39	195	14.4%
Sector D	15	75	5.6%
Sector E	12	60	4.4%
Sector F	20	100	7.4%
Sector G	<u>40</u>	<u>200</u>	<u>14.8%</u>
Total	270	1,350	100.0%

¹Assumes that construction commences in 2015 (a partial year) for a first full year of 2016, and fifth full year of 2020. Any unmet market potential in any given year will dissipate and will not accumulate or roll-over to subsequent years.

Affordability and HUD Income Limits

We have also compared the analytic results with the U.S. Housing and Urban Development’s (HUD) income limits. HUD has established that the current Area Median Income (AMI) for a 4-person household in Jackson County is \$56,400; and 80% of the AMI is \$45,100 for the upper threshold of low-income households. Based on these guidelines, just over 60% of the predominant target market households have incomes at or below 80% of the AMI. Nearly 40% are in the very low income limits or lower; and 20% are in the extremely low income limits.

Table 7
Annual Market Potential by HUD Income Limit
Predominant Target Markets Only
(Income Limits for a 4-Person Household in 2014)

Share of AMI (%)	4-Person Inc. Limit (\$)	HUD Qualifier (notation)	Annual Market Potential Geog. Sectors A-G (Hhlds.) (Share)	
100%+	\$56,400+	Above Market Rate	47	28%
80%+	\$45,100+	Market Rate	65	39%
<80%	<\$45,100	Low-Income	<u>205</u>	<u>61%</u>
Total	\$56,400	Total	270	100%
<50%	<\$28,200	Very Low-Income	146	39%
<30%	<\$16,900	Extremely Low-Income	92	20%

For the geographic sectors overall, 40% of the market potential in new units should be targeted at households earning 80% of the AMI or lower; and 60% of the new units should be targeted at households earning 80% of the AMI or higher. The follow table provides a summary of the market potential for each community, by income limit, and a more detailed analysis is provided in the attached exhibit Strategy 4.0.

Table 8
 Annual Market Potential by 80% AMI Limits
 Predominant Target Markets Only
 Geographic Sectors A – G in Downtown City of Jackson

Share of AMI (%)	Sector A (#)	Sector B (#)	Sector C (#)	Sector D (#)	Sector E (#)	Sector F (#)	Sector G (#)
80%+	18	12	9	4	2	4	7
<80%	<u>79</u>	<u>35</u>	<u>30</u>	<u>11</u>	<u>10</u>	<u>16</u>	<u>33</u>
Total	97	47	39	15	12	20	40

Market Potential by Target Market

Attachments to this narrative report include exhibits showing how the annual market potential is allocated among the 8 predominant target markets, and also by their corresponding profiles on household income ([Strategy 5.0](#)); owners and home value bracket ([Strategy 6.0](#)); renters and monthly contract rent ([Strategy 7.0](#)); and units per building ([Strategy 8.0](#)).

There are three (3) predominant markets that represent the lowest risks for near-term housing products in Jackson’s downtown core (Sector A), including “Hard Times”, “Hope for Tomorrow”, and “Dare to Dream”. In addition, products that could be targeted at the “Urban Ambition” market for neighborhoods north of the downtown core (Sector B).

Table 9
Market Potential by Predominant and Upside Target Market
Downtown City of Jackson, Michigan – 2015 Forecasts (\$)

Predominant Targets	Market Potential		Max. Contract Rent (2015)	Max. Home Value	Prevalent Units per Building
	Renter Units	Owner Units			
S71 Hard Times	94	5	\$ 700	\$145,000	10 – 100+
S68 Small Town & Pockets	1	6	\$ 725	\$150,000	houses
R67 Hope for Tomorrow	41	9	\$ 750	\$155,000	2 – 10
R66 Dare to Dream	59	17	\$ 775	\$160,000	2 – 10
Q65 Senior Discounts	3	0	\$ 800	\$165,000	10 – 100+
O52 Urban Ambition	18	4	\$ 825	\$170,000	2 – 10
M45 Diapers, Debit Cards	1	6	\$ 850	\$175,000	houses
K40 Bohemian Groove	<u>5</u>	<u>0</u>	\$ 900	\$250,000	2 – 10
8 Predom. Targets	222	48	\$ 750	\$155,000	1 – 10
Upside Markets	Market Potential		Max. Contract Rent (2015)	Max. Home Value	Units per Building
	Renter Units	Owner Units			
O54 Striving Single Scene	10	0	\$ 875	\$225,000	10 – 100+
O51 Digital Dependents	0	6	\$ 900	\$250,000	houses
K37 Wired For Success	0	0	\$ 900	\$275,000	5 – 100+
G24 Status Seeking Singles	<u>0</u>	<u>0</u>	\$1,000	\$300,000	houses
4 Upside Targets	10	6	\$ 900	\$250,000	5 to 20

We have also identified an upside market potential for up to 16 units each year over the next five years, and targeted at the “Striving Single Scene” and “Digital Dependents” lifestyle clusters. Among the group, Striving Single Scene has the most moderate incomes and residents are likely to choose rental lofts in building with at least 10 units. In comparison, the Digital Dependents have a high propensity for choosing owner-occupied houses, but could possibly be attracted with duplexes or row houses within the study area. The “Wired for Success” and “Status Seeking Singles” represent longer-term targets for 2020 and beyond, and help raise the bar for adding Placemaking amenities and quality-of-life attractions in the downtown.

Market Potential by Urbanicity

A number of the target markets have a higher propensity to choose urban and exurban markets, while other are more likely to choose suburban and rural settings. These preferences align with density indexes, propensity to live in renter occupied units, and propensity to live in attached housing products. The following table summarizes related attributes on household income, renter-occupancy, home value, contract rent, and building size (see also [Exhibit EE.9](#) and [Exhibit EE.10](#) in the accompanying TMA workbook.)

Table 10
Predominant and Upside Target Markets by Urbanicity
Downtown City of Jackson, Michigan

Cluster Code	Predominant Target Markets	Density Index ¹	% Renter Occupied	% Attached Units	Annual Potential
S71	Hard Times	1.22	94.3%	97.6%	99
S68	Small Town, Pockets	0.92	20.5%	8.5%	7
R67	Hope for Tomorrow	1.17	82.4%	53.7%	50
R66	Dare to Dream	1.13	76.8%	60.5%	76
Q65	Senior Discounts	1.05	76.5%	100.0%	3
O52	Urban Ambition	1.13	79.0%	63.8%	22
M45	Diapers, Debit Cards	0.97	20.7%	6.1%	7
K40	Bohemian Groove	1.10	78.4%	80.3%	<u>5</u>
	Total	--	--	--	270
Cluster Code	Upside Target Markets	Density Index ¹	% Renter Occupied	% Attached Units	Annual Potential
O54	Striving Single Scene	1.15	95.7%	98.4%	10
O51	Digital Dependents	0.92	21.0%	11.7%	6
K37	Wired for Success	1.03	82.6%	89.9%	0
G24	Status Seeking Singles	1.10	5.8%	17.7%	<u>0</u>
	Total	--	--	--	16

¹All 71 possible lifestyle clusters across the nation have an average density index of 1.00.

Optimal Values and Prices

The optimal home values among owner-occupied units, and contract rents among renter-occupied units are based on national averages for the target markets (as reported by Experian Decision Analytics), with adjustments for local market conditions within Jackson County.

It will be fiscally challenging to develop owner-occupied detached houses that are valued at less than \$175,000. The average cost per unit among permitted single-family units for Jackson County has been in the range of \$150,000 to \$170,000 since 2008 (see [Exhibit G.1](#) in the accompanying Supply-Demand Workbook). In comparison, the average cost for building attached units is about \$100,000 – and this approach would be a better format for both owner-occupied and renter-occupied units in downtown Jackson.

There is an annual market potential for up to 48 owner-occupied units throughout the study area (including all Geographic Sectors A through G), but only 13 could be profitable as attached new-builds (such as a new duplexes or row houses). As a lower-cost solution, the remaining 35 units of market potential could be realized through the rehabilitation and conversions of existing space.

There is also a market potential for up to (a maximum) of 222 renter-occupied units each year over the next five years. Nearly 70% of the predominant target market households will be seeking contract rents of no more than \$600 per month. The other 30% will tolerate rents of more than \$600 per month. (Contract rents do not include utilities, deposits, and extra fees for pets, storage, parking, memberships, etc.) Assuming that the potential is met with new units, the higher rents (\$600 or higher) present an aggregate opportunity for 350 new rental units by 2020.

The exhibit below and labeled [Strategy 7.0](#) provides more detail on the market potential by rent bracket. The predominant target markets generate a market potential for 34 units annually among units priced at \$700 per month or higher. Of these, 12 households can tolerate rents of at least \$800 per month; and 4 households can tolerate rents of at least \$900 per month. Results are summarized in the following table, and also shows the market potential for the upside target markets.

Table 11
 Allocation of Annual Market Potential by Home Values and Contract Rents
 Predominant and Upside Target Markets
 Downtown City of Jackson, Michigan

Predominant Target Markets	Total Units	S71	S68	R67	R66	Q65	O52	M45	K40
Home Values									
< \$100,000	35	4	4	7	13	0	2	5	0
\$100,000+	<u>13</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>5</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>3</u>
Subtotal	48	5	5	8	18	0	3	6	3
Monthly Contract Rents									
< \$600	152	77	0	29	33	3	9	0	2
\$600	<u>70</u>	<u>17</u>	<u>1</u>	<u>12</u>	<u>26</u>	<u>0</u>	<u>9</u>	<u>1</u>	<u>3</u>
Subtotal	222	94	1	41	59	3	18	1	5
Grand Total ¹	270	99	6	49	77	3	21	7	8
.....									
Upside Target Markets	Total Units	O54	O51	K37	G24				
Home Values									
< \$100,000	0	0	0	0	0				
\$100,000+	<u>6</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>0</u>				
Subtotal	6	0	6	0	0				
Contract Rents									
< \$600/month	0	0	0	0	0				
\$600+	<u>10</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>				
Subtotal	10	10	0	0	0				
Grand Total ¹	16	10	6	0	0				

¹Totals may not match perfectly with prior tables due to some adjustments for rounding.
 Source: Underlying home values and contract rents by target market are provided by Experian Decision Analytics, and adjusted by LandUse|USA for local (Jackson County) market conditions.

