Downtown Redmond Market Analysis

Winter 2015 • Business

Elizabeth Hjelm • Senior Instructor • Lundquist College of Business

UNIVERSITY OF OREGON

SCI
Sustainable Cities Initiative

REDMOND THE HUB 1910 2010

Acknowledgements

This report was made possible with immense support, feedback, and direction from Chuck Arnold, City of Redmond Urban Renewal Project Coordinator. Many thanks also to Ginny McPherson, Assistant Project Program Coordinator, and Heather Richards, Community Development Director, City of Redmond.

About SCI

The Sustainable Cities Initiative (SCI) is a cross-disciplinary organization at the University of Oregon that promotes education, service, public outreach, and research on the design and development of sustainable cities. We are redefining higher education for the public good and catalyzing community change toward sustainability. Our work addresses sustainability at multiple scales and emerges from the conviction that creating the sustainable city cannot happen within any single discipline. SCI is grounded in cross-disciplinary engagement as the key strategy for improving community sustainability. Our work connects student energy, faculty experience, and community needs to produce innovative, tangible solutions for the creation of a sustainable society.

About SCYP

The Sustainable City Year Program (SCYP) is a year-long partnership between SCI and one city in Oregon, in which students and faculty in courses from across the university collaborate with the partner city on sustainability and livability projects. SCYP faculty and students work in collaboration with staff from the partner city through a variety of studio projects and service-learning courses to provide students with real-world projects to investigate. Students bring energy, enthusiasm, and innovative approaches to difficult, persistent problems. SCYP's primary value derives from collaborations resulting in on-the-ground impact and expanded conversations for a community ready to transition to a more sustainable and livable future.

SCI Directors and Staff

Marc Schlossberg, SCI Co-Director, and Associate Professor of Planning, Public Policy, and Management, University of Oregon

Nico Larco, SCI Co-Director, and Associate Professor of Architecture, University of Oregon

Megan Banks, SCYP Program Manager, University of Oregon

About Redmond, Oregon

Redmond, located in Deschutes County on the eastern side of Oregon's Cascade Range, has a population of 27,427 and is one of Oregon's fastest growing cities. The City's administration consists of an elected mayor and city council who appoint a City Manager. A number of Citizen Advisory Groups advise the City Manager, mayor, and city council.

From its inception, Redmond has had its eyes set firmly on the future. Redmond was initially founded in 1905 in anticipation of a canal irrigation project and proposed railway line. Redmond is on the western side of the High Desert Plateau and on the eastern edge of the Cascade mountain range. Redmond lies in the geographic heart of Oregon. Redmond focuses on its natural beauty, reveling in the outdoor recreational opportunities (camping, hiking, skiing) offered by the Cascade mountain range, four seasons climate, and 300+ days of sunshine annually.

Redmond has been focused on innovative, sustainable growth and revitalization while preserving the city's unique history and culture. In 1995, the City of Redmond began to make critical investments in revitalizing its downtown core. The initial phase of renovations strove to balance growth, livability and historic preservation by rerouting Oregon State Highway 97, improving critical infrastructure, and improving the facades of over 100 buildings in the historic center. The City of Redmond has worked with local businesses to revitalize retail, job creation and housing. To facilitate private sector buy-in, Redmond offers innovative incentive programs such as the Façade Rehabilitation and Reimbursement Grant and the "Downtown Jumpstart" loan competition, as well as Design Assistance.

Often referred to as "The Hub" of Central Oregon, Redmond is situated at the crossroads of US Highway 97 and US Highway 126. It is served by the Burlington Northern Sante Fe Railway, Cascades East Transit Regional Public Transportation Service, as well as a state of the art regional airport served by multiple commercial airlines and FedEx and UPS. In addition to its geographic location, Redmond is viewed as central to business growth in the region.
In 2014, Central Oregon Community College opened a 34,300 square foot Technology Education Center to recruit new businesses and expand existing businesses in Central Oregon. Above all, Redmond prides itself on being a family-friendly city which was the motivation for the work presented in this report.

Course Participants

Beth Hjelm, Senior Instructor

Group 1: Retail Cluster
Matt Miller
Kristen Hutchinson
Anna Karvina Pidong
Will Totten
Rebecca Ruddy

Group 2: Food Cluster
Joshua Bryant
Sara Chrisman
Nicholas Deale
Emily Fett
Drexel Grimes

Group 3: Lodging Cluster
Colin Dunn
Omeed Ghaffari
Jack Miller
Jenna Salazar
Kennedy Salveter

Group 4: Citizen Outreach
William Atwood
Ahva Pakzadan
Sarah Wilson
David Creach
Tiffani Carter

Introduction

In winter term 2016, students in the Business Planning and Strategy Projects class (BA 453 Honors) in the Lundquist School of Business at the University of Oregon conducted an analysis of market clusters in downtown Redmond, Oregon.

As part of the Sustainable City Year, the City of Redmond identified the downtown market as an area for further study and analysis. Redmond has devoted significant effort and investment into revitalizing this area and is now focusing its attention on building active clusters of businesses that will draw citizens to it for retail, services, entertainment, and housing.

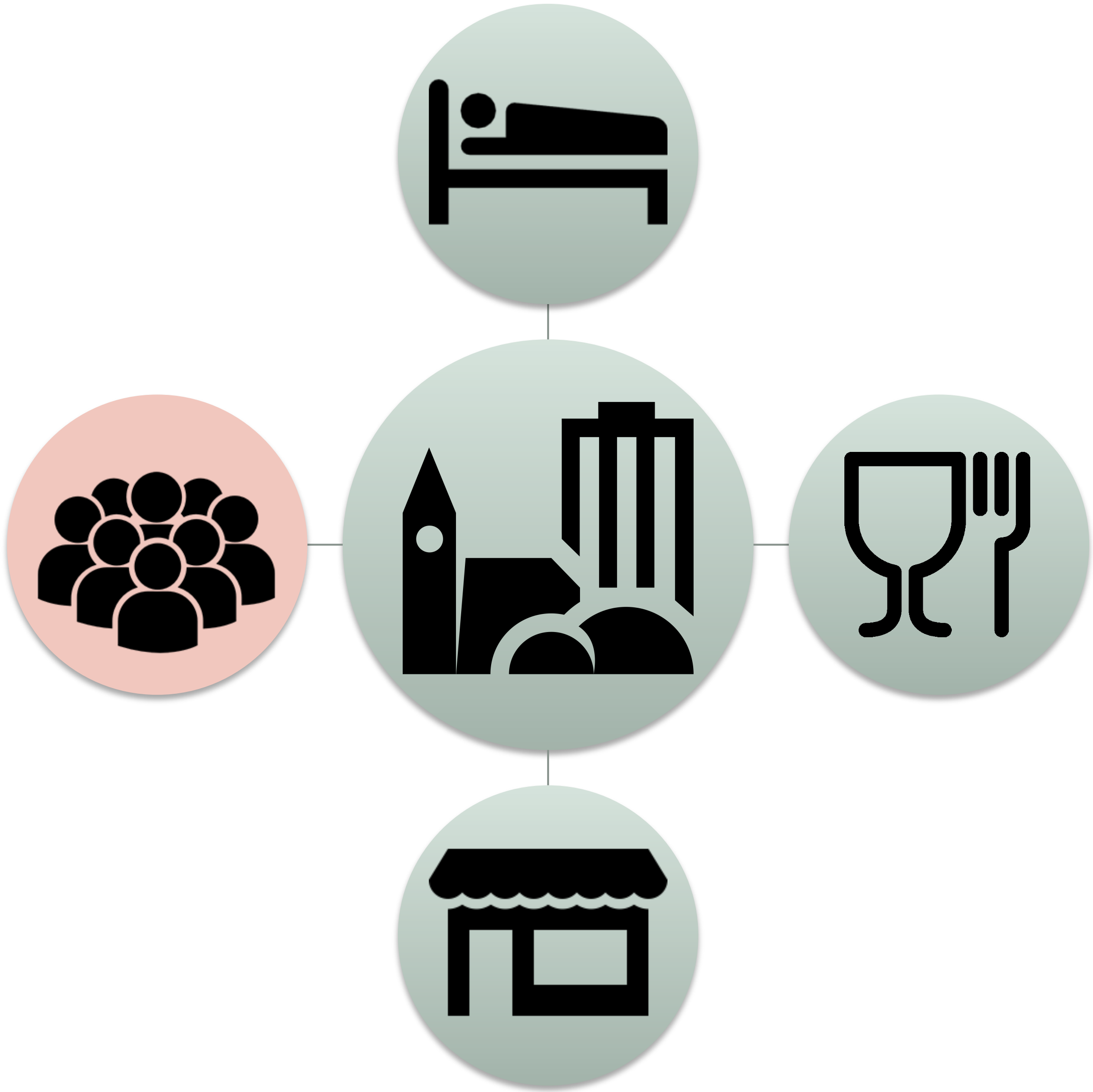
This project updated a study done in 2005 by the city with the latest research on what makes a healthy downtown. With a community-articulated goal to have a vibrant and active downtown, the goal of this project was to identify the most attractive consumer markets or business clusters for downtown Redmond along with a set of recommendations on how businesses can effectively reach these targeted consumers. Gaps and needs that could be filled by future or current businesses were also identified as well as recommendations on how to eliminate barriers to increased commercial activity Downtown. The study was composed of both secondary and primary market research, with primary research including both business owners who are downtown today as well as community leaders and citizens.

Four project teams were assigned to this effort. One team worked on citizen/consumer outreach through a survey and intercepts. The other three teams worked on examining the specific needs and issues for targeted business clusters already identified by Redmond as having the highest potential attractiveness for the area: Retail, food, and lodging.

Overview of Downtown Clusters

Citizen Outreach

- Created, distributed, and analyzed a survey regarding the perception of downtown
- Identified five distinct profiles that represented the overall Redmond population and their judgments of downtown.



Downtown Revitalization Clusters

Citizen Outreach

March 2016

William Atwood, Ahva Pakzadan, Sarah Wilson, David Creach, and Tiffani Carter

Project Objectives

Help city council members understand citizen views

Determine consumer shopping habits

Find ways to bring more people downtown

Redmond City Council has a goal for the city

City Council has three focuses for downtown

Local Businesses

Family-Friendly Environment

Community Events

City Council want to attract and support local businesses

Redmond is a family-oriented community and downtown should reflect that

Events bring residents together for a common purpose

Research to aid the development of the survey

Downtown Kings Mountain Business District Consumer Survey

Downtown Westfield Consumer Survey

The creation and distribution of the survey

City of Redmond, Oregon
February 1 ·

SURVEY - What Do You Think About Downtown Redmond?

As part of the Sustainable City effort with the University of Oregon, we are conducting a quick survey to learn your opinions on the current state of the Downtown Redmond area.

Six questions relating to your Downtown Redmond shopping, dining, cultural, transportation and recreational experiences. Help us improve Downtown Redmond for future generations. Take the survey today!...
See More

Downtown Redmond survey divided into four parts

1. Current Shopping, Events, and Downtown Redmond Visits.
2. Travel and Parking in Downtown Redmond.
3. Responses to various statements about Downtown Redmond's mix of businesses, future needs, aesthetics, safety, layout, and convenience.
4. Priorities for Downtown Redmond.

Using intercept survey to understand the citizens

Five profiles were created to categorize Redmond citizens

1.Film Foodie Frank

2. Nutrition Nourishment Nancy

3. Family Fun Frannie

4. Outdoor Obsessed Oscar

5. Anti-Antique Annie

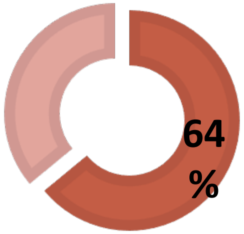
Over-Arching Trends

Issue	Want	Indifferent	Do Not Want
Restaurant Options	88%	12%	-
High-end Retail	53%	32%	15%
Housing Options	50%	29%	21%
Bars & Pubs	44%	17%	38%
Personal Services	38%	44%	18%
Discount Retail	36%	18%	47%
Office Space	24%	52%	24%
Professional Services	21%	47%	32%
Big Box Stores	9%	15%	74%

Listening to Music

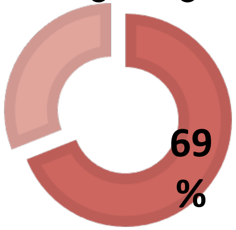
Being outdoors

Married

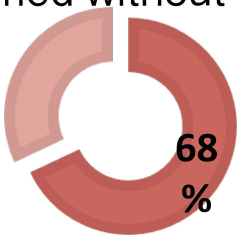


Film Foodie Frank is young, married, and spends his extra income downtown

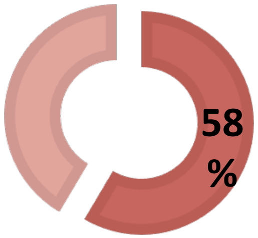
Average Age: 25-44



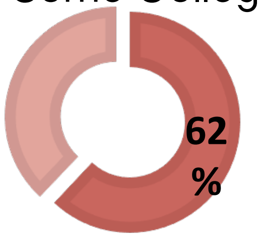
Married without Children



Spend $50-$200 Monthly



Some College



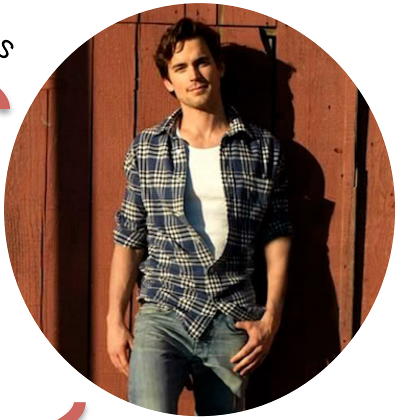
Film Foodie Frank likes to see movies, eat out, and go camping

Love seeing the new movies

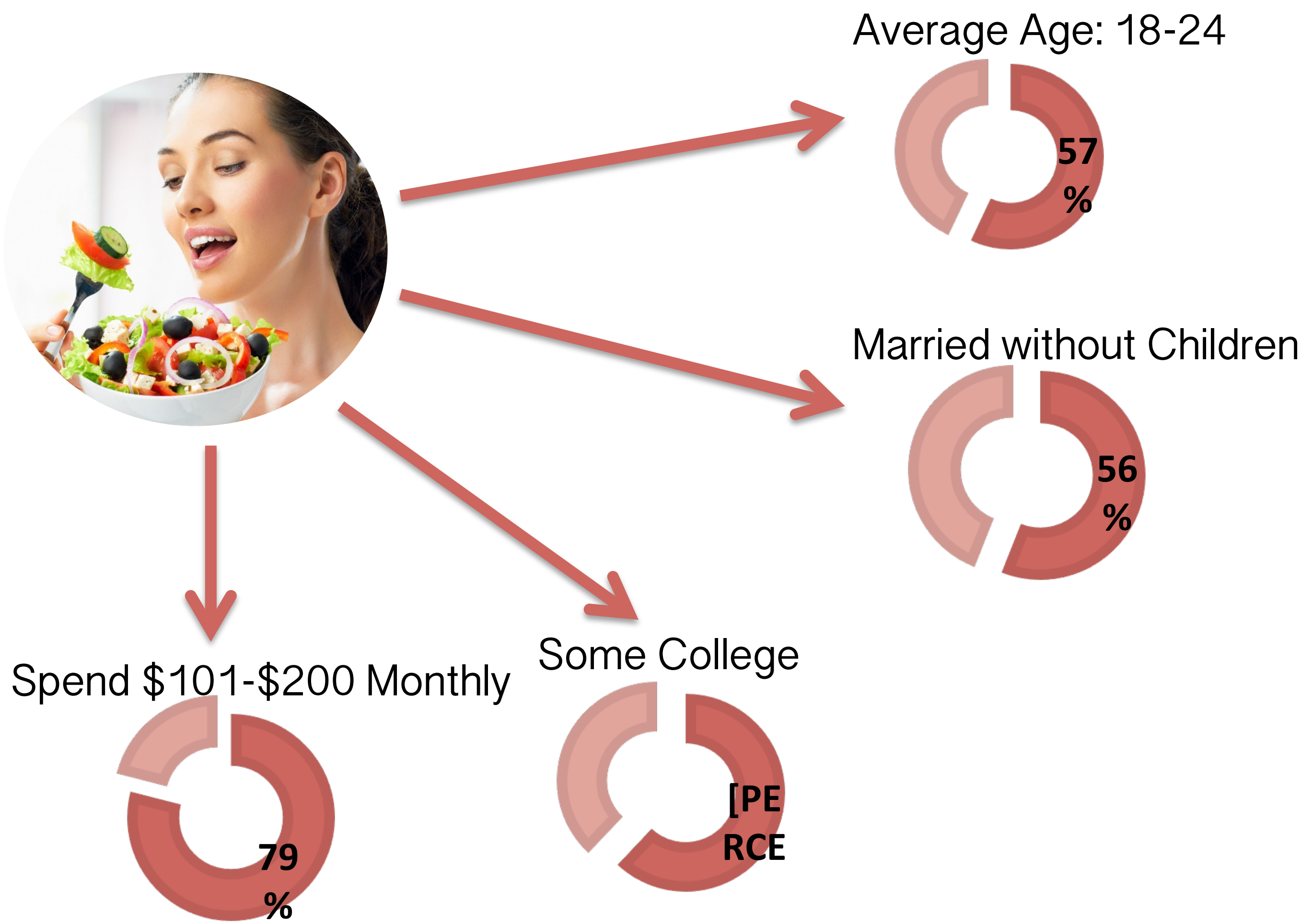
Food brings me downtown

I may sing in the car

My favorite vacation spot



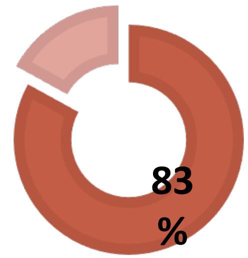
Nutrition Nourishment Nancy has no children and higher downtown spending



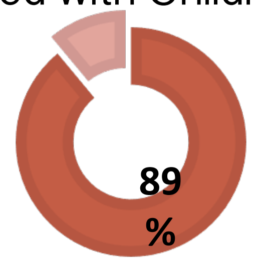
Nutrition Nourishment Nancy is active, but also enjoys a nice, gourmet meal

Family Fun Frannie is older, has children, and does not spend as much downtown

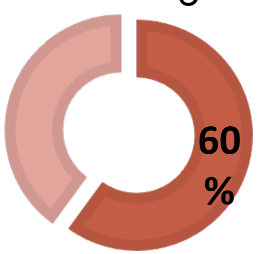
Average Age: 25-54



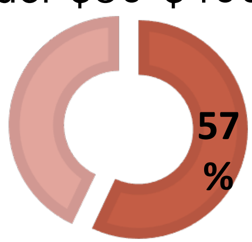
Married with Children



Associates Degree or Higher



Spend Under $50-$100 Monthly



Family Fun Frannie enjoys family, being outdoors, and getting her hands dirty

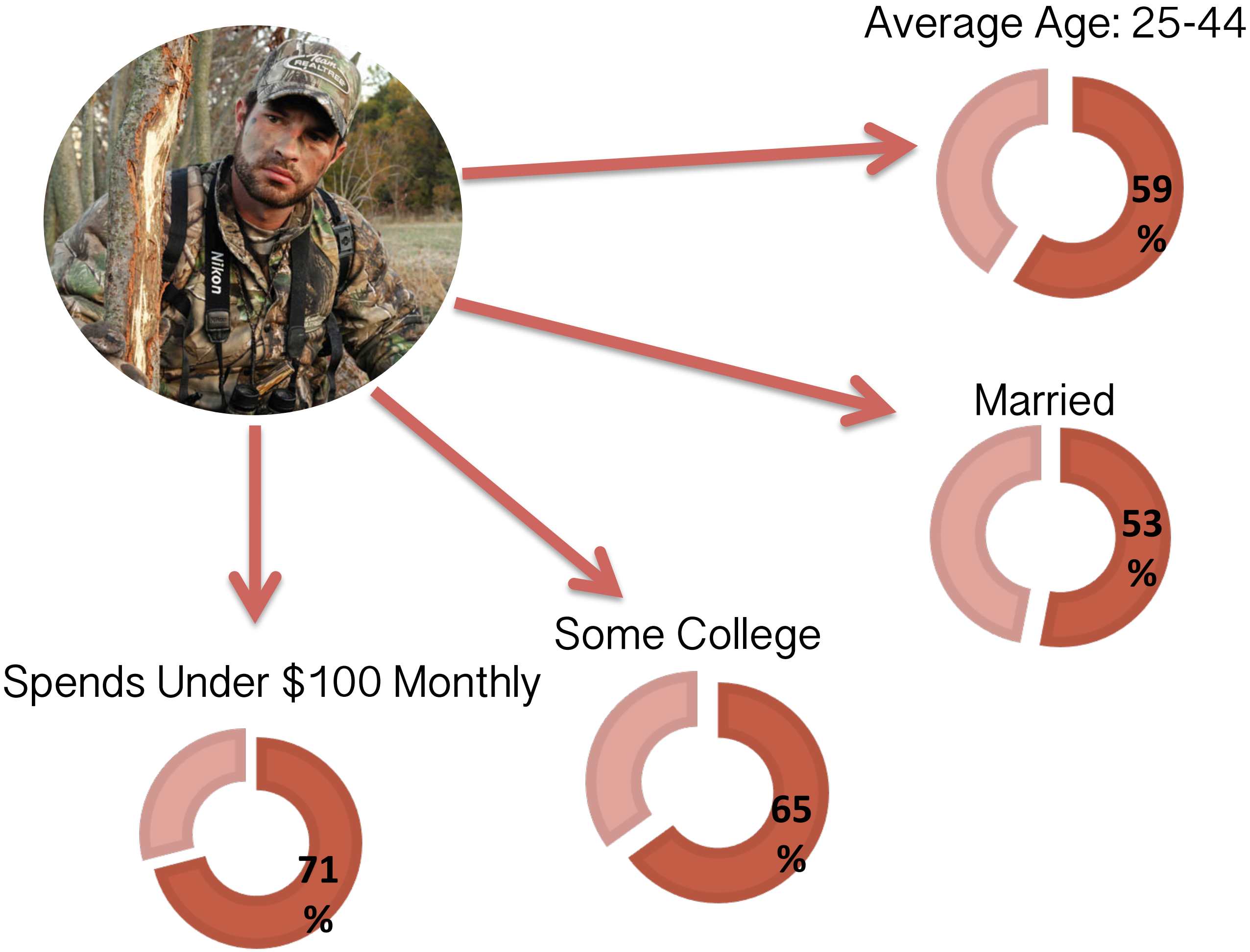
I love music

I prefer to cook/bake

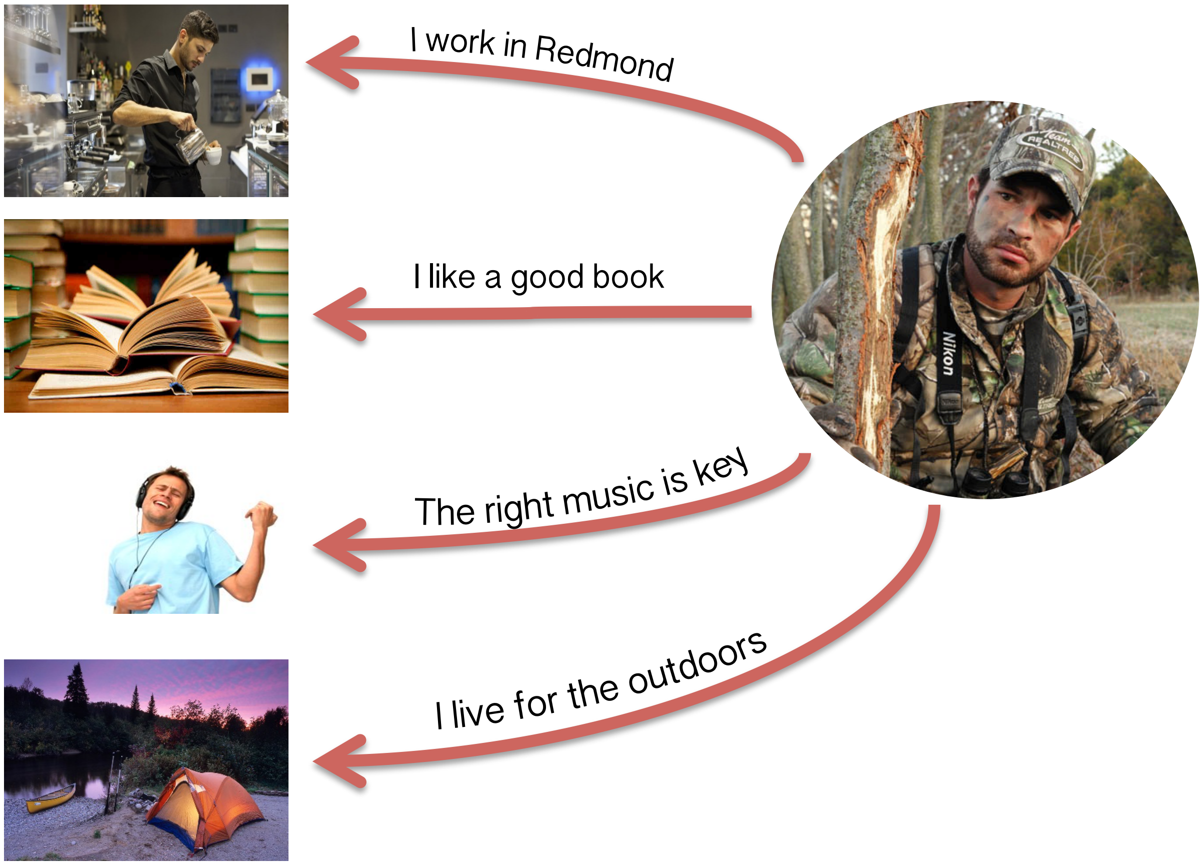
I can create beauty

I share my passion with my kids

Outdoor Obsessed Oscar is married and does not spend much downtown

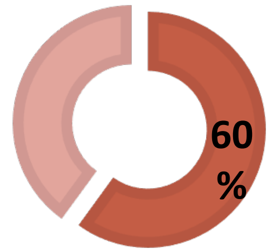


Outdoor Obsessed Oscar works downtown, likes reading and the outdoors

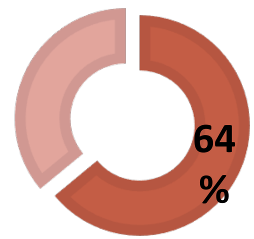


Anti-Antique Annie is of all ages, does not spend much, and is married

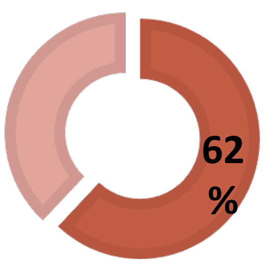
Average Age: 25-54



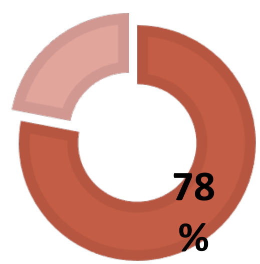
Married



Spends Under $50-$100 Monthly



At Least Some College



Anti-Antique Annie likes friends, movies, and good food, but not antique stores

Anti-Antique Annie wants less antique shops, more nightlife, and live music

Satisfaction with Downtown

68% Less than Satisfied

Would go downtown more if…

- Less antique stores!
- Modern dining options
- Attractive bars, lounges and pubs (nightlife)
- Live music venues
- Movie theater
- Wants businesses to attract the younger generation

Recommendation #1: Community Events

74% of respondents stated that they would support or be interested in more downtown community events