Detached and Attached Products

The 8 predominant target markets generate a market-wide potential for 78 detached houses annually for the City of Jackson’s Downtown, which would be most appropriate for the neighborhoods in Geographic Sectors B – G, but not the downtown core (Sector A). The detached units represent about 30% of the total market potential among both detached and attached housing product. Some of this market potential can be filled by rehabbing and modernizing existing housing stock rather than building more detached houses.

There is also an annual market potential for 192 attached units throughout the study area, which could include a mix of duplexes, triplexes, quads, row-houses, and stacked flats or lofts in low-rise, mid-rise, and high-rise buildings. As shown in the following table (see also the attached exhibit Strategy 8.0), buildings with 20 or more units are most likely to appeal to the “Hard Times” target market; whereas buildings with fewer than 20 units are more likely to appeal to “Hope for Tomorrow”, “Dare to Dream”, and “Urban Ambition” target markets, and also the upside targets.

Table 12 - a
Market Potential for Attached Housing Products (in Units)
The Predominant Target Markets Only
Downtown City of Jackson, Michigan

Predominant Targets	Duplex	Triplex	Quad	5-9 Units	10-19 Units	20+ Units	Share Renters
S71 Hard Times	1	3	1	4	14	74	94.3%
S68 Small Town, Pockets	0	0	0	0	0	0	20.5%
R67 Hope For Tomorrow	6	9	3	9	0	0	82.4%
R66 Dare to Dream	9	15	5	16	0	0	76.8%
Q65 Senior Discounts	0	0	0	0	0	3	76.5%
O52 Urban Ambition	2	3	1	5	1	2	79.0%
M45 Diapers, Debit Cards	0	0	0	0	0	0	20.7%
K40 Bohemian Groove	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	78.4%
8 Predom. Targets	18	31	10	35	15	79	75.0%

Table 12 - b
 Market Potential for Attached Housing Products (in Units)
 The Upside Target Markets Only
 Downtown City of Jackson, Michigan

Upside Target Markets	Duplex	Triplex	5-9 Quad	10-19 Units	20+ Units	Share Units	Renters
O54 Striving Single Scene	0	0	0	0	10	0	95.7%
O51 Digital Dependents	3	3	0	0	0	0	21.0%
K37 Wired for Success	0	0	0	0	0	0	82.6%
G24 Status Seeking Singles	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	5.8%
4 Upside Targets	3	3	0	0	10	0	60.0%

Unit Sizes in Square Feet

Most of the strategy recommendations provided in this report reflect the lifestyle attributes and preferences of target markets that are living throughout the upper Midwest and Michigan, and migrating both into and within Jackson County. In comparison, the development of recommendations on unit sizes is based on based on local and current real estate market conditions; known owner-occupied values per square foot; and rent-occupied contract rents per square foot (see Sections G and H in the Supply-Demand Workbook).

Unit sizes relative to value and rents are provided below, and are intended to provide developers only with typical and conservative ranges for downtown Jackson. Variations should be expected among the geographic sectors; and high values or outliers should be expected for projects that are truly unique to the market. For example, units that offer exemplary vista views of the downtown could command premiums on price.

Table 13
Optimal Unit Sizes by Home Value Bracket
Downtown City of Jackson, Michigan

Home Values	Price per Square Foot	Approximate Square Feet	# of Bed Rooms	# of Bath Rooms
<\$100,000	\$110 +	< 900	1	1
\$100 - \$124,999	\$108 – \$110	900 – 1,150	2	2
\$125 - \$149,999	\$106 – \$108	1,150 – 1,400	2	2
\$150 - \$174,999	\$105 – \$106	1,400 – 1,600	3	2.5
\$175 - \$199,999	\$104 – \$105	1,600 – 1,900	3	2.5
\$200 - \$249,999	\$103 – \$104	1,900 – 2,400	3	3
\$250,000+	< \$103	2,400 +	3	3

Table 14
Optimal Unit Sizes by Contract Rent Bracket
Downtown City of Jackson, Michigan

Monthly Contract Rent	Price per Square Foot	Approximate Square Feet	# of Bed Rooms	# of Bath Rooms
<\$500	\$1.00 +	< 500	1	1
\$500 - \$599	\$0.90 – \$1.00	500 – 650	2	1
\$600 - \$699	\$0.85 – \$0.95	650 – 850	2 – 3	2 – 2.5
\$700 - \$799	\$0.80 – \$0.90	850 – 1,000	3	2.5
\$800 - \$899	\$0.75 – \$0.85	1,000 – 1,200	3	2.5
\$900 - \$999	\$0.70 – \$0.80	1,200 – 1,400	3	2.5
\$1,000+	< \$0.75	1,400 – 1,600	3	2.5

Again, the unit sizes and prices per square foot are conservative averages for the City of Jackson, so should not be used as the sole basis for financial pro forma analyses, property valuations, pricing, leasing, or other real estate and development activities.

Product Types

Strategy recommendations by product type should align with the appropriate context of place, with the urban transect as a general guide. In the urban core (downtown Geographic Sector A), flats and lofts above street-front retail and in mid-rise and high-rise buildings would be appropriate. In transitional areas around the urban core, low-rise buildings and row houses might be more appropriate. Detached houses, duplexes, and triplexes could be used as infill within the surrounding neighborhoods.

Table 15
Recommended Products by the Urban Transect
Downtown City of Jackson

<i>T4 – General Urban</i>	<i>T5 - Urban Center</i>	<i>T6 - Urban Core</i>
Detached Houses (infill)	Low-Rise Flats, Lofts	Main Street Mix
Attached Duplexes	Attached Row Houses	Mid-Rise Flats, Lofts
Attached Triplexes	Attached Brownstones	High-Rise Flats, Lofts

Attached products may include a combination of hard lofts (with exposed ductwork, etc.) and soft lofts that are relatively more finished. Units should include either 1 or 2 bedrooms, anticipating that the markets are likely to include young renters, including singles, couples, and/or have unrelated roommates.

In the individual units, some of the floor area can be traded for unique amenities, quality construction, and modern interior treatments. However, every bedroom must have a full private bath, and 2-bedroom units must have a ½ bath near the entrance. Ideally, kitchens will be centrally located and facing outward onto an open floor plan, with bedrooms on opposite ends (i.e., not sharing common walls.) All units should have balconies or patios that can accommodate at least two small chairs.

Redevelopment and Reinvestment Opportunities

Introduction – Over past decades, downtown Jackson has been negatively impacted by outlying retail developments at Jackson Crossing Mall (opened in 1960), Westwood Mall (1972), and big-box clusters along the E. Michigan Avenue, Interstate 94, and Highway 127 corridors. A good core of businesses, churches, and government offices remain in the downtown, and there are also a handful of the local restaurants. It holds the physical capacity to support a mix of new businesses, venues, retail, and residential units.

However, its relatively large geographic size and the availability of developable parcels also make it a gem of potential for new businesses. However, today the district still lacks a critical mass of attractions that are demanded by new resident households – particularly among the upside target markets.

Most of the downtown’s challenges have already been acknowledged by the City of Jackson’s DDA and also by Anchor Initiative as part of their efforts to spur economic growth and downtown living.

The section of the TMA report is intended to provide additional ideas, recommendations, and talking points for discussion during future meetings. We are hopeful that this process will help guide the DDA and Anchor Initiatives in their collective and complementary efforts to transform downtown Jackson in to an economic hub and vibrant center for activity for the entire community.

To focus and concentrate the results of reinvestment with impactful results, we recommend that the City focus on the heart or core of the Downtown, and mainly the area delineated by the W. Louis Glick Highway (north) and Washington Avenue (south), with Michigan Avenue serving as the spine.



*Downtown Jackson scenes to demonstrate scale of existing buildings.
Lonex Consulting, ©2014.*

Renovation of Buildings – The downtown core has also seen a number of anchors depart, including VerMeulen Furniture, Woolworths, Citizen Patriot, and the Hayes Hotel. However, the vacated buildings also present new opportunities for reinvestment into the downtown, and ways to increase the choices among housing units for the target markets. These opportunities are reinforced by the success of recent projects, such as The Blake, City Lofts, Pearl Street Lofts, and Mechanic Lofts.

Table 16
Inventory of Available and Recent Building Renovations
Downtown City of Jackson, Michigan

Available for Redevelopment	Reference	
165 W. Michigan Ave.	Woolworth’s	
228 W. Michigan Ave.	Hayes Hotel	
135 W. Cortland Ave.	VerMeulen Furniture	
214 S. Jackson Street	Citizen Patriot / Cit-Pat	
150 W. Michigan Ave.	former restaurant	
151 W. Michigan Ave.	DuPuis Et Fils Jewelers	
180 W. Michigan Ave.	The Blake Building	
Most Recent Reinvestments	Reference	Top Rent
159 W. Pearl Street	Pearl Street Lofts	\$1,000/mo.
180 W. Michigan Ave.	The Blake Building	\$1,000/mo.
310 S. Mechanic Lofts	Mechanic Lofts	\$ 900/mo.
100 Armory Court	Armory Ct. Apts.	\$ 800/mo.
140 W. Michigan Ave.	Studio 140	\$ 825/mo.
159 W. Michigan Ave.	Huron Camera	underway
109 W. Washington Ave.	City Lofts	owner-occ.

Prepare Developable Sites – The City should also maintain and prepare developable sites to be shovel-ready. Smaller parcels should be assembled wherever possible, and rezoned if needed to ease the redevelopment process for prospective developers. Time truly is money for developers, and a streamlined permit review process can be a valuable incentive.

Redevelopment and Infill Sites – We have also collaborated with Beckett & Raeder to identify a number of potential redevelopment sites in the downtown core. A preliminary map is attached as exhibit Place 10.0, and may be refined through the master planning process (which is currently underway). Efforts should continue prepare vacant lots and help make them development-ready, or shovel-ready. Infill is needed to achieve collective critical mass among all businesses, and to help reduce physical fragmentation of uses.

The Economics of Place

Even with its past decline as a regional retail destination, the City of Jackson’s downtown still holds high potential as a center for business and community gathering. Downtown districts are regaining popularity among many lifestyle clusters, and there is a renewed, consistent, and reliable trend toward downtown living. However, leveraging this trend will depend on Jackson’s ability to add new retail, entertainment venues, and attractions in the downtown; and its ability to implement Placemaking and streetscape improvements being recommended in the City’s new comprehensive plan (which is under way by Beckett & Raeder, the City’s planning consultants).

The following narrative touches on a range of related topics that reinforce the importance of Placemaking in downtown Jackson. Improving the mix of retail, entertainment, and recreational opportunities should be among the city’s top priorities, so is addressed first.

Retail, Entertainment, Recreation – This residential TMA has not included a comprehensive retail market analysis, retail TMA, or supply-demand and gap analysis. Even so, we did conduct a qualitative assessment of the mix of retail, arts, recreation, and entertainment venues that the target markets would typically demand.



Downtown scenes of the Grand River Market (farmers' market) and street retail. ©2014 Lonex Consulting.

Based on our observations during our subjective assessment of the downtown, there appears to be a need to improve this mix of venues. Our field observations are reinforced by the following list of venues that the predominant and upside target markets will demand and expect in the downtown. Any implied market gaps should be verified with a more complete study and analysis of retail supply-demand, gap, and Target Market Analysis.

Table 17
Recommended Retail Strategies
Downtown City of Jackson, Michigan
(not in priority order)

1. Bars and nightclubs, theaters, and comedy clubs.
2. Billiard halls and bowling alleys with game rooms; skating rinks.
3. Health clubs with tennis, racquetball, and basketball courts.
4. Sporting goods stores, bicycle shops, camping gear, and home fitness supplies.
5. Game and toy stores, artisan supplies, and craft and hobby shops.
6. Ready-to-assemble furniture, consignment furniture shops, and home décor.
7. Computer, electronics, telecommunications, and camera stores.
8. Designer fashions at discount prices; consignment apparel shops, and value-priced boutiques.
9. Organics in household products, pet supplies, and cosmetics.
10. Grocery stores with organic choices, but also take-out meals.
11. Dollar stores and value-priced chain stores.
12. Collectibles, including sports memorabilia, ornaments, coins, comics, etc.
13. Moderate, casual, and funky restaurants and eateries, including bistros, cafés, and ethnic take-out meals.
14. Grocery, pharmacy, dollar store, and automotive parts stores.
15. Furniture, bedding, consignment stores, and moderate home décor shops.
16. Restaurants and drinking establishments with outdoor seating, and nightclubs with enclosed patios, and balconies offering vista views of downtown street life.

Hotels and Community Recreational Venues – Connecting hotels with other uses is a smart idea because hotel patrons can help fund the other uses during peak season, and local residents can help sustain them during any off-season months. Hotels are commonly connected to conference facilities, but they can also link with other venues that can be shared with the general public. Examples include multi-purpose arenas, fitness centers/ gyms, health clubs, day spas, wellness centers, game rooms, bowling alleys, billiards halls, art galleries, museums, martini bars, and restaurants.

Mixed-Use Approach – Vacant buildings and lots do not necessarily need to be anchored by retail, and can also be developed as mixed-use buildings with office space, hotels, residential units, gyms and health clubs, educational facilities, and health care facilities. New build-to-suit anchor types of businesses would help bring jobs, employees, and residents to the downtown, particularly in the finance/insurance, information technology, renewable energy, and life sciences industry sectors.

Sublet Office Space – Vacant office space can be converted into sublet suites for business support services, such as hiring agencies, staffing solutions, printing, advertising, public relations, marketing, business consulting, accounting, etc. Anchor Initiatives has also explored some of the vacant facilities for possible conversion into pop-up retail and restaurant space. These sorts of creative strategies can collectively make a difference and help incubate smaller businesses.

Expand Anchor Institutions – On the topic of anchor institutions, the absence of a college or technical school in downtown Jackson is among its biggest challenges. If any of the market’s local educational institutions seek to expand, there should a pre-emptive strategy in place to help them relocate into larger space in the downtown. We also recommend that any new University of Michigan facilities be located in the downtown (based on the recent announcement that the University of Michigan and Allegiance Health have signed a letter of intent to become affiliated in the near future).

Skilled Training Center – As an alternative to having a full-fledged educational anchor in the downtown, vacant office space could also be converted into more specialized training facilities. The space could be leased to employers seeking training facilities in the field of nursing and medical care; computer science; and other professional, scientific, and technical specialties. The office space could also be shared with MichiganWorks!, Anchor Initiatives, Chamber of Commerce, and other supportive agencies.

Delineate Districts for Reinvestment, with Caution – The City could delineate subareas or districts by commercial category (theater, retail, library, hospital, riverfront, etc.) to help channel investment, but shouldn’t mandate locations among those categories. Retail, eateries, and services will have a natural inclination to cluster, and should be allowed to gain momentum in an organic fashion. Identifying these natural clusters and then responding is better than trying to steer uses into contrived districts. A form-based code can help support form-based planning rather than by use.

Riverfront Access – Rivers that pass through downtown districts are often the most under-capitalized assets. Effective programming waterfronts can contribute to placemaking and also raise demand for downtown properties. We recommend that the City seek ways to optimize programming along, particularly north of the Farmers Market and connecting the downtown with Armory Arts Village. Revenue-generating venues could be added on the County Fairgrounds site, such as kayak and canoe rental, food trucks, etc.

Non-Motorized Paths – We understand that the City has already been reviewing its non-motorized pathways, and is seeking ways to extend existing paths and close any apparent gaps. Ideally, the inter-city bike trail can be extended with a clearly marked loop through the downtown. Amenities could include interactive fitness stations, bicycle ride & share stations, and connections to public transit. Complementary venues could be added, such as a bicycle ride and share, bicycle rental, ride sharing, and bicycle storage/parking.

Social Spaces – Indoor and outdoor social spaces are particularly important to the target markets, and they will be seeking out eateries with game rooms, urban and community gardens, urban greenhouses, and indoor/outdoor theaters, etc. connected by bike paths. Public gathering places should be designed to easily accommodate a range of venues across the seasons, including music in the park, art and craft fairs, parade staging, large outdoor television screen for major sporting events, outdoor ice rinks, impromptu music stages, and water attractions (splash pads, etc.)

The Welcome Mat – City staff, its DDA members, maintenance crew, and/or members of Anchor Initiatives could collaborate on a “Make it Friendly” campaign. The effort can include getting organized, planning, and conducting a walking tour of the downtown over the duration of an afternoon, or even several afternoons. During the tours, the team should identify and prioritize low-cost and easy remedies to improve the downtown’s image. Remedies could be as simple as removing any negative signs, weeding and mowing, and adding fresh coats of paint. Wherever possible, collaboration with individual businesses and property owners can help implement necessary improvements.

Road Linkages – Wherever possible, 1-way highway through the downtown should be converted to 2-way highways. Two-way roads will double visibility and accessibility for retailers, businesses, and prospective investors; and will result in a measurable percent increase in sales and revenues (on the order of +5% to +15%).

Public Transit – A high share of the target market households are getting by without cars, and they have a propensity to choose housing that provides easy access to public transit. The attached exhibits labeled [Transit 1.0](#) through [Transit 4.0](#) reinforce the importance of public transit. The downtown has an attractive Walk Score of 92, and 27% of the households in the downtown core rely on public transportation for commuting to work. We are assuming that the city will keep public transit at the forefront among long-term strategies for Placemaking in the downtown.