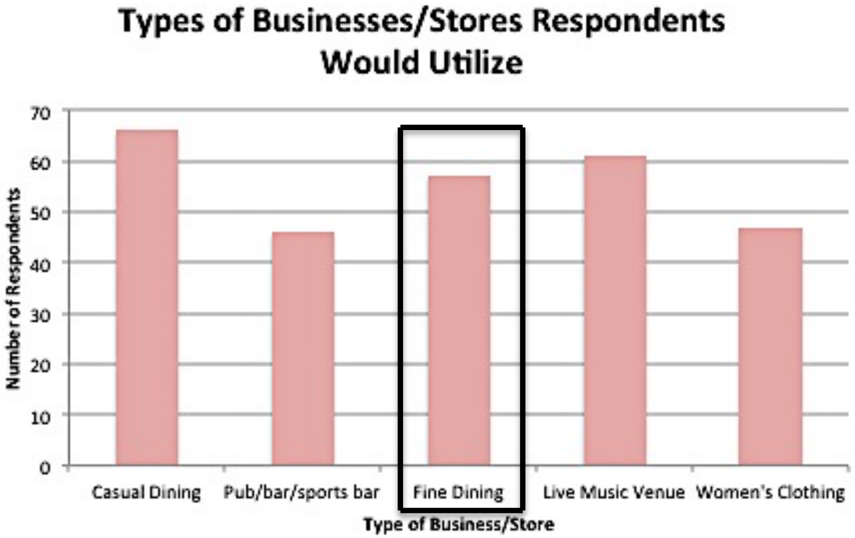
When given a list of activities, 58% of survey participants said dining was the best thing about Downtown Redmond

Healthy Dining

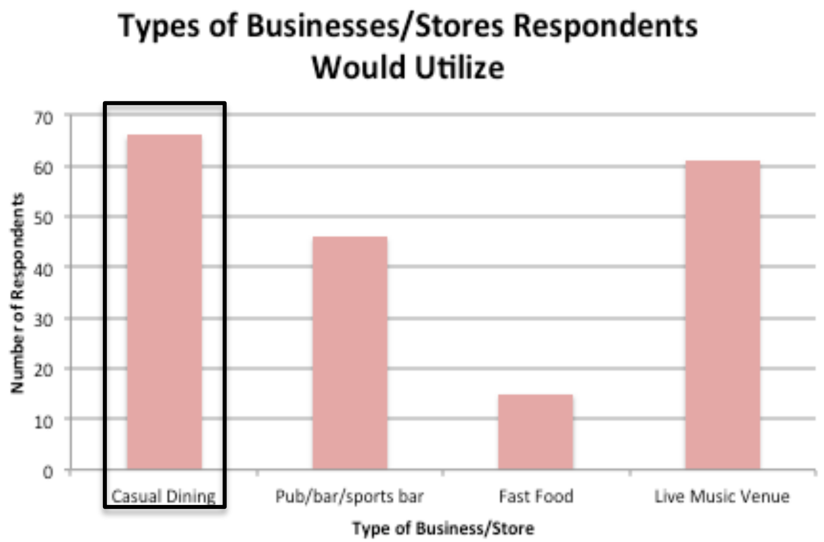
- Health trends are increasing CDC standards, particularly in Oregon
- Healthier citizens leads to a more productive community
- Current lack of healthy options in downtown

Gourmet/Fine Dining

"There is no where to go downtown for food. If my husband and I want upscale dining, we have to leave town"



Casual Dining



75% of respondents said that they would utilize more casual dining options if available in Downtown Redmond

52% of respondents said that they would go to a pub-style restaurant if there was one in downtown

Recommendation #3: Sporting goods/outdoor activity store

54% stated that they enjoy bicycling

27% stated that they enjoy running

73% stated that they enjoy camping/being outdoors

38% stated that they enjoy swimming

67% stated that they enjoy physical activity.

Questions?

Downtown Revitalization Clusters

Food Cluster

March 2016

Joshua Bryant, Sara Chrisman, Nicholas Deale, Emily Fett, Drexel Grimes

How Can the City Assist the Food Cluster to Create a Thriving Downtown?

Overall Goal: Identify how City can promote growth in downtown food cluster

Approach
- Interviews
- Focus group
- Secondary research

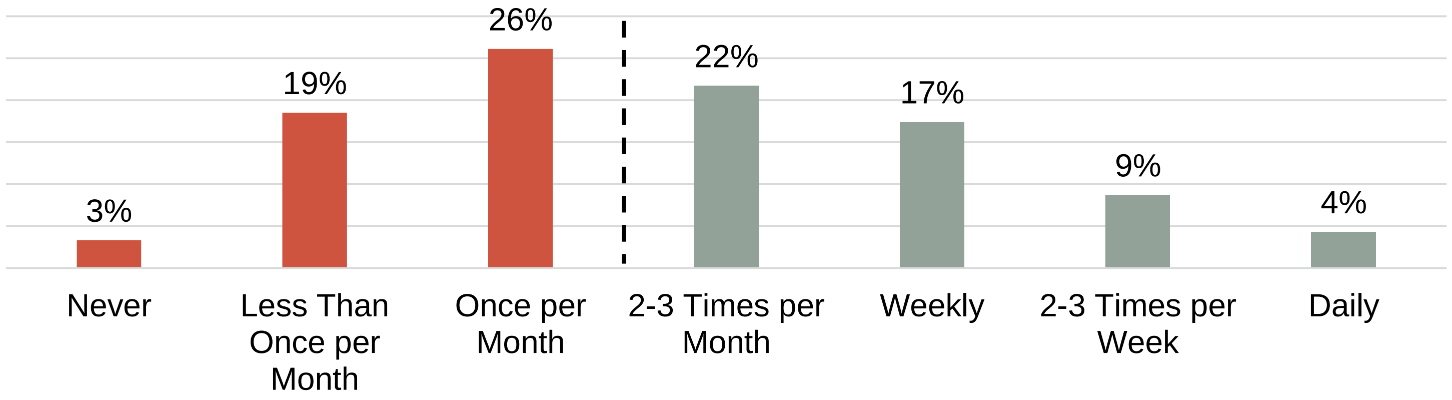
Analysis
- Competitive drivers
- Comparable cities
- Prior 2006 study
- Online presence

Key Areas for Improvement
- Support organizations
- Event planning
- Promotional plan

Bend and Eating at Home Serve as Threats to the Food Cluster

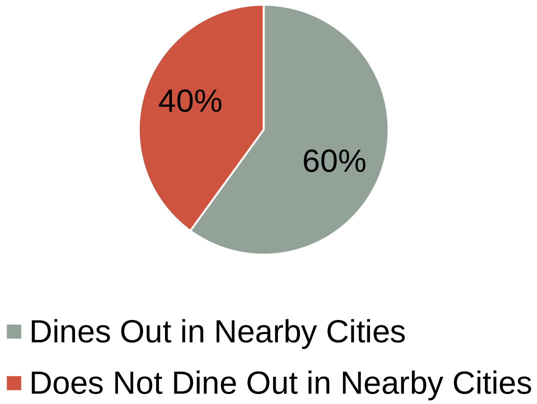
Threat of Substitutes → High → Growing

Frequency of Eating Downtown



Survey Findings

- **50%** eat downtown no more than once per month
- **60%** travel to nearby cities to dine



Strong Foundation is Challenged by Inefficiencies

Internal Factors

Strengths

- Established group of successful restaurants already in place
- Variety of choices keeping up with modern trends
- Clear commitment to holding events
- Easy to do business startup assistance in city

Weaknesses

- Unclear value proposition for support organizations
- Strained relationship between business owners, Chamber, and Downtown Redmond Association
- Lack of organization and business involvement in planning of events
- General lack of awareness what downtown holds

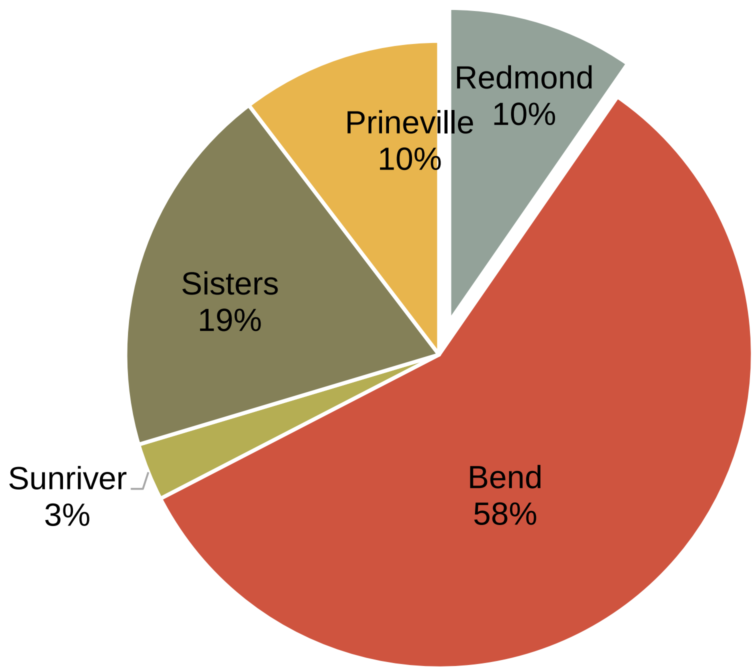
Strengths and Weaknesses

Travel Oregon Shows That Bend Dominates the Region

Central Oregon

BEND • SUNRIVER • REDMOND • SISTERS • LA PINE

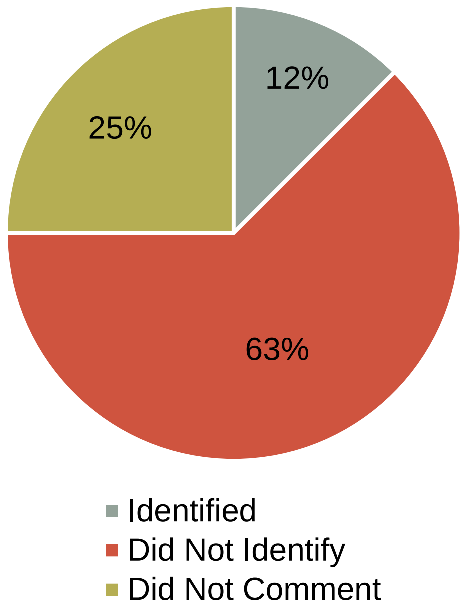
"Eat and Drink" in Central Oregon



External Analysis

Support After Opening is Lacking, and Value Proposition Unclear

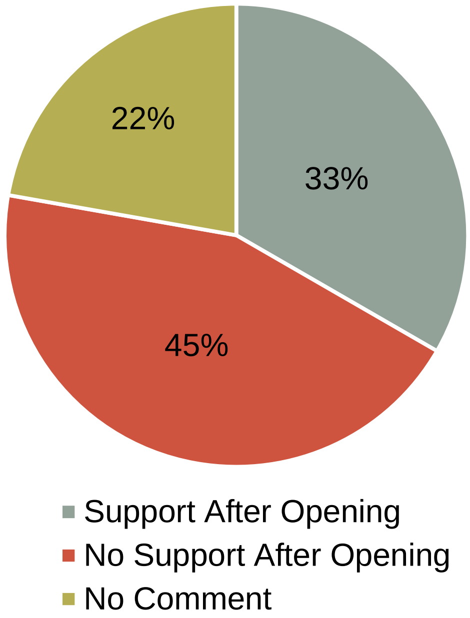
Recognizing Value for Chamber and Association



"The Chamber is ineffective for small businesses but probably better for larger businesses. We have been here four years and have only had the Chamber come support our business a handful of times."

Support After Opening is Lacking, and Value Proposition Unclear

Perception of Support After Opening



"The city wants to make it family-friendly downtown but then they allow tattoo parlors and bars to open. It doesn't make sense to me. I want to support these business' owners but it isn't something I really partake in."

Food Cluster and Events Bring People Downtown, Despite Pitfalls

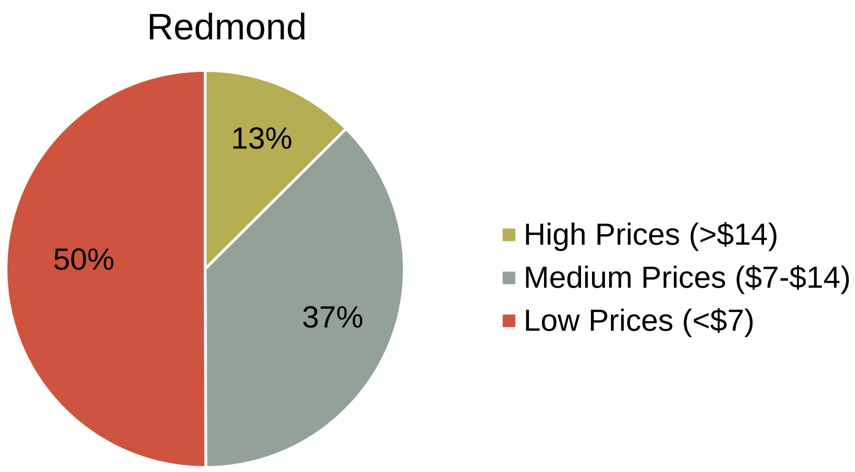
Citizen's Opinions

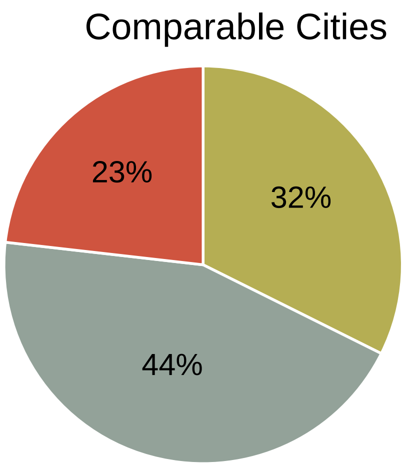
- **75%** said that they enjoy going downtown for events
- **58%** said that dining was the number one reason to go downtown
- **Popular Events**: Children's Art Walk, Halloween Downtown Event, The Giving Tree

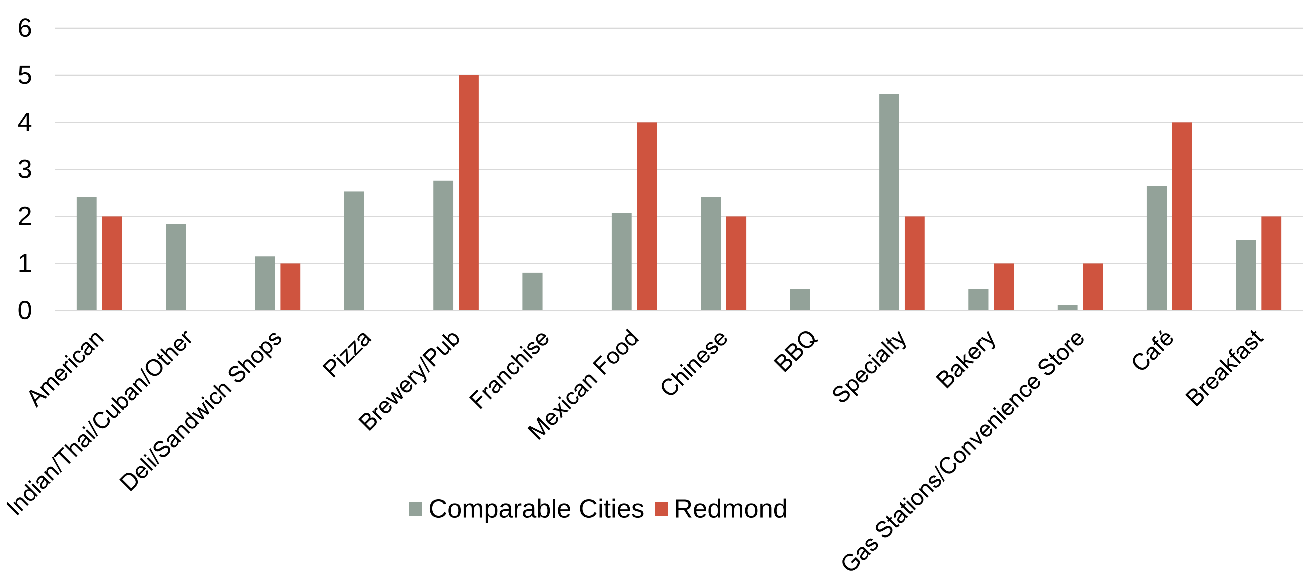
Business Owner's Opinions

- Overall enjoy events
- Frustrated by lack of communication and vision
- Frustrated that it is only time that supporting organizations visit certain businesses

Pricing Difference Between Redmond and Comparable Cities

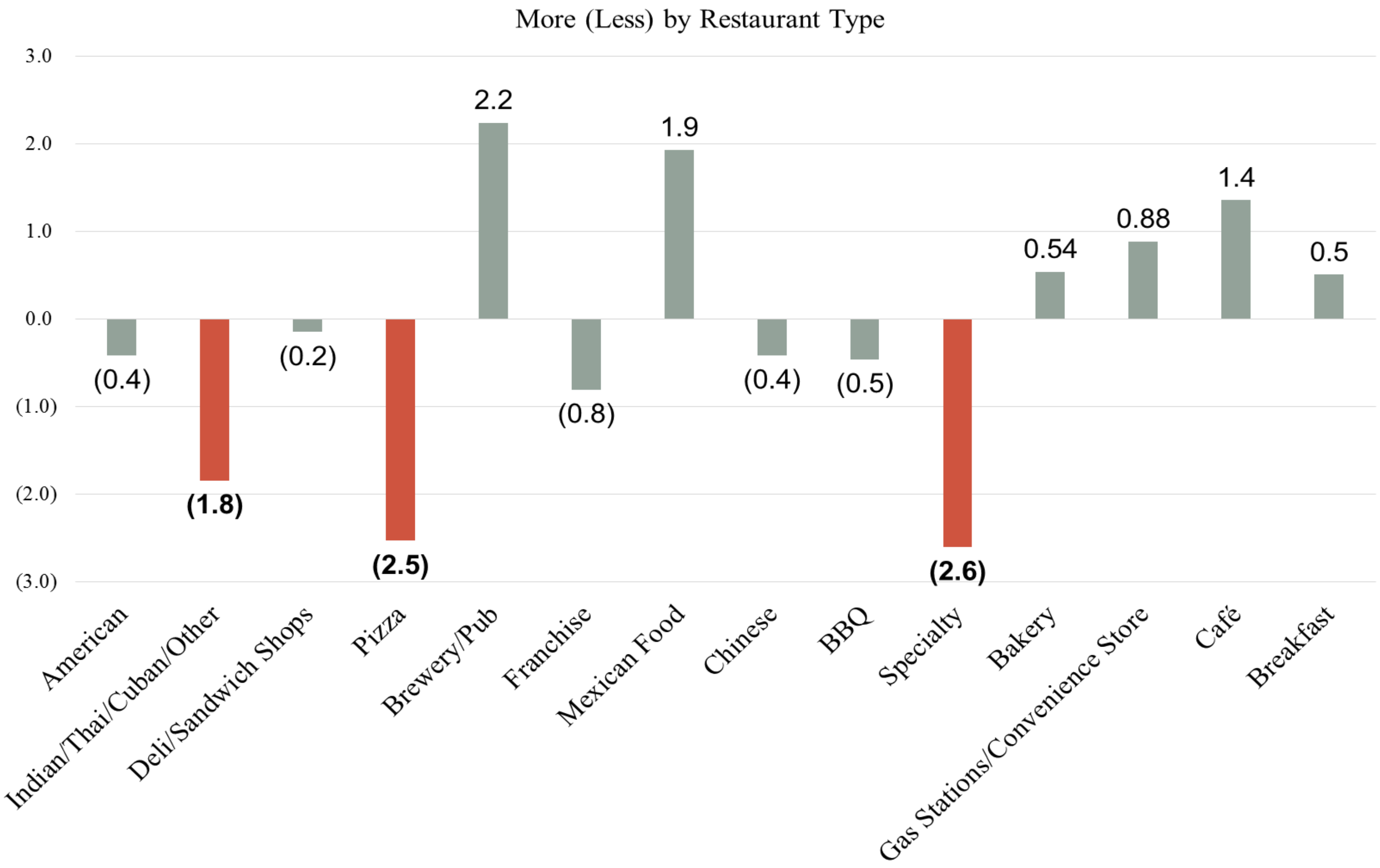






Comparable Cities

Restaurant Mix In Downtown Redmond Lacks In Certain Food Categories



Strong restaurant mix but lacking in 3 major categories

- Pizza
- Indian/Thai/Cuban/Other
- Specialty

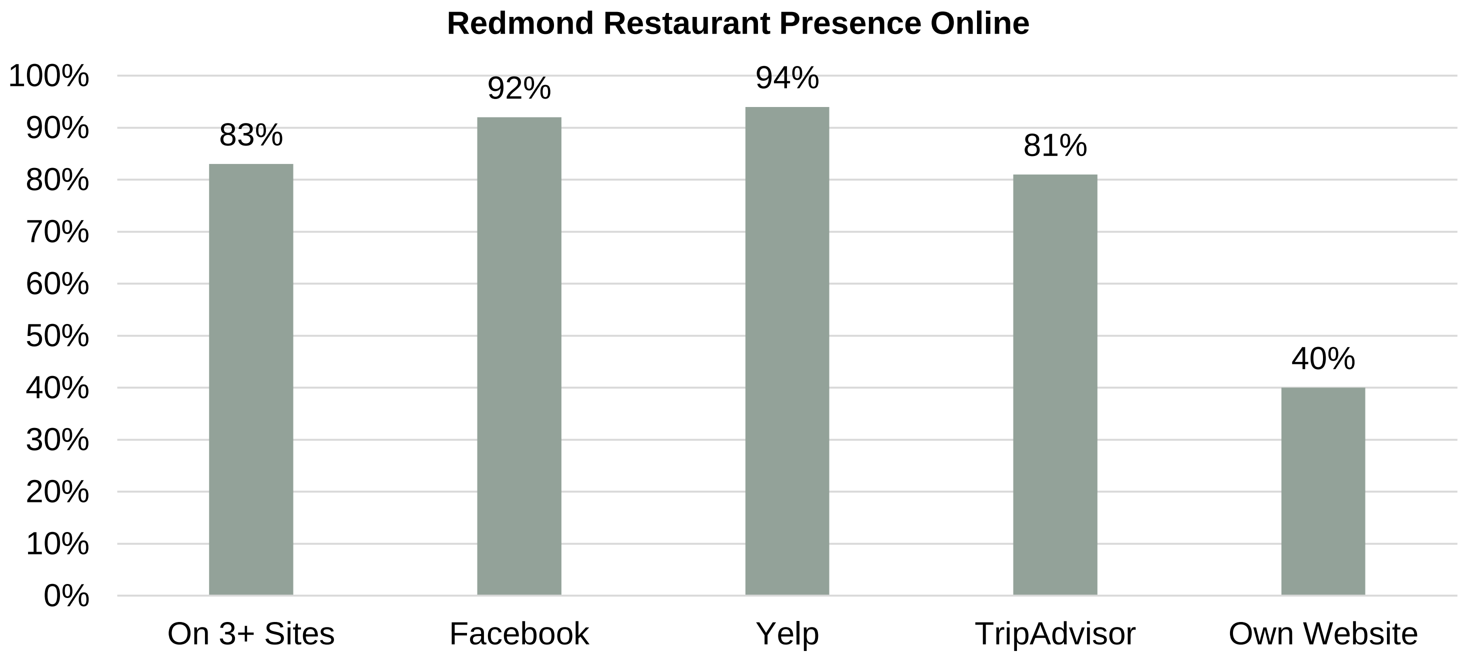
Comparable Cities

Recommendation/Opportunity	Progress Assessment
Breakfast/Lunch	✓
Deli/Yogurt/Ice Cream	✓
Steakhouse/Seafood	✓
Olive Garden-like	✗
Bakery/Chocolate Shop	✗
Ethnic	✓
Fine Dining	✗
Other Family Dining	

Need:

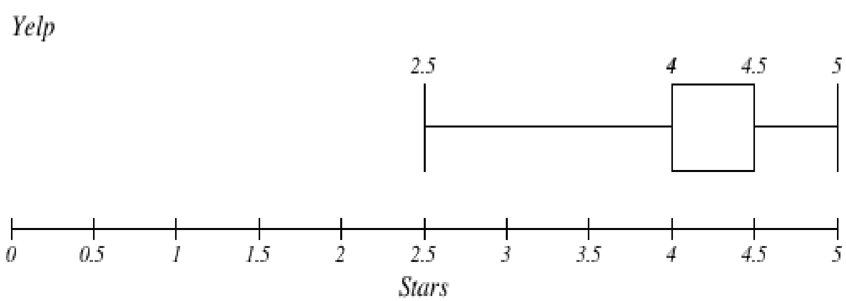
Bottom Line: Need for increased exposure to existing offerings.

Restaurants Downtown Have Established Presence in Marketing Online



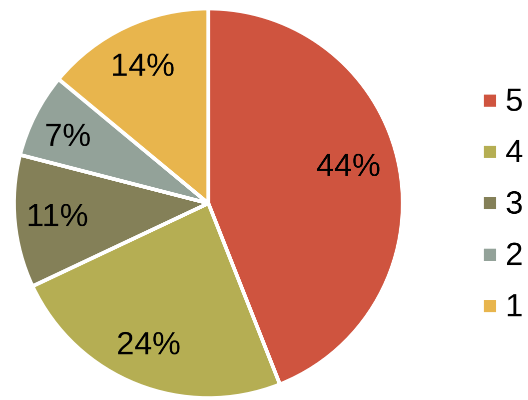
78% of Consumers Use Review Sites to Find Local Businesses

Redmond Restaurant Exposure on Yelp



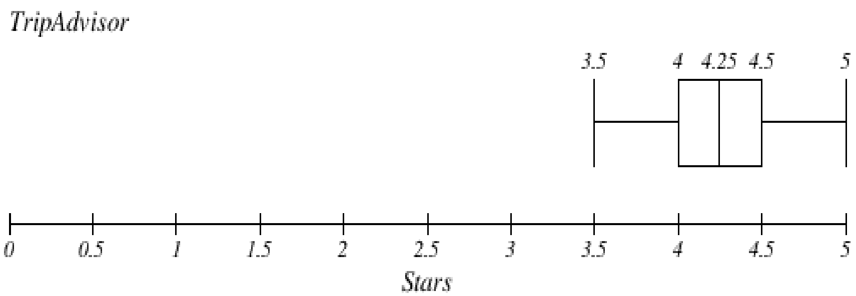
Average Stars: 4

Average Stars for Business on Yelp



78% of Consumers Use Review Sites to Find Local Businesses

Redmond Restaurant Exposure on TripAdvisor



Average Stars: 4.25

TripAdvisor Statistics	
Average TripAdvisor Review Rating	4.12 stars
Increase in average stars with 101+ reviews	3.5 to 3.9
Percent of people who read reviews to find better restaurants	64%