Target Market Analysis

Downtown Jackson, Michigan

THE MARKET STRATEGY

October 5, 2014



Market Strategy

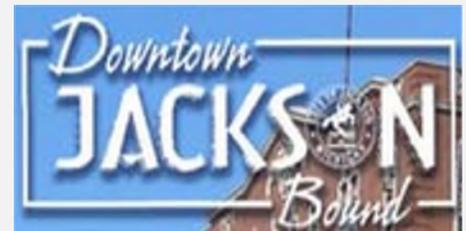


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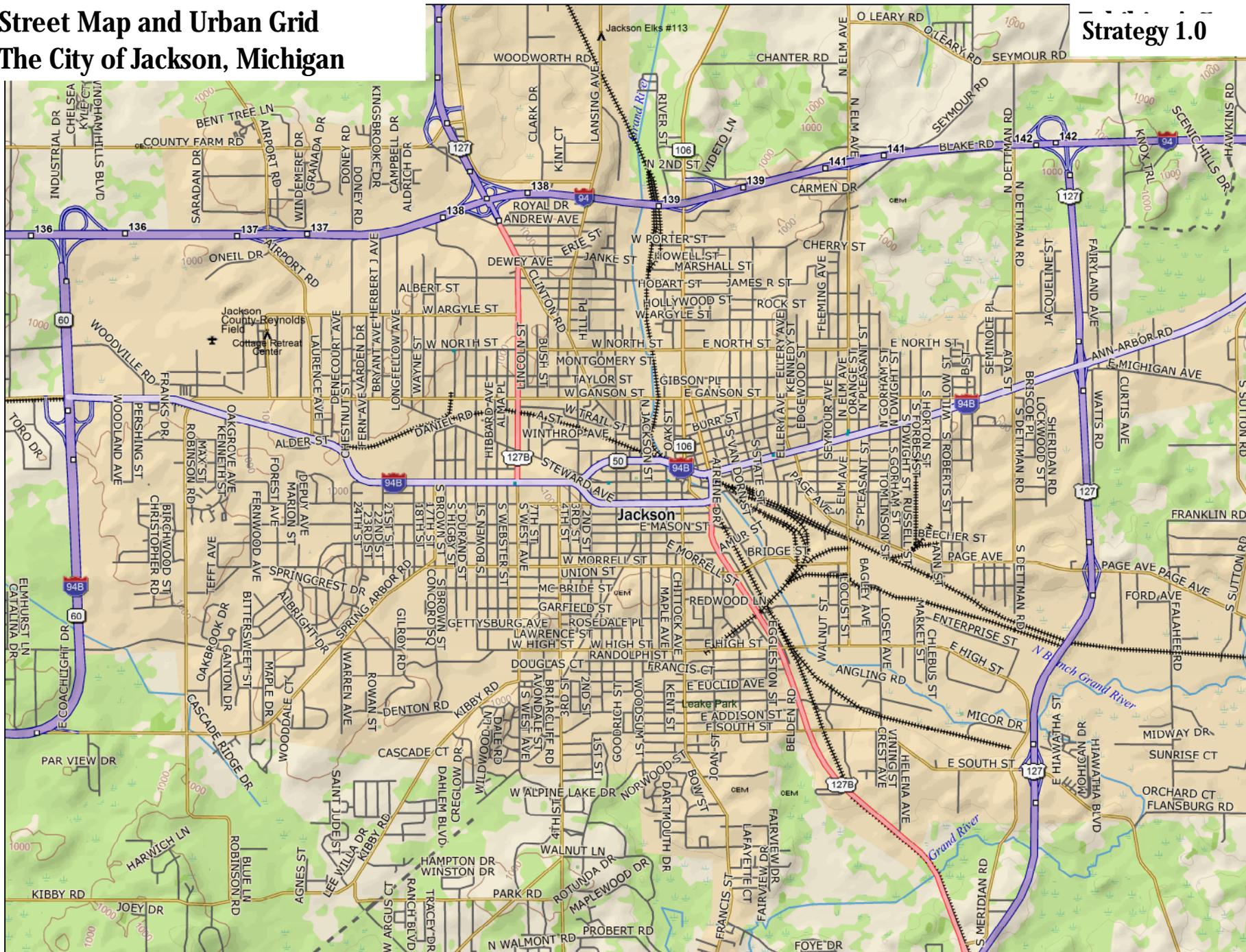
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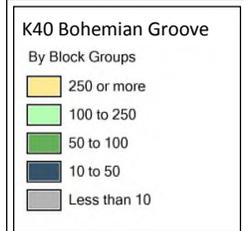
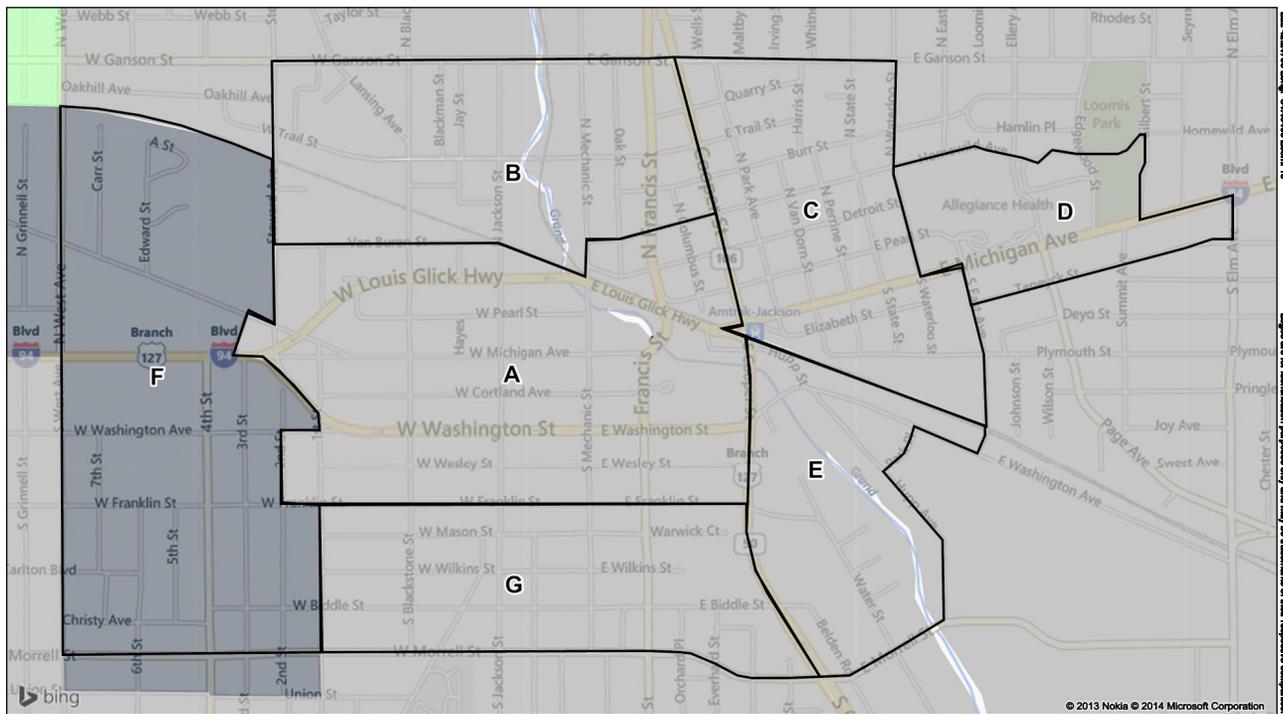
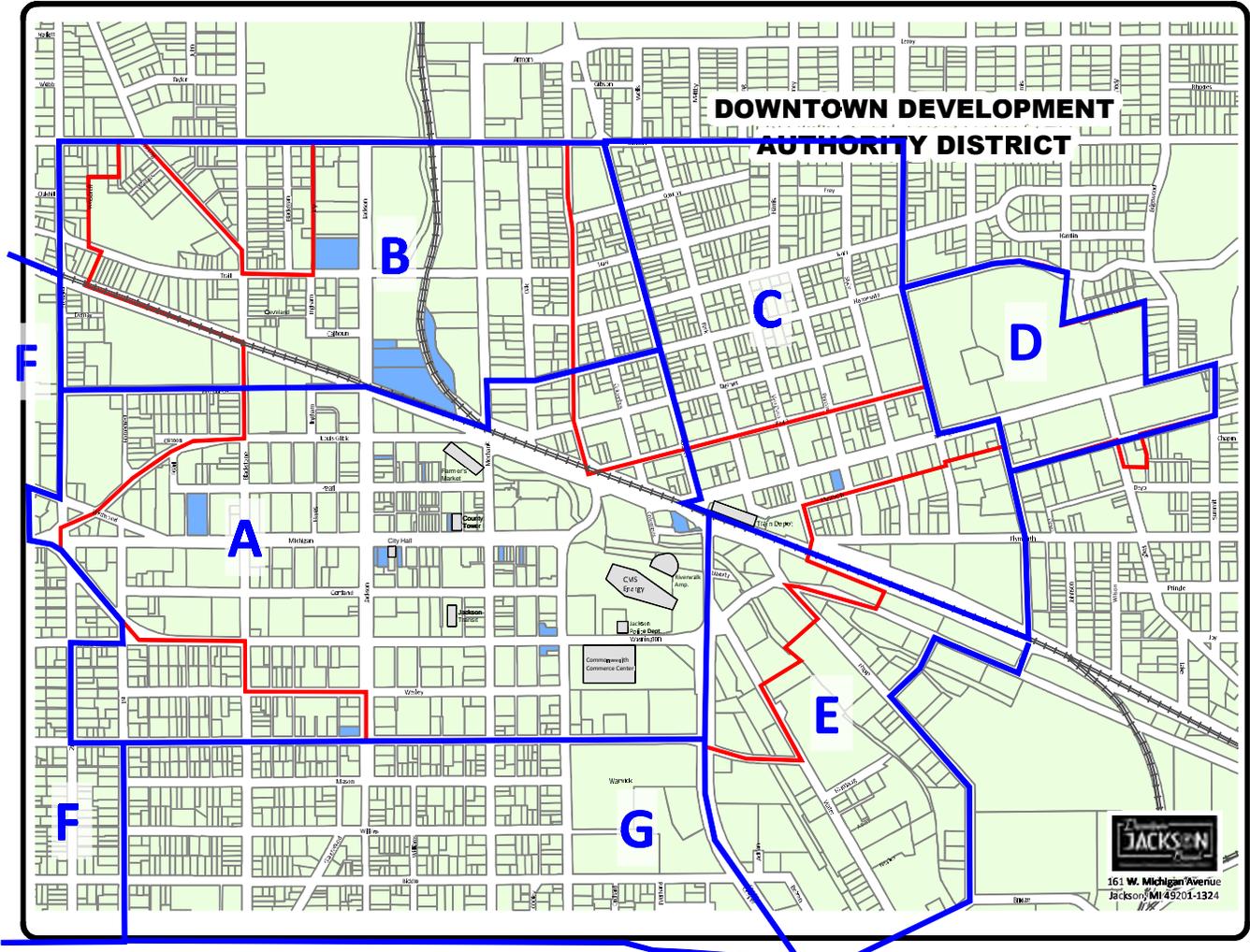
The City of Jackson
Downtown Development
Authority (DDA)



Street Map and Urban Grid The City of Jackson, Michigan

Strategy 1.0





Bohemian Groove | K40
Geographic Sectors in the Study Area
Downtown Jackson, Michigan
(As-of Year-End 2013)

Downtown City of Jackson, Michigan | Geographic Sectors A - G
 Maximum Market Potential in Units by Predominant Target Market and Tenure
 Annual Market Potential, 2016 - 2020

Strategy 3.0

Residential Units (#)	All Target Markets Total	Small Town					Diapers and Debit			Bohemian Groove K40
		Hard Times S71	Shallow Pockets S68	Hope for Tomorrow R67	Dare to Dream R66	Senior Discounts Q65	Urban Ambition O52	Cards M45		
Downtown A - G (Total)	270	99	7	50	76	3	22	7	5	
Renter-Occupied	222	94	1	41	59	3	18	1	5	
Owner-Occupied	48	5	6	9	17	0	4	6	0	
Downtown Sector A	97	57	1	13	16	2	3	2	2	
Renter-Occupied	89	55	0	12	14	2	3	1	2	
Owner-Occupied	8	2	1	1	2	0	0	1	0	
Downtown Sector B	47	6	1	8	14	1	15	1	1	
Renter-Occupied	38	6	0	7	11	1	12	0	1	
Owner-Occupied	9	0	1	1	3	0	3	1	0	
Downtown Sector C	39	2	3	6	25	0	1	1	1	
Renter-Occupied	29	2	1	5	19	0	1	0	1	
Owner-Occupied	10	0	2	1	6	0	0	1	0	
Downtown Sector D	15	1	1	3	8	0	1	1	0	
Renter-Occupied	10	1	0	2	6	0	1	0	0	
Owner-Occupied	5	0	1	1	2	0	0	1	0	
Downtown Sector E	12	6	1	1	3	0	0	1	0	
Renter-Occupied	8	5	0	1	2	0	0	0	0	
Owner-Occupied	4	1	1	0	1	0	0	1	0	
Downtown Sector F	20	10	0	3	3	0	2	1	1	
Renter-Occupied	15	9	0	2	2	0	1	0	1	
Owner-Occupied	5	1	0	1	1	0	1	1	0	
Downtown Sector G	40	17	0	16	7	0	0	0	0	
Renter-Occupied	33	16	0	12	5	0	0	0	0	
Owner-Occupied	7	1	0	4	2	0	0	0	0	

Source: Analysis of market potential based on 30% capture rates of total in-migration; benefits for intercepting 100% of *net* outflow; and adjusted for nominal surpluses in vacancies. Assumes that significant and tangible improvements are made in the downtown, including a wider diversity of housing formats, plus the addition of quality-of-life amenities and placemaking attributes. Totals may not sum exact due to rounding. Analysis prepared by www.LandUseUSA.com; 2014.