Action Steps For Success

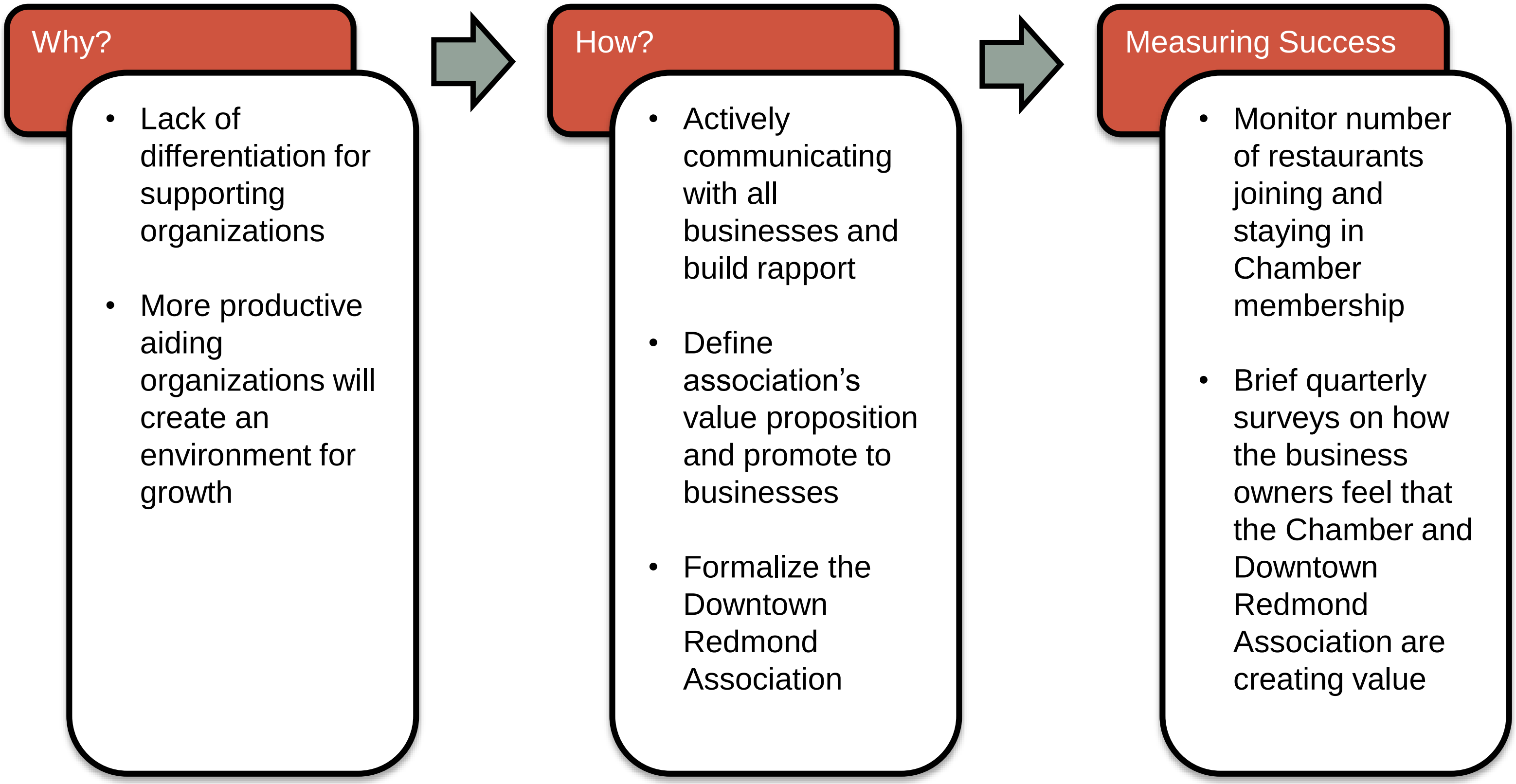
REDMOND
CHAMBER OF COMMERCE & CVB

Action Steps to Increase Downtown Restaurant Support

Action Steps to Capitalize on the Use of Events

Action Steps to Create Awareness for the Food Cluster and the Downtown Area

Action Steps to Increase Downtown Restaurant Support



Action Steps to Capitalize on the Use of Events

Why?

- Events are a huge driver of downtown foot traffic and reinforce community values
- Organized and well planned events will give leverage for involvement in future events

How?

- Align strategic initiatives for events already in place
- Market events with a clear distinction between family-friendly and adult events
- Heavy promotion
- More events with live music

Measuring Success

- Track attendance with wristbands
- Increase attendance by 20% and increase foot traffic by 10% in following weeks
- Increase number of restaurants involved in events

Action Steps to Create Awareness for the Food Cluster and the Downtown Area

Why?

- Current strategy is mostly word-of-mouth
- A wider reach in Redmond and surrounding communities

How?

- A webpage for downtown with up to date business information
- Social Media #RedmondOregon
- Market information about parking online

Measuring Success

- Evaluate if the marketing causes an increase in downtown foot traffic or online traffic
- Track click-through-rate and most visited links on webpages

Long Term Recommendations

Two Way Street

Parking Garage

Increasing Walkability

Adding Restaurant Variety

Thank You on Behalf of all Downtown Revitalization Clusters


REDMOND
EST 1910
HOTEL


REDMOND
EST 1910
NEW HOTEL
EVERGREEN AVE

Overview of Downtown Clusters

Downtown Revitalization Clusters

Lodging Cluster

March 2016

Colin Dunn, Omeed Ghaffari, Jack Miller, Jenna Salazar, Kennedy Salveter

Overview of Presentation

Objective

No Unmet Demand Today

A New Niche Direction

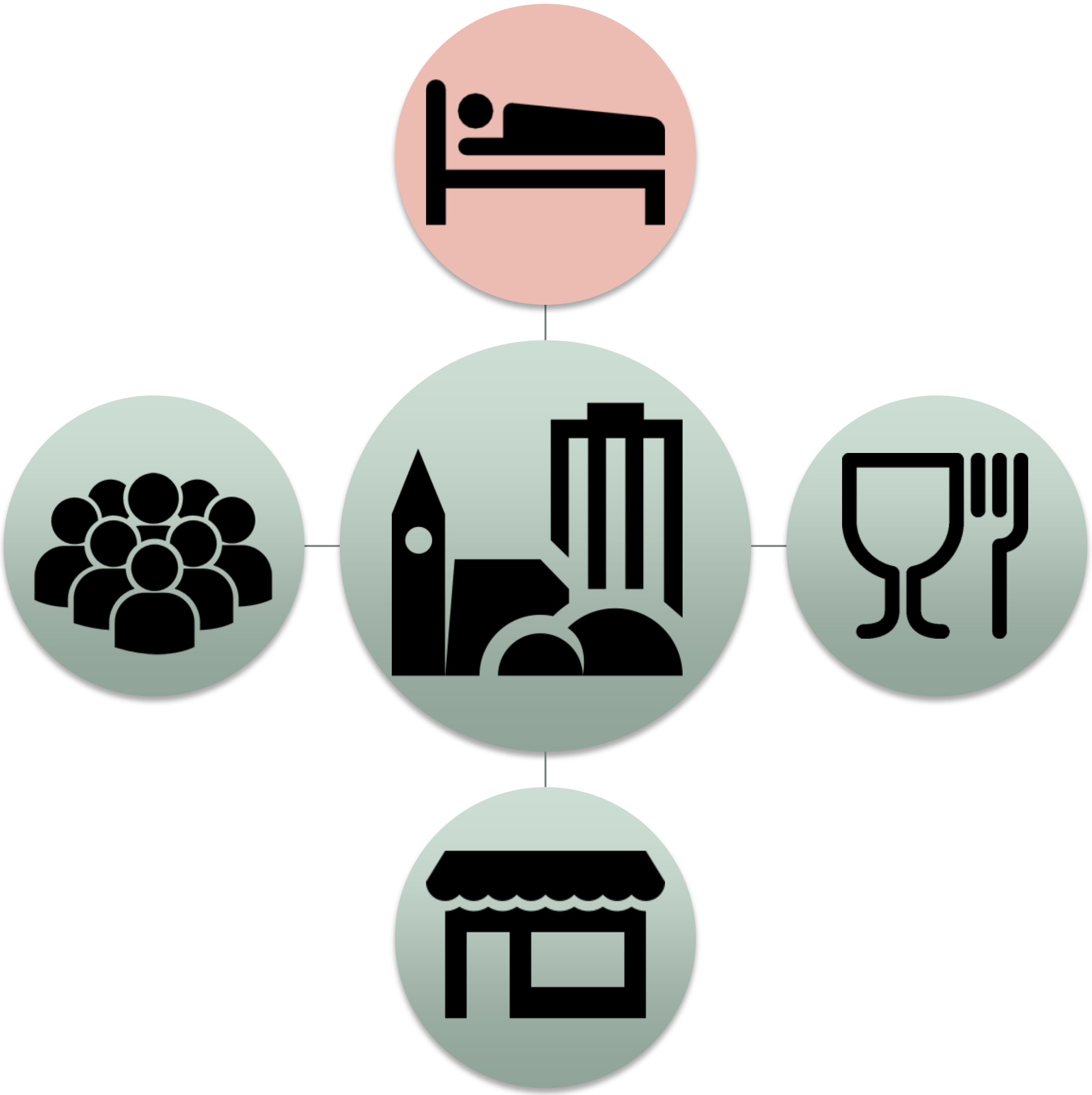
Financial Projections

Recommendation

Overview of Downtown Clusters

Lodging

- Assessed the state of Redmond's current lodging market
- Determined unmet demand for different hotel offerings
- Included exploring the feasibility of renovating the downtown New Redmond Hotel



Action Plan: Determine if Additional Lodging Benefits Downtown

"A robust city center is essential for economic development and attracting businesses, for long-term community health and sustainability"

– Redmond Urban Renewal Agency

Action Plan

Research secondary sources for quantitative data on occupancy rates and revenue per room.

Gather primary data from hotel operators and developers on Redmond and its hotel needs.

Propose further investment in additional hotels in the area, specifically what type of market segments are most attractive if feasibility exists.

Segments Include Luxury, Superior, Standard, and Economy

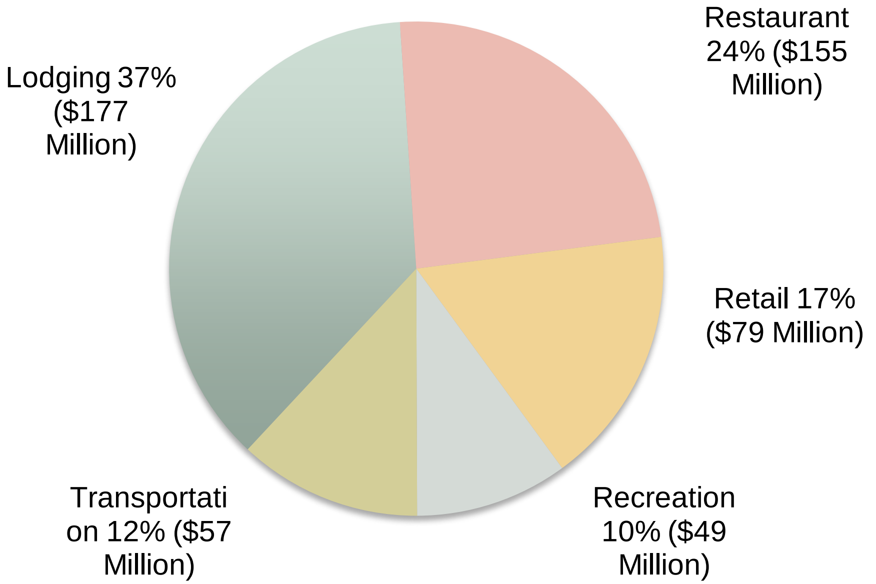
Most standard and economy hotels operate as part of a chain, with luxury and superior hotels split between high-end chains and boutique hotels

Luxury	Superior
• 24 hour staff, doorman and concierge	• 18 hour reception staff
• Minibar and room service	• Breakfast buffet
• Internet, safe, and laundry service	• Internet access and terminal
• High quality bedding and furniture	• Furniture with chair and couch
• Personal care products available	• Cosmetic products available
Standard	**Economy**
• 14 hour reception service	• Minimal reception service
• Hair dryer and bath essentials	• Soap and body wash in bathroom
• Extra pillow and bedding	• Daily room cleaning
• Telephone and internet access	• Available telephone for public
• Beverages in hotel lobby	• Beverages in hotel lobby

Consumer Interests and Spending

Lodging is a Large Share of Central Oregon Consumer Expenditures

Central Region Spending = $477 Million

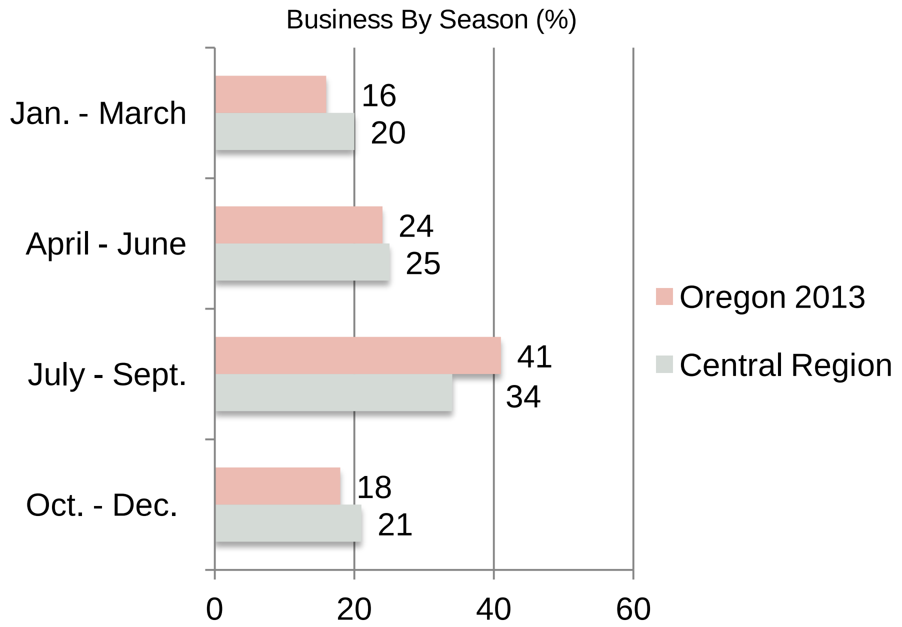


Source: Industry Travel Oregon

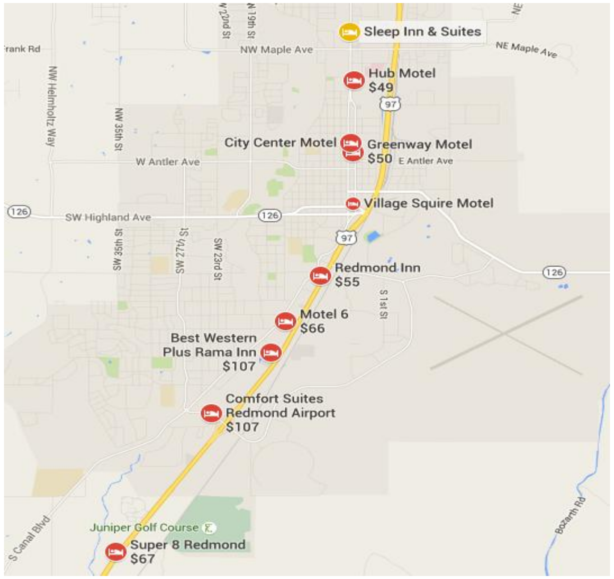
Excess Room Supply and Seasonal Demand

Current Redmond Hotels:

- 11 hotels and 650 beds
- High occupancy rates during the 4 months of summer
- Average occupancy rate is 62%



Source: Industry Travel Oregon



Source: Google Maps

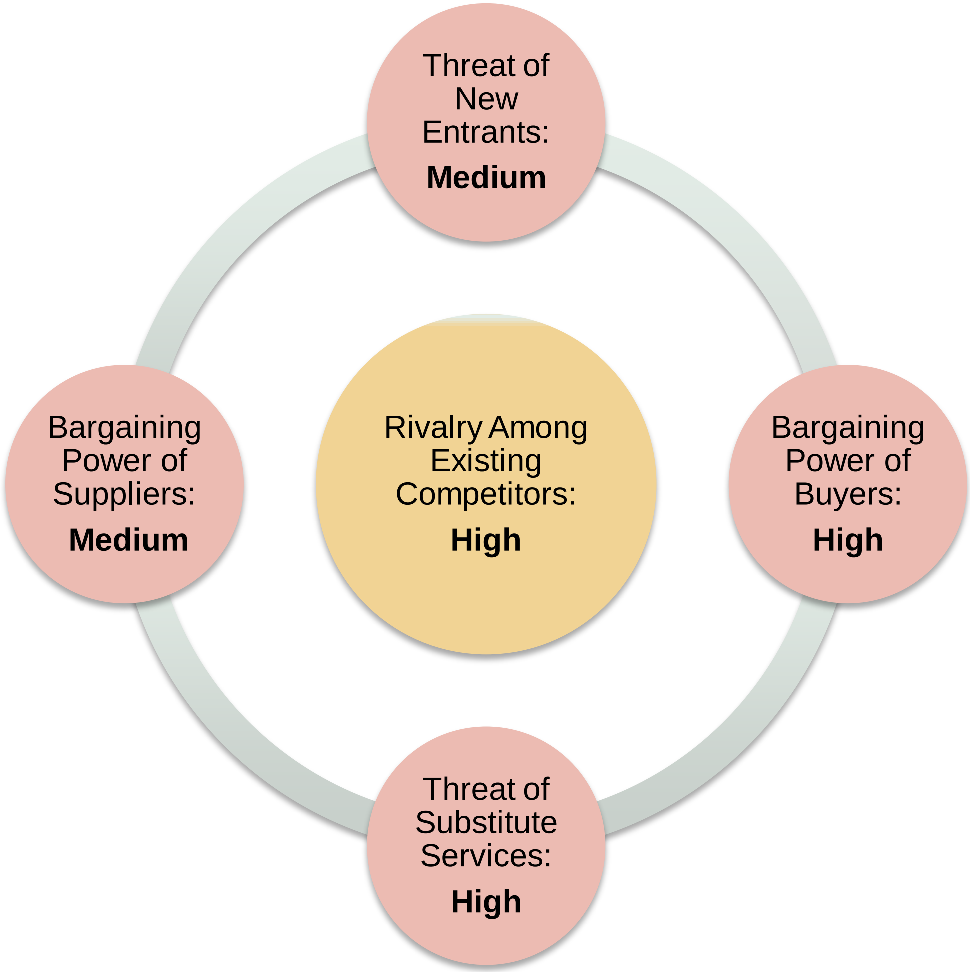
Hotel Owners’ Raised Common Key Issues

Key Findings:

- Redmond needs to be a destination to drive more customers downtown
- Difficult to properly market to specific segments
- Profitability depends on occupancy rates, room prices, and revenue per room
- Hotel Operators View AirBnB as Significant Threat
- Many of these factors are uncertain / unfavorable to date.

Name	Title	Company
Richard Boyles	Owner	Sycan Development
Chris Otto	Development Team	University of Oregon, former lodging manager
Jim Pliska	Owner	Comfort Inn, Eugene
Paul Haggerty	General Manager	Comfort Inn, Redmond
5 Other	General Managers	Hotels in Redmond

A Focus on Redmond



- Intense Rivalry Dampens Profitability of Existing Redmond Hotels
- Bargaining Power of Customers Also Contributes to Lower Profits
- Substitute Services are the Biggest Threat to Hotels in Redmond

Similar Downtowns Differentiated Through Special Events

Creswell, Oregon

Source: Oregon Live

- Creswell relies on overflow occupancy from events in Eugene
- Olympic Trials, Oregon football games, and events at Matthew Knight Arena drive occupancy in Creswell
- Bend and local airport drive large portion of the lodging demand

Ashland, Oregon

Source: Flickr

- Similar to Redmond with seasonal demand
- Ashland drives revenue through the Oregon Shakespeare Festival every year
- Ashland doesn't operate as a bedding city for Medford

Unattractive to Build More Full / Partial Service Hotels

Currently at 62% Occupancy Rate

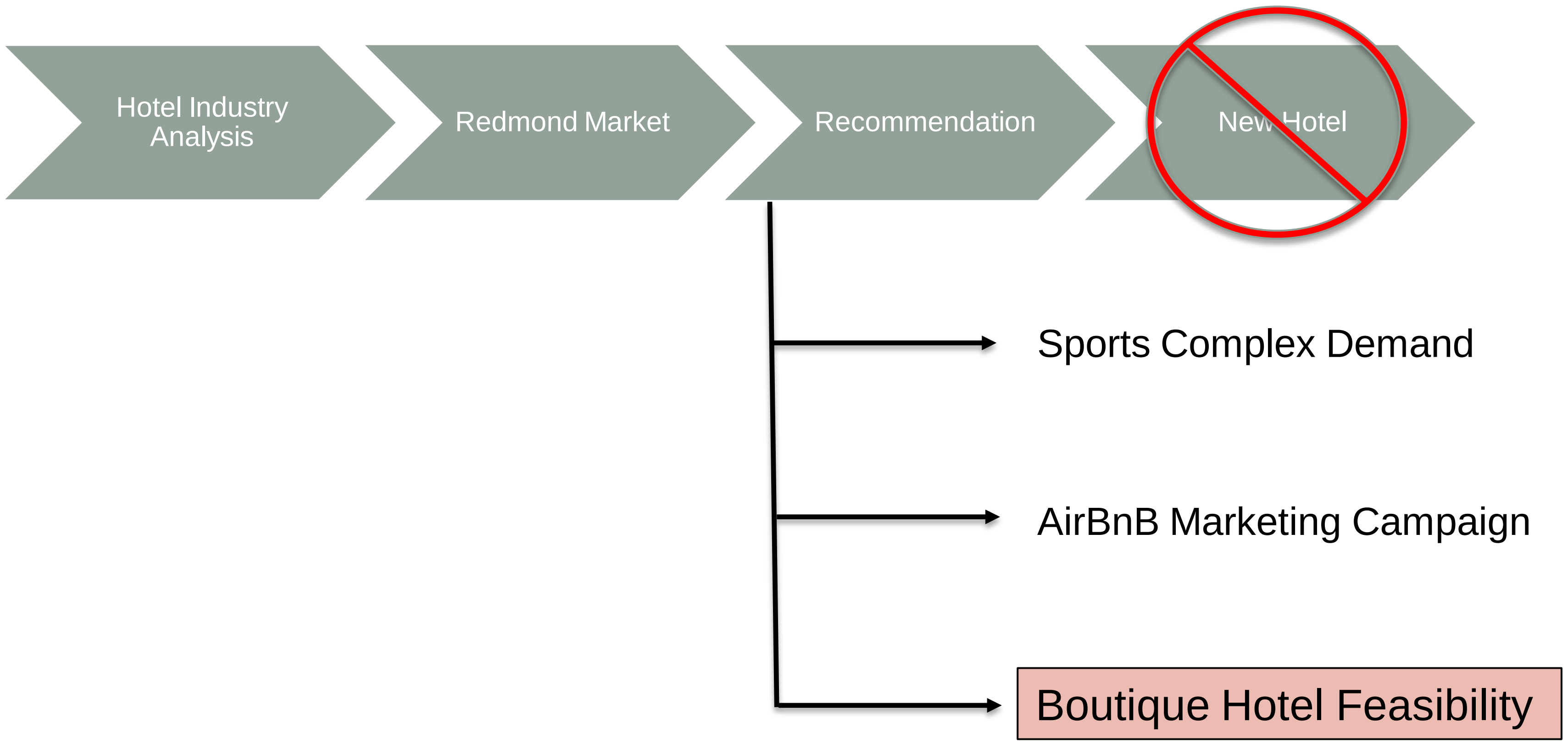
Majority of Properties Struggle 8 Months Out of the Year

Demand Fulfilled

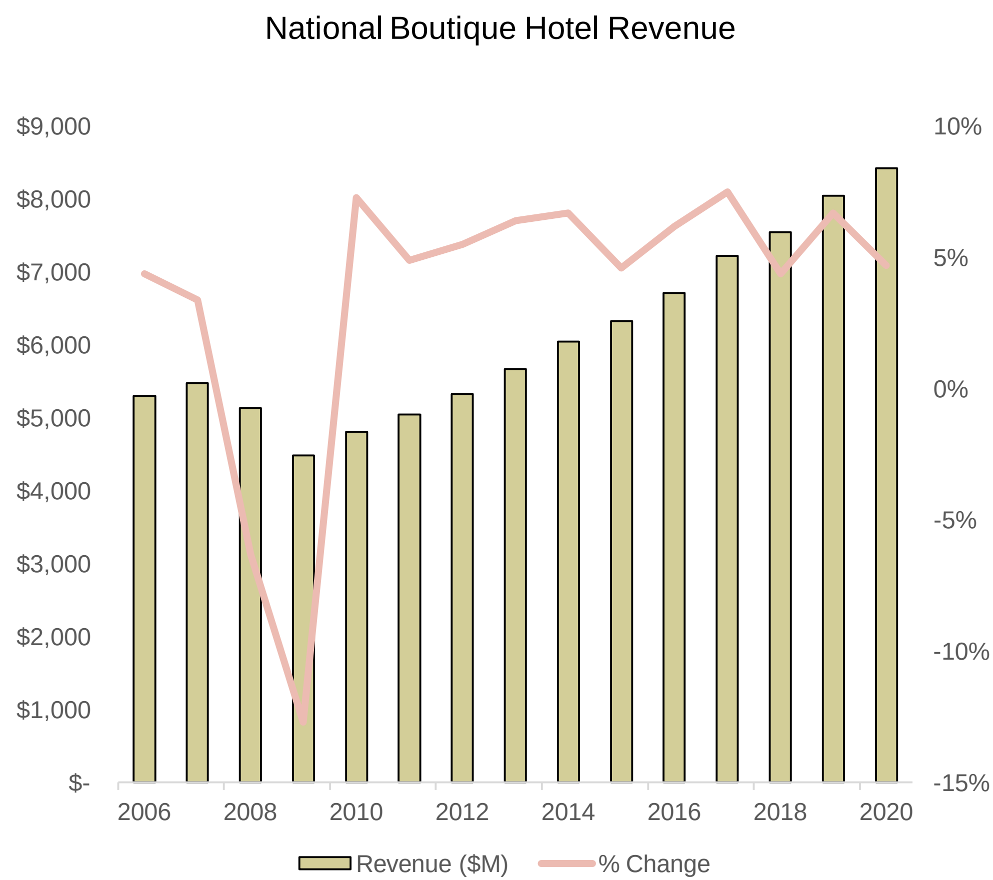
What direction should Redmond take with the lodging and hotel industry?

- Should we focus on shifting the demand curve?
- Should we market the downtown area to new channels of lodging?
- Should we focus on improving the current hotels in Redmond?