Summary of Market Size and Annual Potential for New Urban Housing Units
 Among the Predominant Target Markets
 Downtown Sectors A-G in the City of Jackson, Michigan
 Estimates of Potential by HUD Affordability Standards

	Jackson County Total	Jackson County Renters	Jackson County Owners	City of Jackson Total	City of Jackson Renters	City of Jackson Owners	Downtown A-G Total	Downtown A-G Renters	Downtown A-G Owners
Households - 2012									
Census	59,949	15,401	44,548	13,052	5,864	7,188	--	--	--
Experian	62,115	15,957	46,158	13,588	6,105	7,483	3,187	2,620	567
Market Potential	3,156	2,282	874	1,316	972	344	270	222	48
100%+ AMI	692	501	192	275	203	72	47	39	8
80% - 100% AMI	303	219	84	118	87	31	18	15	3
50% - 80% AMI	824	596	228	329	243	86	59	48	10
30% - 50% AMI	596	431	165	254	187	66	54	44	10
<30% AMI	741	536	205	341	252	89	92	76	16
Hhlds. <80% AMI	2,160	1,562	598	923	682	242	205	168	36
Hhlds. <50% AMI	1,336	966	370	595	439	156	146	120	26
Hhlds. <30% AMI	741	536	205	341	252	89	92	76	16
Share <80% AMI	68%	68%	68%	70%	70%	70%	76%	76%	76%
Share <50% AMI	42%	42%	42%	45%	45%	45%	54%	54%	54%
Share <30% AMI	23%	23%	23%	26%	26%	26%	34%	34%	34%
Household Income - 2012									
Med. Hhld. Inc.	\$46,572	--	--	\$29,144	--	--	--	--	--
Med. Hhld. Inc.	\$46,117	\$22,856	\$55,169	\$30,641	\$15,466	\$43,994	\$27,007	\$13,632	\$38,776
HUD AMI - 2014 ¹	\$56,400	\$28,000	\$67,500	--	--	--	--	--	--
80% AMI	\$45,100	\$22,400	\$54,000	--	--	--	--	--	--
50% AMI	\$28,200	\$14,000	\$33,700	--	--	--	--	--	--
30% AMI	\$16,900	\$8,400	\$20,200	--	--	--	--	--	--

¹ Averages are based on a 4-person households as established by US Dept. of Housing and Urban Development (HUD); and splits by renter- and owner-occupied households are estimated by LandUse|USA based on the census.

Source: Target Market Analysis and model by LandUse|USA, with underlying data from the U.S. Census, HUD, and Experian.

Totals may not sum exact due to rounding.

Downtown Jackson, Michigan - Predominant Target Markets
 Households by Income Bracket Among the Predominant Target Markets
 (Owner and Renter-Occupied Households, Combined)

Strategy 5.0

Med. Hhld. Income (2011 constant dollars)	Totals for Downtown Jackson	Small Town				Diapers			
		Hard Times S71	Shallow Pockets S68	Hope for Tomorrow R67	Dare to Dream R66	Senior Discounts Q65	Urban Ambition O52	and Debit Cards M45	Bohemian Groove K40
\$0 - \$14,999	83	55	2	21	19	1	4	0	1
\$15 - \$24,999	50	16	2	11	16	1	4	1	1
\$25 - \$34,999	42	10	1	8	13	0	4	1	1
\$35 - \$49,999	41	6	1	4	14	0	3	2	1
\$50 - \$74,999	29	5	1	4	6	0	3	2	1
\$75 - \$99,999	15	4	0	2	5	0	2	1	0
\$100 - \$124,999	6	2	0	1	2	0	1	0	0
\$125 - \$149,999	3	1	0	0	1	0	1	0	0
\$150 - \$174,999	0	0	0	0	0	0	0	0	0
\$175 - \$199,999	0	0	0	0	0	0	0	0	0
\$200 - \$249,999	1	0	0	0	0	0	0	0	0
\$250,000+	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sum	270	99	7	50	76	3	22	7	5
Med. Hhld. Inc. - 2012	\$25,841	\$19,300	\$25,160	\$20,327	\$26,444	\$22,339	\$34,173	\$35,707	\$32,585

Source: Underlying data by Experian Decision Analytics and Sites|USA; and reflecting the local Jackson County, Michigan market.
 Analysis and exhibit prepared by LandUse|USA 2014 © with all rights reserved.

Strategy 6.0

Annual Market Opportunity of Owner-Occupied Units by Home Value
Downtown City of Jackson, Michigan - 2016 - 2020
Among the Predominant Target Markets

Home Value Brackets	Totals for Downtown Jackson	Hard Times S71	Small Town			Diapers and Debit			Bohemian Groove K40
			Shallow Pockets S68	Hope for Tomorrow R67	Dare to Dream R66	Senior Discounts Q65	Urban Ambition O52	Cards M45	
Less than \$50,000	9	1	1	2	3	0	0	1	0
\$50,000-\$74,999	15	1	2	3	5	0	1	2	0
\$75,000-\$99,999	11	2	1	2	4	0	1	2	0
\$100,000-\$149,999	9	1	1	1	4	0	1	1	0
\$150,000-\$174,999	2	0	0	0	1	0	0	0	0
\$175,000-\$199,999	1	0	0	0	0	0	0	0	0
\$200,000-\$249,999	1	0	0	0	0	0	0	0	0
\$250,000-\$299,999	0	0	0	0	0	0	0	0	0
\$300,000-\$349,999	0	0	0	0	0	0	0	0	0
\$350,000-\$399,999	0	0	0	0	0	0	0	0	0
\$400,000-\$499,999	0	0	0	0	0	0	0	0	0
\$500,000-\$749,999	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Summation	48	5	6	9	17	0	4	6	0
Control Totals	48	5	6	9	17	0	4	6	0

Source: Underlying data by Experian Decision Analytics and Sites|USA; and reflecting the local Jackson County, Michigan market.
Analysis and exhibit prepared by LandUse|USA 2014 © with all rights reserved.
Assumes that construction begins in 2015 with a first full year of 2016, and fifth full year of 2020.

Annual Market Opportunity for Renter-Occupied Units by Contract Rent
 Downtown Jackson, Michigan - 2016 - 2020
 Among the Predominant Target Markets

Strategy 7.0

Contract Rent Brackets	Totals for Downtown Jackson	Hard Times S71	Small Town			Diapers and Debit Cards			Bohemian Groove K40
			Shallow Pockets S68	Hope for Tomorrow R67	Dare to Dream R66	Senior Discounts Q65	Urban Ambition O52	M45	
<\$500	107	60	0	20	19	2	4	0	1
\$500 - \$599	45	16	0	9	14	1	4	0	1
\$600 - \$699	35	10	0	7	12	0	5	0	1
\$700 - \$799	22	5	0	3	10	0	3	0	1
\$800 - \$899	8	2	0	1	2	0	1	0	0
\$900 - \$999	3	1	0	0	1	0	1	0	0
\$1,000 - \$1,249	1	0	0	0	0	0	0	0	0
\$1,250 - \$1,499	0	0	0	0	0	0	0	0	0
\$1,500 - \$1,999	0	0	0	0	0	0	0	0	0
\$2,000+	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Summation	222	94	1	41	59	3	18	1	5
Control Total	222	94	1	41	59	3	18	1	5

Source: Underlying data by Experian Decision Analytics and Sites|USA; and reflecting the local Jackson County, Michigan market.

Analysis and exhibit prepared by LandUse|USA 2014 © with all rights reserved.

Note: Contract rent does not include costs for utilities, deposits, pet fees, storage, parking, security, or special services.

Assumes that construction begins in 2015 with a first full year of 2016, and a fifth full year of 2020.

Market Potential of all Tenures by Building Size in Units
 Downtown Jackson, Michigan - 2016 - 2020
 Among the Predominant Target Markets

Strategy 8.0

	Total for Downtown Jackson	Hard Times S71	Small Town Shallow Pockets S68	Hope for Tomorrow R67	Dare to Dream R66	Senior Discounts Q65	Urban Ambition O52	Diapers and Debit Cards M45	Bohemian Groove K40
Units per Building									
1 unit (house)	78	2	6	23	30	0	8	7	1
2 units (duplex)	18	1	0	6	9	0	2	0	0
3 units (triplex)	32	3	0	9	15	0	3	0	1
4 units (quad)	11	1	0	3	5	0	1	0	0
5 - 9 units	36	4	0	9	16	0	5	0	1
10 - 19 units	16	14	0	0	0	0	1	0	0
20 - 49 units	21	20	0	0	0	1	1	0	0
50 - 100 units	22	20	0	0	0	1	0	0	0
101+ units	<u>37</u>	<u>34</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>
Summation	270	99	7	50	76	3	22	7	5
Control Total	270	99	7	50	76	3	22	7	5

Source: Underlying data based on USA averages provided by Experian Decision Analytics, with analysis by LandUse|USA; copyright © 2014 with all rights reserved.

Assumes that construction begins in 2015, with a first full year of 2016 and fifth full year of 2020.

Share of Surveyed Employees Potentially Interested in Living Downtown
The City of Jackson, Michigan - 2013 - 2014

Strategy 9.0

Survey Question: "Would you ever consider living in Downtown Jackson?"

Company Name	"No" Responses	"No" Percent	"Yes" Responses	"Yes" Percent	Total Responses	Total Percent
Allegiance Health	64	71.1%	26	28.9%	90	100.0%
Baker College	12	70.6%	5	29.4%	17	100.0%
Commonwealth Assoc.	27	79.4%	7	20.6%	34	100.0%
Consumers Energy	180	67.7%	86	32.3%	266	100.0%
CP Federal	32	72.7%	12	27.3%	44	100.0%
DJI & Associates	4	80.0%	1	20.0%	5	100.0%
Eaton Corporation	20	71.4%	8	28.6%	28	100.0%
Full Spectrum Solutions	13	72.2%	5	27.8%	18	100.0%
Jackson College	6	60.0%	4	40.0%	10	100.0%
LJ Ross Associates	2	50.0%	2	50.0%	4	100.0%
TAC	118	62.4%	71	37.6%	189	100.0%
Tenneco	<u>108</u>	76.6%	<u>33</u>	23.4%	<u>141</u>	100.0%
Sums and Averages	586	69.3%	260	30.7%	846	100.0%

Source: Anchor Initiative survey results as reported by Consumer's Energy;
Community Development Division; Summer 2014.