Three Options Were Identified for Further Analysis



Boutique Hotel Industry a Bright Spot



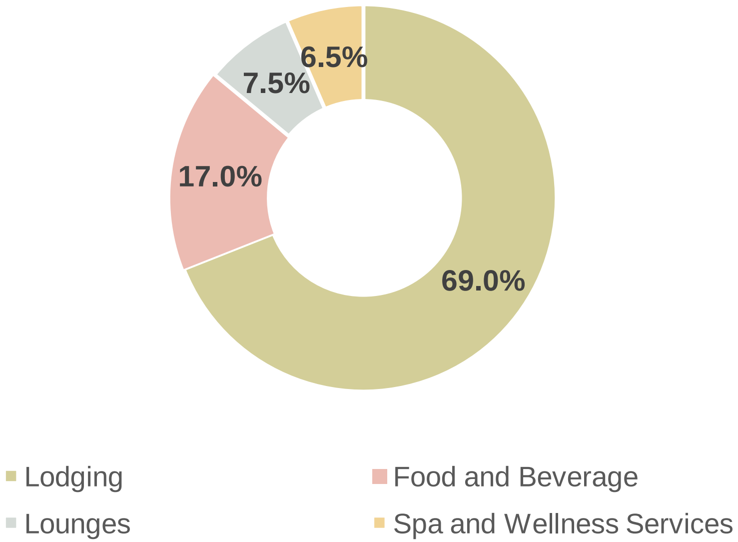
Source: IBIS World

Boutique Hotel Characteristics

- Offers luxury and intimate lodging experiences
- Encompass local aspect of their service areas into their design, service, and brand offerings
- Boutique niche has grown three times as fast as total hotel growth year over year since 2010.
- Personalized experiences and welcoming staff
- Offers extra amenities as a key differentiator

Source: Trip Advisor

Products and Services Segmentation (2015)



Source: IBIS World

The Oxford Hotel Offers Locally Oriented Amenities

Source: VisitBend.com

Source: KindredNW.com

- Offers premium service to customers
- Centralized location to entertainment and bars
- Incorporates local Bend products into amenity packages
- Lodgers experience high class, locavore dining
- Word of mouth marketing
- 59 rooms between $249-$459 per room

Armstrong Hotel Leverages History

Source: theArmstrongHotel.com

- Historic Landmark in Fort Collins, Colorado
- Offers a wide array of amenities on premises
- Located near popular local attractions including breweries, fine restaurants, river rafting, and biking
- 45 unique rooms between \$169-\$479 per room

Boutiques often have unique and often quirky gimmicks to differentiate themselves form other hotels

Historic Redmond Hotel Shows Promise

Source: Redmond.OR.US

Local Trends

- Central Oregon seeing explosive growth
- Increase in population
- Spill over demand from Bend

Location Advantages

- Central downtown location
- Within 2 miles of Airport
- Within 3 blocks of the highway intersection

Building Advantages

- Already operated as a hotel
- Remodeled retail space on first floor
- For sale with city interest

Historic Redmond Hotel Has Risks

Source: Redmond.OR.US

Volatile Demand Drivers

- High income individuals stay in Bend or at Resorts
- Insufficient occupancy rates
- Winter demand lower than summer months

Location Disadvantages

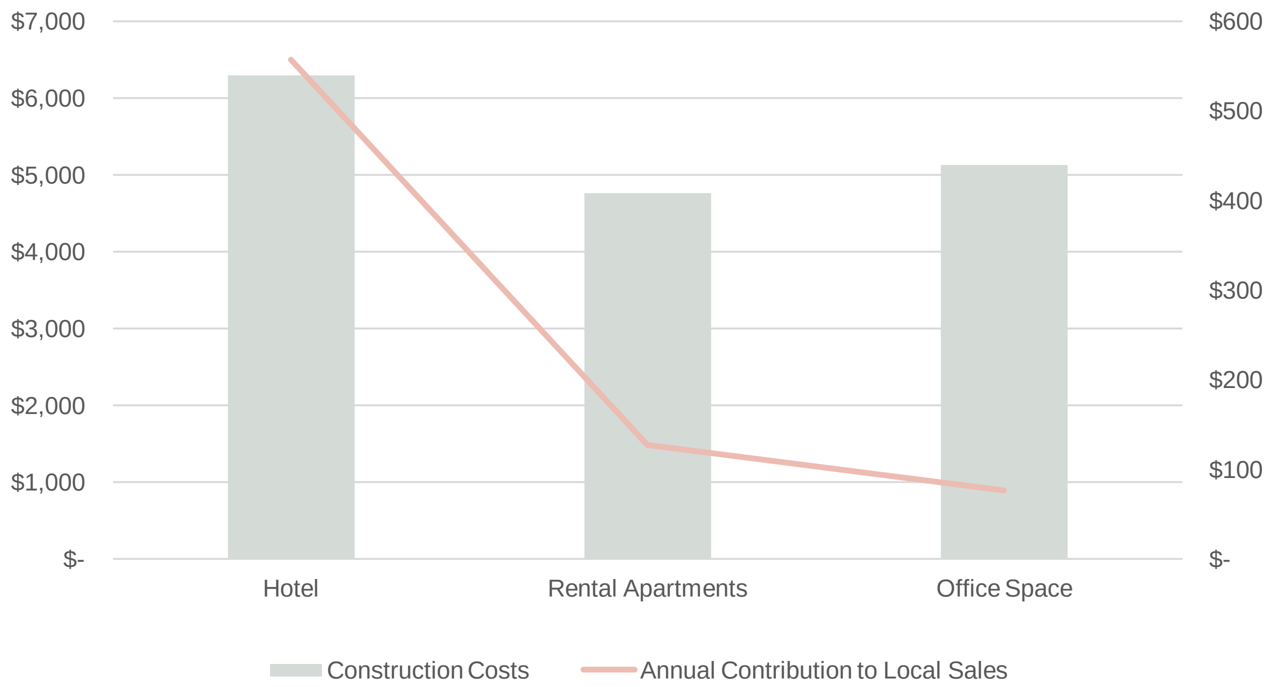
- Downtown area in a development stage
- Lack of parking
- Minimal Nightlife

Building Disadvantages

- Renovation of this hotel would cost ~$7.1MM
- Owner/operator as one party is necessary for success

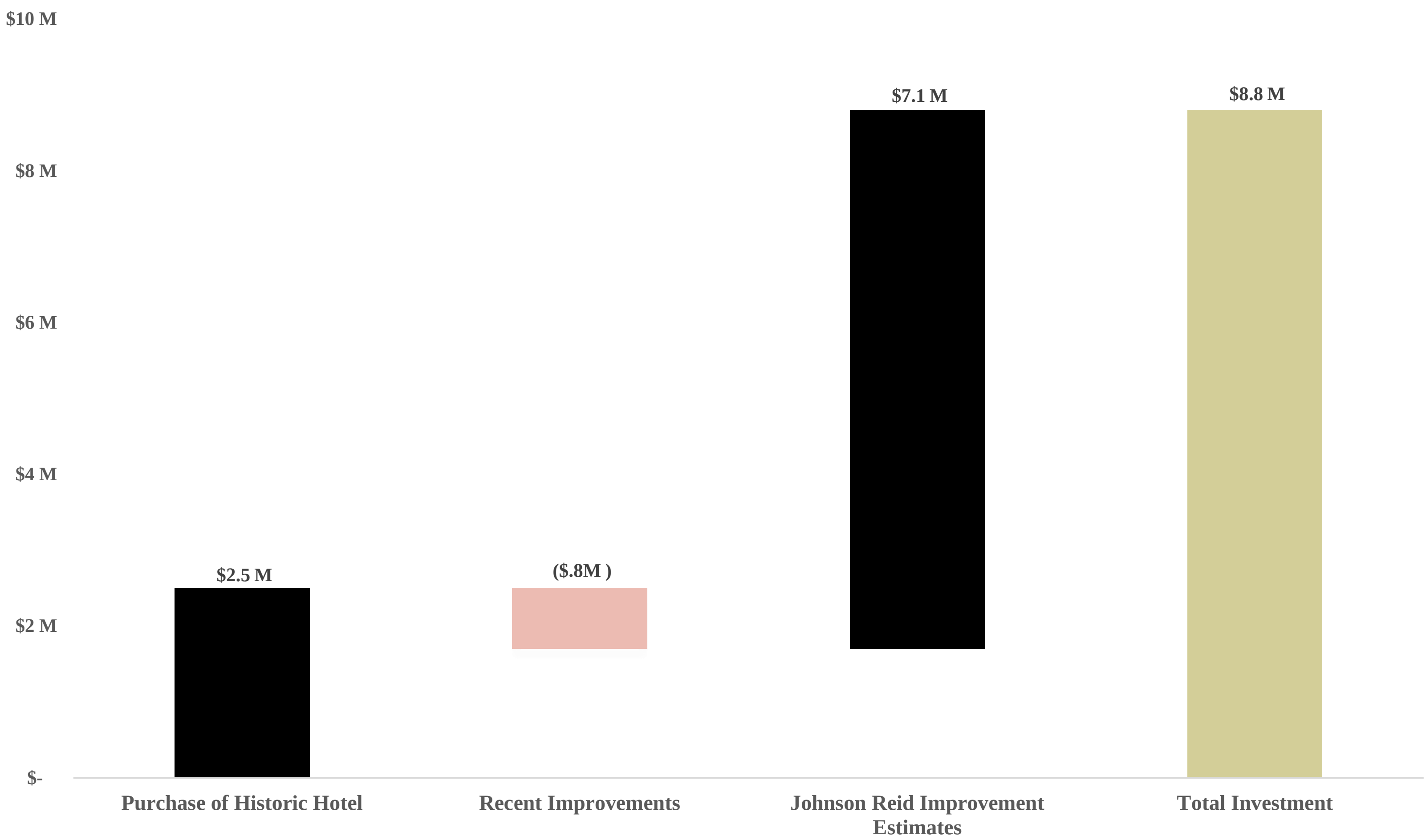
Redmond Hotel to Boutique Has Been Previously Explored

Potential Impact of Hotel vs. Other Previously Explored Options



Source: Johnson Reid

Boutique Hotel Requires Large Capital Expenditures



Appropriate Price Point Given Required Capital Investment

Example

Total Development Costs	$10,000,000
Number of Rooms	200
Investment Per Room	$50,000
Suggested Avg. Nightly Rate	$50

$$\text{Investment Per Room: } \frac{\text{Total Development Costs}}{\text{Number of Rooms}}$$

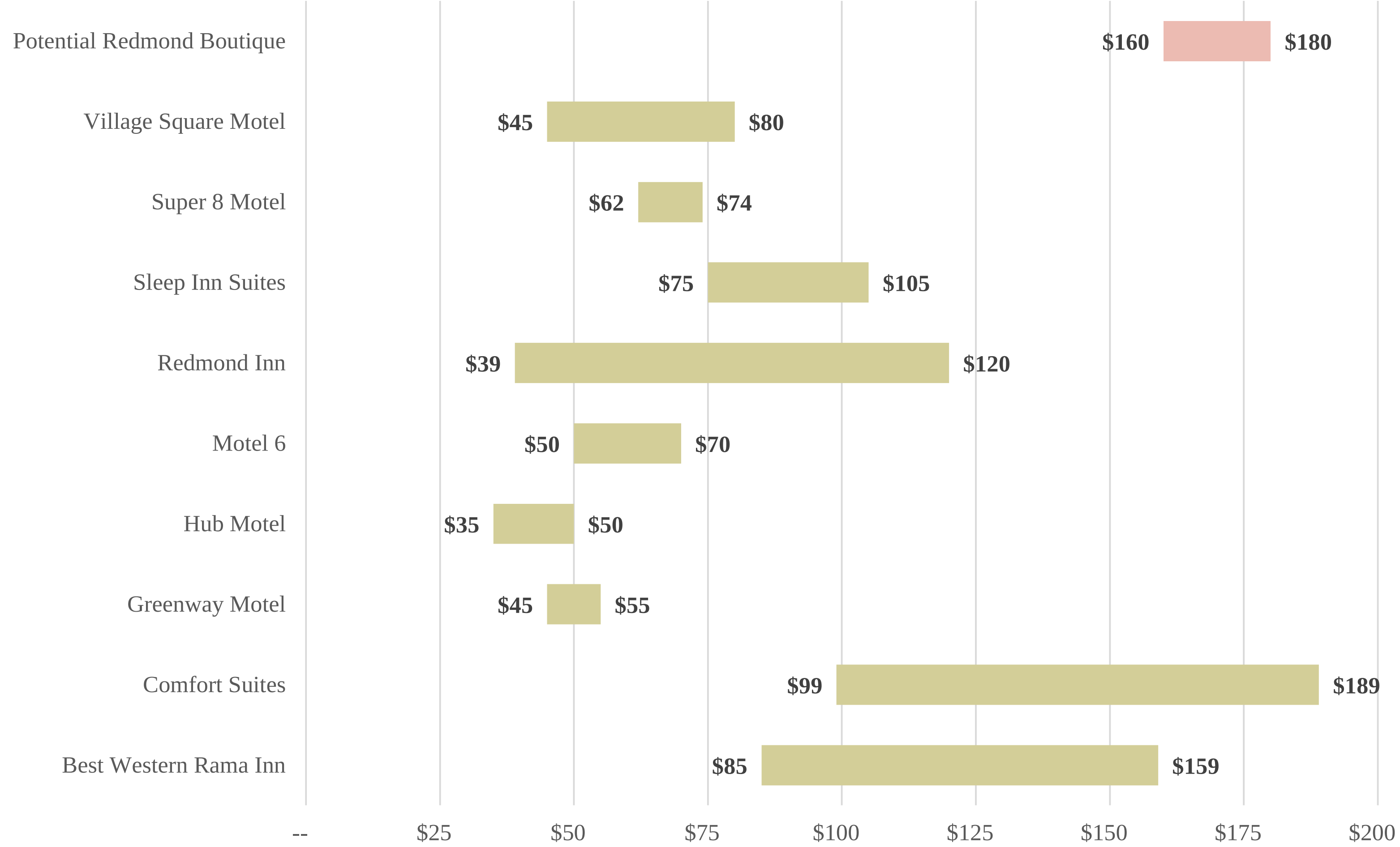
$$\text{Appropriate Nightly Rate: } \frac{\text{Investment Per Room}}{1000}$$

Potential Historic / Boutique Redmond Hotel

Existing Property	$2,500,000
Additional Development	$6,300,000
Total Development Costs	**$8,800,000**
Number of Rooms	48
Investment Per Room	$183,333
Suggested Avg. Nightly Rate	**$180**