Note: Future survey questions could also ask: "If you were given new housing choices that meet your needs and that are priced at market rates, would you actually move into the downtown? Would you make that move within the next 2 years? Within the next 5 years?"

Analysis of Upside Market Potential based on Newly Created Jobs
 Downtown City of Jackson, Michigan - 2013 - 2015

Strategy 10.0

Newly Created & Filled Postions / Jobs Among the Downtown Employers	Annual Estimates ¹			Total
	2013	2014	2015	3 Years
Other Downtown Employers	<i>50</i>	<i>50</i>	<i>50</i>	150
Allegiance Health	<i>25</i>	<i>25</i>	<i>25</i>	75
Eaton Corporation	<i>26</i>	<i>6</i>	<i>25</i>	57
HCL International	<i>10</i>	<i>10</i>	<i>10</i>	30
Baker College	<i>2</i>	<i>2</i>	<i>2</i>	6
CMS Energy	<u><i>28</i></u>	<u><i>53</i></u>	<u><i>73</i></u>	<u>154</u>
Subtotal	141	146	185	472
Share Living Downtown	21%	23%	22%	22%
Number Living Downtown	30	33	41	105

Analysis of Upside Market Potential	Annual Estimates ²			Total
	2013	2014	2015	3 Years
% of Total, Likely to be Renters	50%	50%	50%	50%
# of Total, Likely to be Renters	71	73	93	236
% Renters, Likely to Move Each Year	50%	50%	50%	50%
# Renters, Likely to Move Each Year	35	37	46	118
% of Total, Likely to be Owners	50%	50%	50%	50%
# of Total, Likely to be Owners	71	73	93	236
% of Owners, Likely to Move Each Year	5%	5%	5%	5%
# of Owners, Likely to Move Each Year	4	4	5	13
# of Total, Likely to Move Each Year	40	40	50	130
% of Movers, Likely to Choose D.T.	30%	30%	30%	--
# of Movers, Likely to Choose D.T.	12	12	15	39

¹ Figures in small, italicized font are estimates by LandUse|USA. Other numbers are based on a survey conducted by CMS Energy and Anchor Initiatives; 2014.

² Analysis and exhibit prepared by LandUse|USA; 2014.

Examples of Potential New Building Types – Row Houses, Mid-Plex, and Low-Rise Formats
Downtown Study Area – City of Jackson, Michigan

Strategy 11.0



Source: All photos taken by LandUse|USA, or paid for through subscriptions and licenses; © copyright 2014.

Examples of Potential New Building Types – Mid-Rise and Stacked Flat Formats
Downtown Study Area – City of Jackson, Michigan

Strategy 12.0



Source: All photos taken by LandUse|USA, or paid for through subscriptions and licenses; © copyright 2014.

Target Market Analysis

Downtown Jackson, Michigan

THE MARKET STRATEGY

October 5, 2014



Place-Making



Prepared by:



Prepared for:
The City of Jackson
Downtown Development
Authority (DDA)



**Selected Lifestyle Attributes of the Primary and Secondary Target Markets
For Downtown Jackson, Michigan - 2014**

Place 1.0

	Hard Times S71 Primary	Hope for Tomorrow R67 Primary	Dare to Dream R66 Primary	Urban Ambition O52 Primary	Digital Dependents O51 Secondary	Striving Single Scene O54 Secondary	Wired for Success K37 Secondary	Status Seeking Singles G24 Secondary
Participation in Activities								
Fitness Participation								
Fitness walking	39.0%	36.0%	21.0%	20.0%	46.0%	35.0%	50.0%	36.0%
Swimming	23.0%	17.0%	17.0%	19.0%	44.0%	24.0%	38.0%	38.0%
Jogging/Running	9.2%	8.5%	11.0%	14.0%	21.0%	34.0%	33.0%	38.0%
Weight training	0.0%	17.0%	4.5%	17.0%	26.0%	21.0%	33.0%	27.0%
Use cardio machine	0.0%	0.0%	14.0%	9.2%	22.0%	17.0%	29.0%	32.0%
Yoga	0.0%	0.0%	3.9%	0.0%	14.0%	20.0%	28.0%	16.0%
Aerobics	15.0%	15.0%	8.0%	12.0%	11.0%	14.0%	21.0%	12.0%
Bicycling - stationary	9.2%	16.0%	6.4%	0.0%	13.0%	8.6%	15.0%	20.0%
Tennis	0.0%	0.0%	0.0%	0.0%	6.1%	11.0%	12.0%	14.0%
Outdoor Recreation								
Backpacking/Hiking	0.0%	0.0%	5.4%	0.0%	14.0%	8.0%	21.0%	9.4%
Bicycling - mountain/road	0.0%	0.0%	8.8%	0.0%	11.0%	0.0%	19.0%	15.0%
Fresh-water fishing	0.0%	8.4%	10.0%	0.0%	14.0%	7.6%	16.0%	0.0%
Camping trips (overnight)	0.0%	0.0%	13.0%	0.0%	19.0%	0.0%	12.0%	5.9%
Downhill/Cross country skiing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Horseback riding	0.0%	0.0%	0.0%	0.0%	8.1%	0.0%	0.0%	0.0%
Motor Sports Participation								
Power boating	0.0%	0.0%	0.0%	0.0%	6.5%	0.0%	11.0%	0.0%
Motorcycling	0.0%	0.0%	0.0%	0.0%	8.2%	0.0%	7.3%	0.0%
Indoor Recreation								
Bowling	15.0%	25.0%	5.3%	22.0%	25.0%	23.0%	33.0%	26.0%
Billiards/Pool	19.0%	17.0%	13.0%	12.0%	22.0%	18.0%	26.0%	13.0%
Team Sport Participation								
Basketball	9.1%	18.0%	16.0%	15.0%	17.0%	9.9%	15.0%	11.0%
Baseball	7.6%	16.0%	5.9%	0.0%	9.9%	7.7%	14.0%	0.0%
Golf	0.0%	0.0%	0.0%	0.0%	12.0%	7.0%	17.0%	11.0%
Football	0.0%	21.0%	9.2%	12.0%	9.2%	6.2%	10.0%	9.3%

Source: Underlying data by Experian Decision Analytics.

**Selected Lifestyle Attributes of the Primary and Secondary Target Markets
For Downtown Jackson, Michigan - 2014**

Place 2.0

	Hard Times	Hope for Tomorrow	Dare to Dream	Urban Ambition	Digital Dependents	Striving Single Scene	Wired for Success	Status Seeking Singles
	 S71	 R67	 R66	 O52	 O51	 O54	 K37	 G24
	Primary	Primary	Primary	Primary	Secondary	Secondary	Secondary	Secondary
Participation in Activities								
Family structure								
% with Children in Hhld.	3.5%	73.5%	53.8%	51.8%	25.0%	18.7%	23.7%	10.2%
% w/out Children in Hhld.	96.5%	26.5%	46.2%	48.2%	75.0%	81.3%	76.3%	89.8%
Attended Entertainment Venues								
Movies	44.0%	55.0%	62.0%	65.0%	72.0%	75.0%	70.0%	71.0%
Restaurant (not fast food)	34.0%	19.0%	54.0%	22.0%	57.0%	52.0%	70.0%	72.0%
Museum	23.0%	0.0%	11.0%	9.1%	19.0%	37.0%	38.0%	31.0%
Bars/nightclubs/dancing	17.0%	26.0%	15.0%	13.0%	31.0%	30.0%	27.0%	22.0%
Concert	24.0%	13.0%	10.0%	23.0%	30.0%	26.0%	50.0%	44.0%
Aquarium	13.0%	0.0%	10.0%	0.0%	11.0%	22.0%	15.0%	15.0%
Zoo	18.0%	16.0%	5.8%	8.4%	19.0%	21.0%	30.0%	19.0%
Dance Performance	19.0%	0.0%	13.0%	0.0%	17.0%	18.0%	9.3%	12.0%
Live Theater	23.0%	23.0%	18.0%	17.0%	21.0%	14.0%	36.0%	25.0%
Comedy Club	0.0%	12.0%	0.0%	11.0%	7.7%	0.0%	23.0%	11.0%
Leisure Activities, Hobbies								
Reading books	39.0%	54.0%	42.0%	51.0%	58.0%	62.0%	69.0%	63.0%
Cooking for fun	30.0%	31.0%	45.0%	47.0%	40.0%	41.0%	44.0%	56.0%
Go to beach/lake	35.0%	7.2%	33.0%	18.0%	37.0%	36.0%	43.0%	47.0%
Attend sports events	11.0%	0.0%	16.0%	18.0%	31.0%	25.0%	37.0%	19.0%
Card games	33.0%	23.0%	33.0%	21.0%	48.0%	28.0%	33.0%	37.0%
Board games	21.0%	15.0%	26.0%	21.0%	38.0%	30.0%	32.0%	33.0%
Photography	7.2%	0.0%	19.0%	11.0%	21.0%	29.0%	19.0%	23.0%
Gardening	0.0%	0.0%	20.0%	0.0%	29.0%	0.0%	16.0%	30.0%
Education courses	18.0%	0.0%	14.0%	20.0%	20.0%	22.0%	16.0%	16.0%
Painting, drawing, sculpt.	0.0%	0.0%	6.5%	0.0%	6.6%	10.0%	11.0%	0.0%
Antique shopping/shows	0.0%	0.0%	0.0%	0.0%	15.0%	0.0%	10.0%	15.0%
Bird watching	0.0%	0.0%	9.1%	0.0%	8.8%	0.0%	7.6%	0.0%
Needlework/quilting	25.0%	0.0%	0.0%	0.0%	7.7%	0.0%	6.1%	10.0%
Tailgating	0.0%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%	0.0%

Source: Underlying data by Experian Decision Analytics.

Which type of retail would you like to see in Downtown Jackson?
 (Respondents were asked to select all that apply)

What other types of events or businesses would make
 Downtown Jackson more appealing?

Category	Yes Responses	Total Surveyed	Resulting Percent
Grocery	41	52	78.8%
Unique Food & Beverage	152	194	78.4%
Farmer's Market	150	194	77.3%
Clothing	117	194	60.3%
Art	100	194	51.5%
City Tours	98	194	50.5%
Handmade Items	88	194	45.4%
Community Center	85	194	43.8%
Specialized Classes	79	194	40.7%
Wellness	75	194	38.7%
Housewares	71	194	36.6%
Children's Book Store	68	194	35.1%
Information Hub	62	194	32.0%
Gardening	56	194	28.9%
Accessories	55	194	28.4%
Pet Supplies	49	194	25.3%
Volunteer Organization	49	194	25.3%
Footwear	47	194	24.2%
Beauty Supply	43	194	22.2%

Most Frequently Suggested:	Times Mentioned
Trader Joe's or similar	11
Clothing store	10
Convenience store	8
Pharmacy	7
Gift store similar to Swan Creek	5
Upscale restaurant, shopping, & ent.	4
Book Store	3
Food	3
Gas station	3
After-hours live music venue year round	2
Dance club	2
Fitness center/gym	2
Food truck court	2
Old Navy	2
Photography & photography tours	2

Source: Anchor Initiative survey results as reported by Consumer's Energy - Community Development Division; Summer 2014.

**Downtown City of Jackson, Michigan
CMS Energy (Consumers) and other Anchor Institutions**

Place 4.0



Consumers Energy



Source: Field photos by LandUse|USA; May 2014 with all rights reserved.

Downtown City of Jackson, Michigan Administrative Buildings and Architecturally Interesting Places of Worship

Place 5.0



Downtown City of Jackson, Michigan Ideal Setting for Shopping, Arts and Entertainment

Place 6.0



Downtown City of Jackson, Michigan

Examples of Existing Attached Housing Units

Place 7.0



Source: Field photos by LandUse|USA; May 2014 with all rights reserved.

Downtown City of Jackson, Michigan

Examples of Restaurants and Public Transit

Place 8.0



Downtown City of Jackson, Michigan

Examples of of Public Parks and Vacant Land

Place 9.0

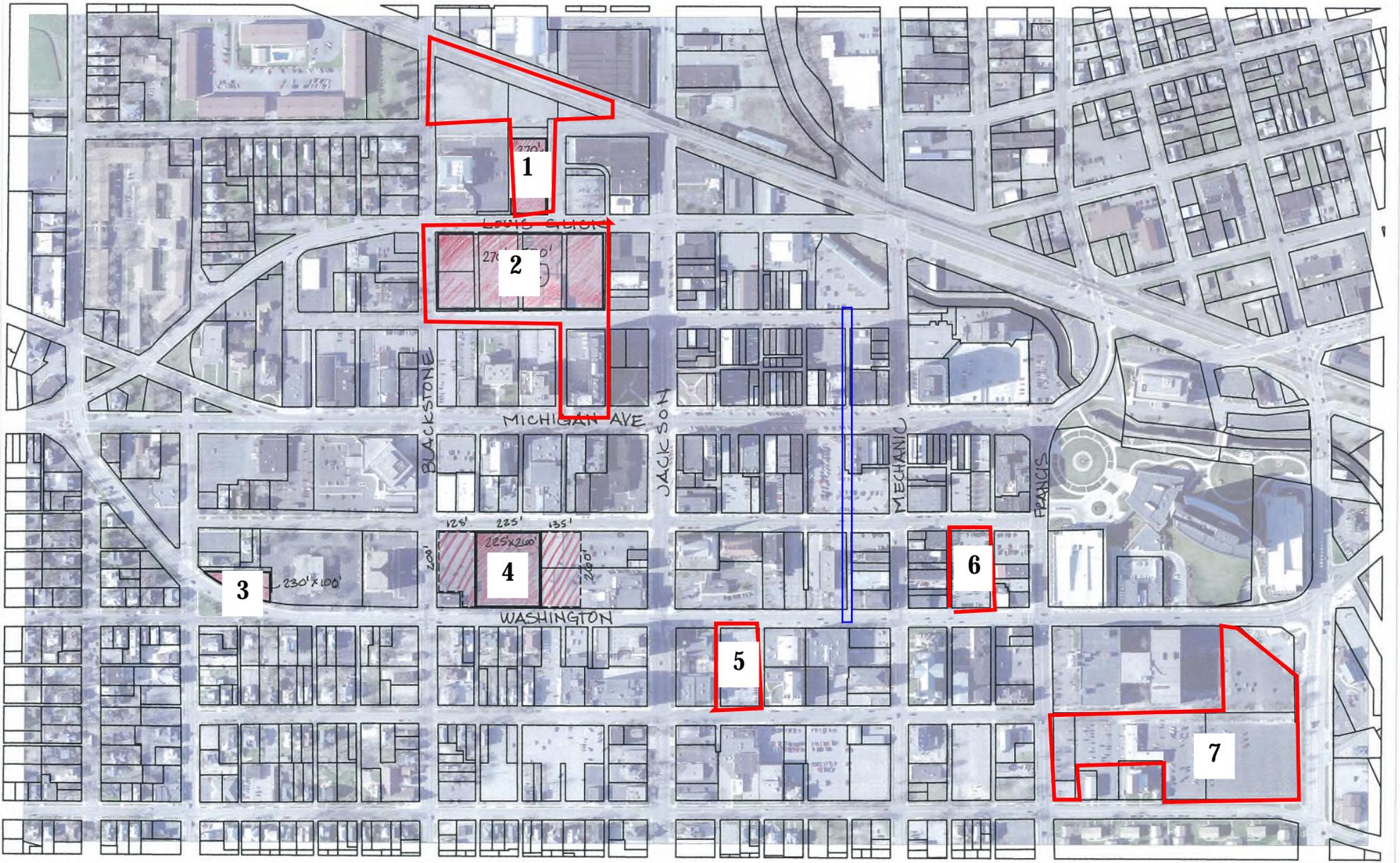


Source: Field photos by LandUse|USA; May 2014 with all rights reserved.

Grand Market

Downtown City of Jackson, Michigan
Potential Infill Sites - For Discussion Purposes Only

Place 10.0



Source: Beckett & Raeder and LandUse | USA

1" = 300' ↑ N

Target Market Analysis

Downtown Jackson, Michigan

THE MARKET STRATEGY

October 5, 2014



Transit (Mobility)



Prepared by:



Prepared for:

The City of Jackson
Downtown Development
Authority (DDA)





Find Apartments

Get Scores

My Favorites

Type an address, neighborhood or city

Go

Walker's Paradise ?

Jackson, Michigan

Commute to **Downtown Jackson**

3 min 1 min 2 min 3 min [View Routes](#)

Favorite

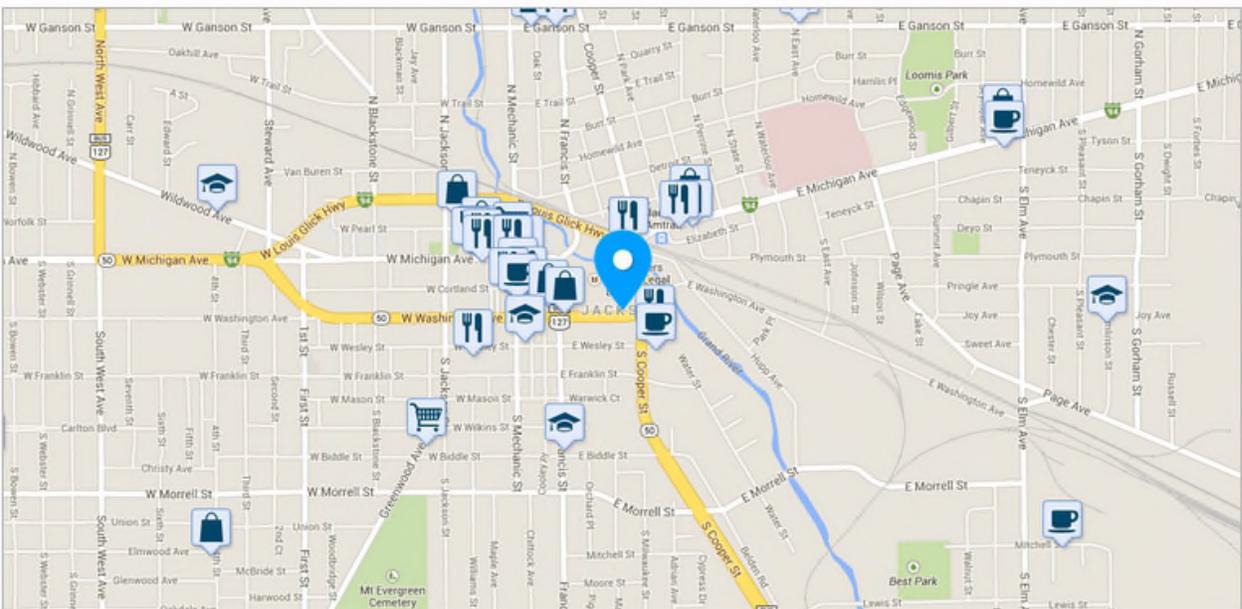
Map

Nearby Apartments

Walk Score
92

Walker's Paradise

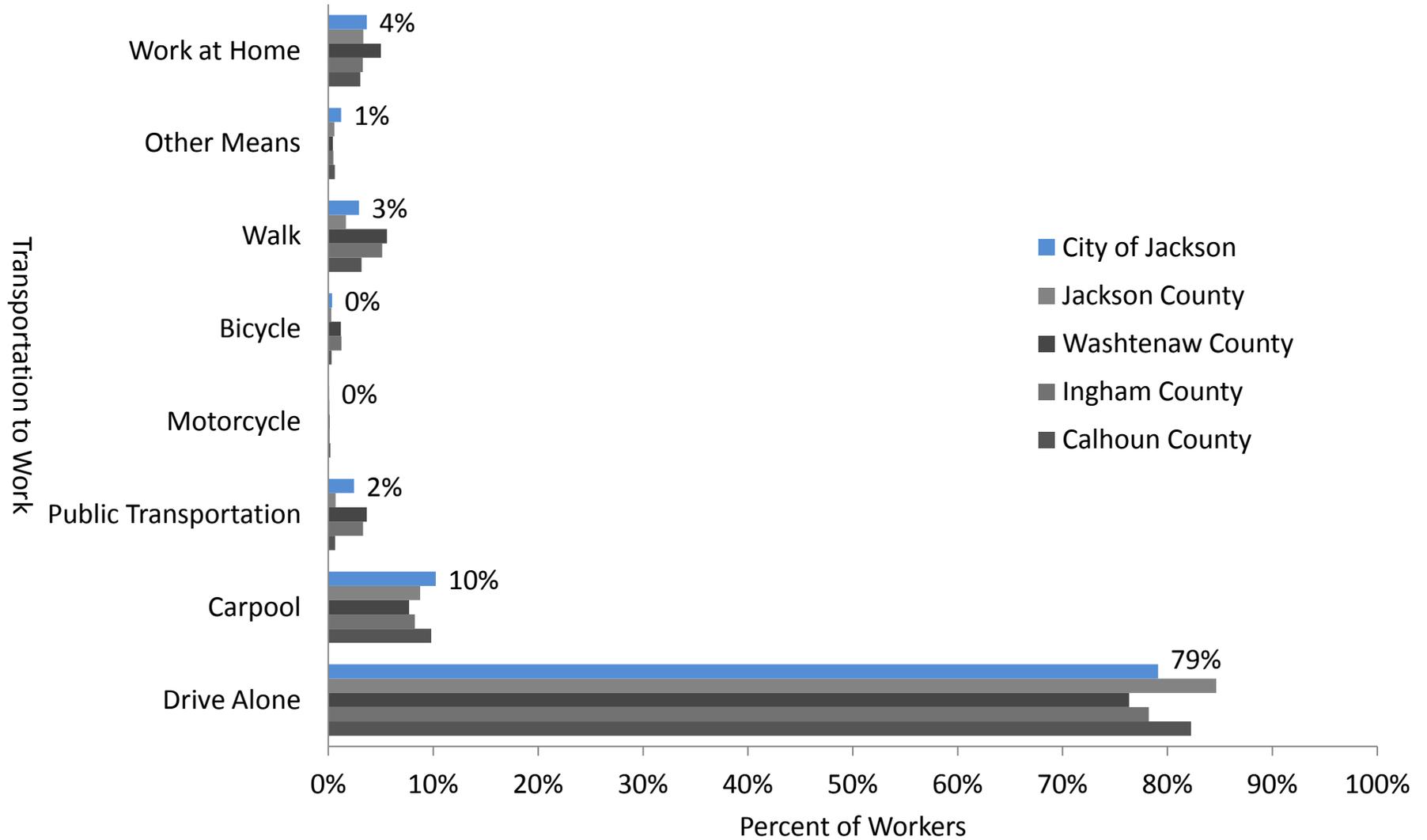
Daily errands do not require a car.



Source: Walk Score; October 2014.

Transportation to Work - 2013
 Draw Area and Jackson County, Michigan

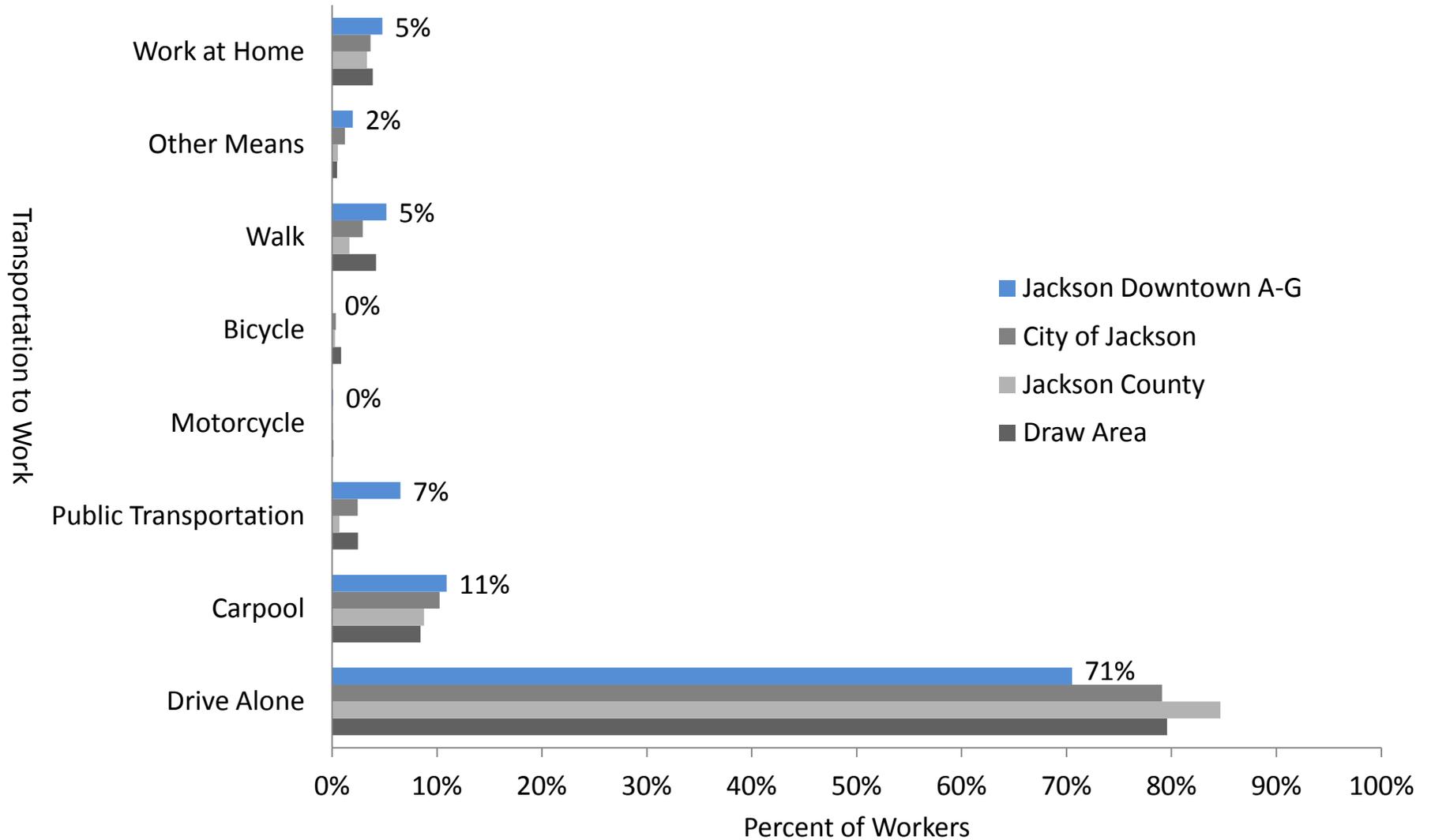
Transit 2.0



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Transportation to Work - 2013
 City of Jackson, Michigan Study Area

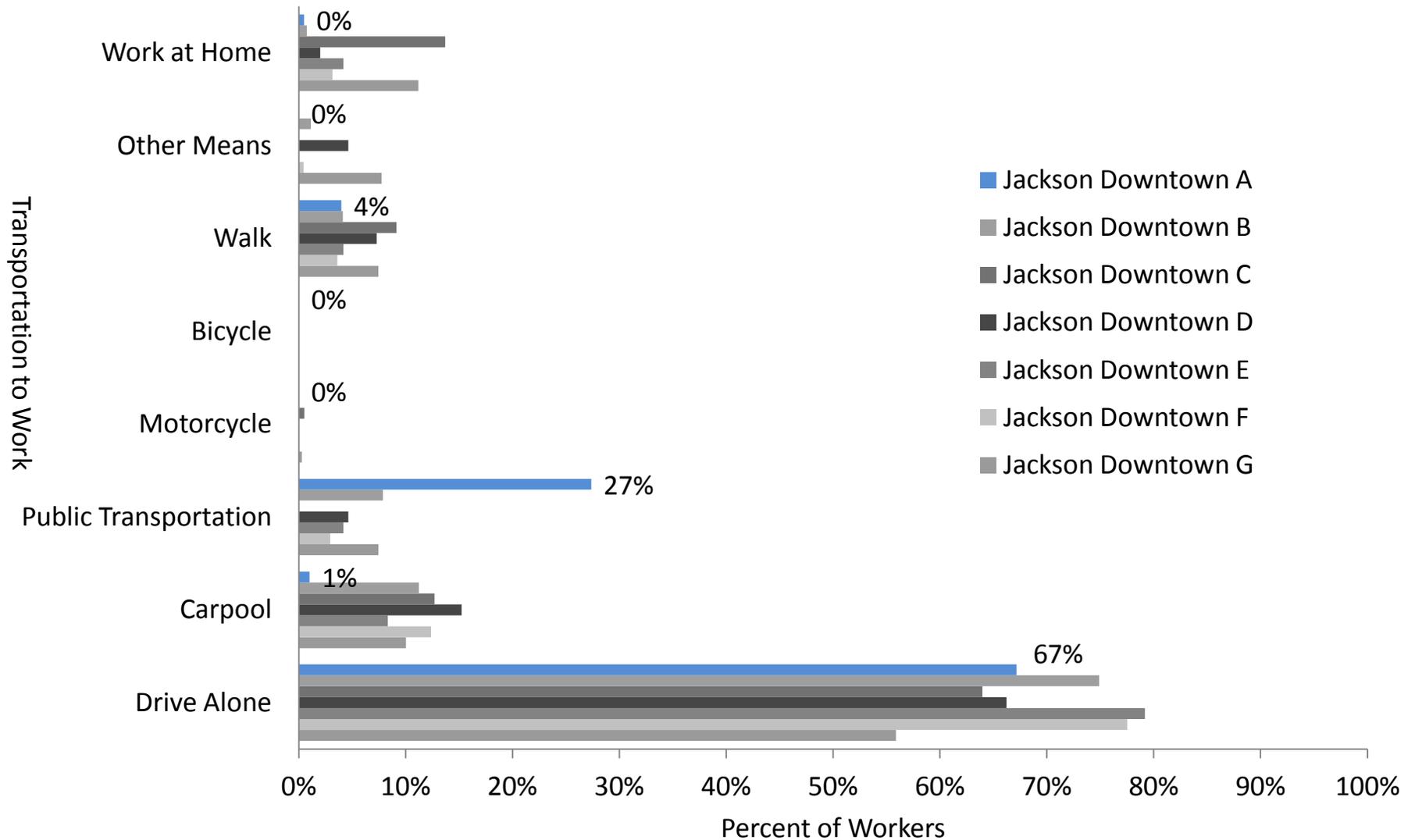
Transit 3.0



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Transportation to Work - 2013 City of Jackson, Michigan Downtown Sectors

Transit 4.0



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