Rate for Boutique Hotel is at Top End of Redmond Market

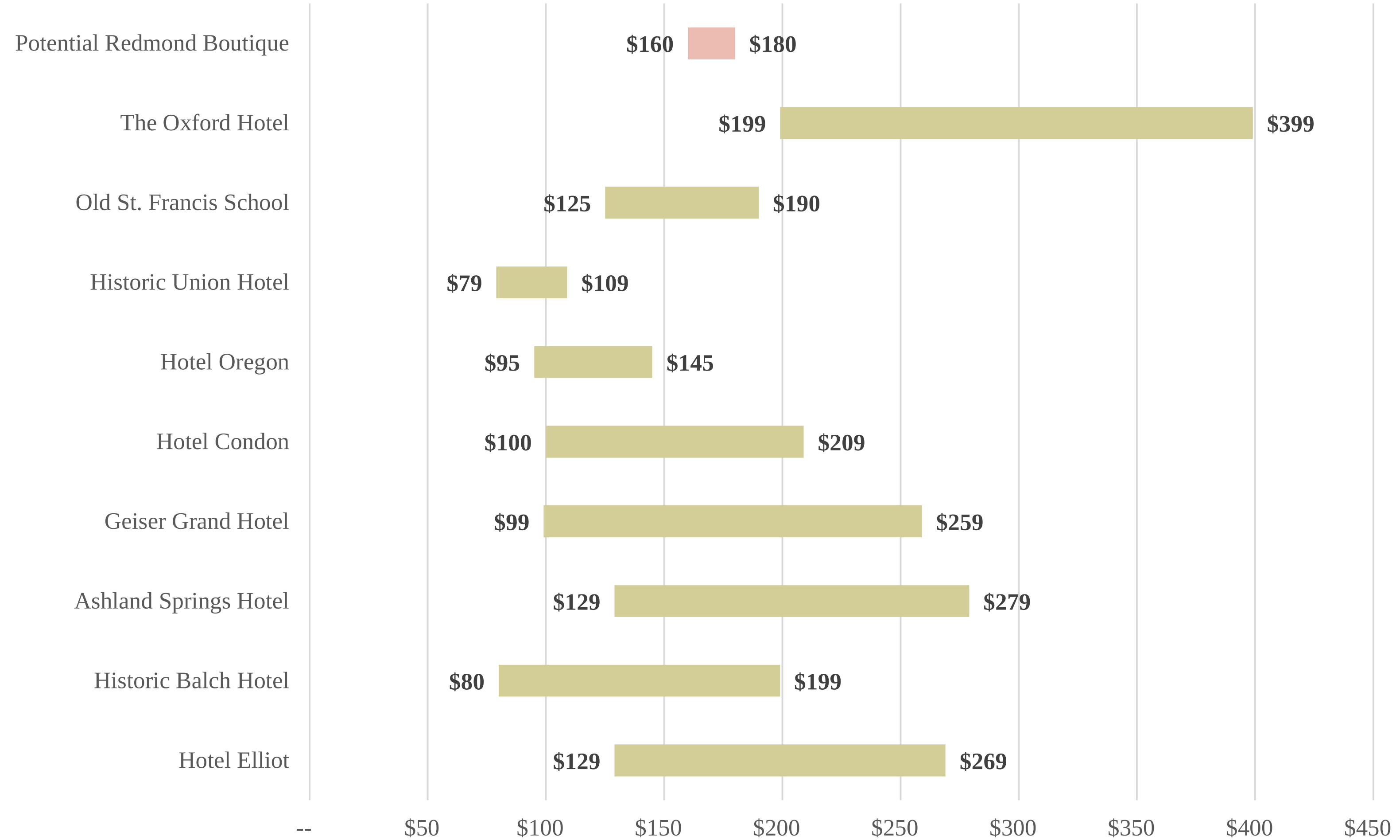
A potential boutique should seek to capture share in the smaller higher-end Redmond lodging market, especially since the estimated rack rate is materially above market average.



Source: New Redmond Hotel Redevelopment

Rate Falls In-Line With Boutique / Historic Hotel Competition

The potential Redmond boutique hotel offers a reasonable rate compared to peers—and would still be viewed as a discount to Bend.



Source: New Redmond Hotel Redevelopment

At Boutique Occupancy Rates, Investment More Compelling

Estimated P&L	
Yearly Revenue	$2,253,510
Total Operating Expenses	$1,464,782
% of Revenue	*65.00%*
Interest Expense	$315,000
% of Revenue	*16.31%*
Property Taxes	$88,264
% of Revenue	*4.57 %*
Transient Room Tax	$202,816
% of Revenue	*9.00%*
Net Profit	$182,649
% of Revenue	*8.11%*

Assumptions	
Occupancy Rate	70%
Rooms	48
Nightly Rack Rate	$180
Nightly Revenue	$6,174

New Redmond Hotel – Viability Gap Exists

While a hotel is financially viable, investors still say project returns are not lucrative enough to justify selecting Redmond over more developed markets.

Net Profit Sensitivity (Net Profit / Revenue)

Occupancy Rate	Average Rack Rate: $ 160	$ 165	$ 170	$ 175	$ 180
70%	5.9%	6.5%	7.1%	7.6%	8.1%
65%	4.3%	5.0%	5.6%	6.2%	6.7%
60%	2.5%	3.2%	3.9%	4.5%	5.1%
55%	0.4%	1.2%	1.9%	2.6%	3.2%
50%	(2.2%)	(1.3%)	(0.5%)	0.2%	0.9%

Developers Not Viewing Redmond as an Investment Opportunity

The city of Redmond will need to incentivize developers if the goal is to remodel the historic hotel into a boutique hotel.

- Redmond struggles to differentiate and market itself to high-end travelers
- Hotel market operates at occupancy rates below requirements for further investment exploration
- Lodging market is still growing, leaving a high risk for future development
- Need for an experienced owner/operator to run the boutique hotel
- High initial capital investment may deter potential developers

Options to Incent Development of Boutique Hotel

1. State-Level Tax Freeze / Benefits For Historic Properties
2. U.S Government Tax Credit For Historic Properties
3. Revisit Successful Jumpstart Loan Program
4. Subsidize Development Costs With Redevelopment Opportunity Fund

Action Plan: Create a Benefit Package

Action	Who	When
Determine priority for property	Redmond City Council	Immediately

Action Plan: Create a Benefit Package

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Determine priority for property	Redmond City Council	Immediately
Approach owners of hotel about intent to sell to experienced hotel owners using a benefit package	Redmond Economic Development / Urban Renewal Program Coordinator (REDUPC)	Within 1-2 Weeks

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Present benefit package to owners of historic hotel property	REDUPC	Next 1-2 Weeks

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Approach established boutique hotel owner / operators about investment	Current Owners of Downtown Historic Hotel	Next 6-18 Months

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Present benefit package to owners of historic hotel property	REDUPC	Next 1-2 Weeks
Approach established boutique hotel owner / operators about investment	Current Owners of Downtown Historic Hotel	Next 6-18 Months
Ensure renovation plan to fit Redmond's art deco theme	REDUPC, New Owners	After Sale of Property

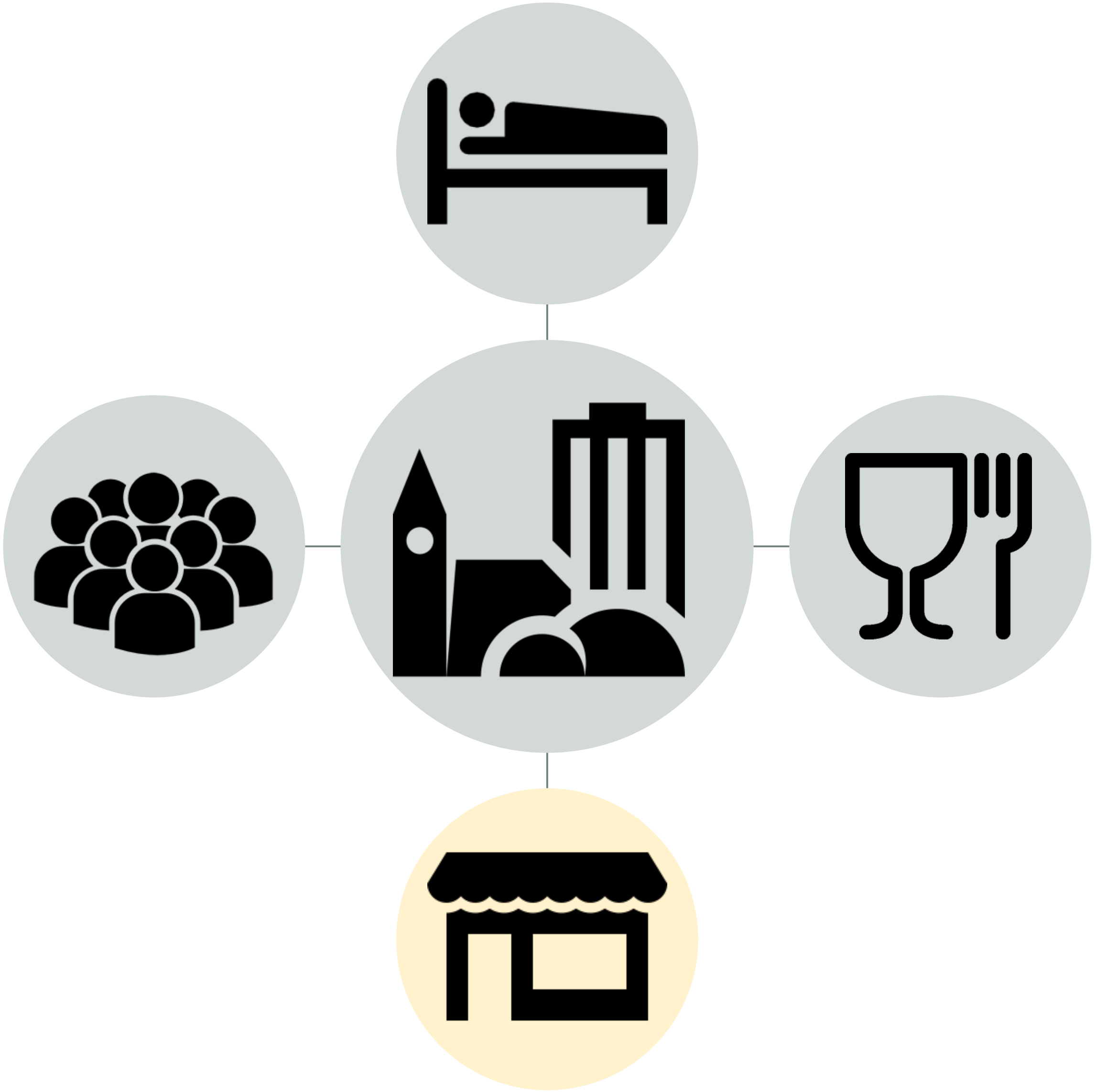
Questions?

Overview of Downtown Clusters

Retail

Two main issues for revitalizing the retail sector included:

- Defining a target retail mix
- Engaging business owners



Human behavior dictates that people prefer to purchase goods and services from the closest location that offers that good or service (Cilurso)

Downtown retail is an integral part of a thriving community

Generates tax revenues

Provides employment

Provides access to a variety of goods and services

Brings community members together

Issues

Research and Findings

Analysis

Recommendations

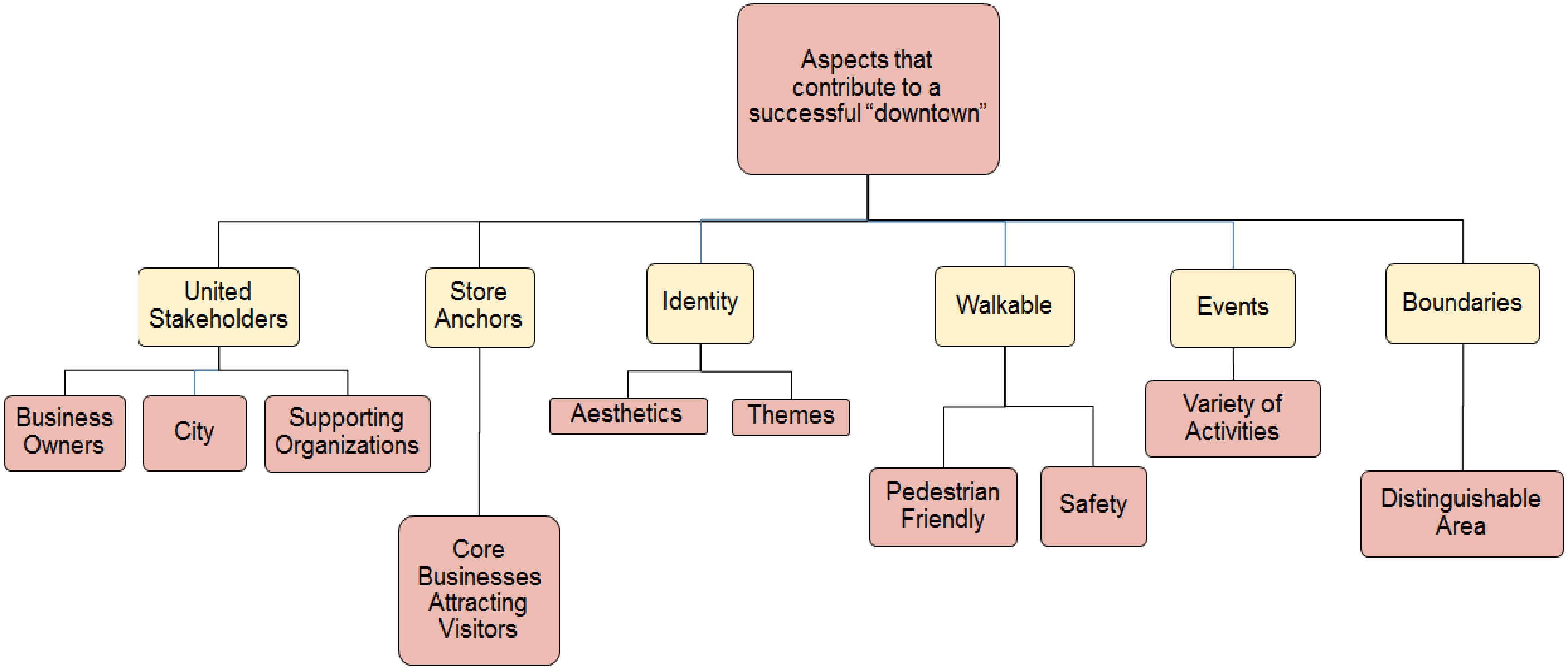
Implementation

Action Plan

Risks

Conclusion

Aspects that contribute to a successful downtown



Specific issues contributing to difficulties in the downtown retail sector

Lack of retail variety
- Vacant storefronts are not aesthetically pleasing.
- Competing values of family friendly versus entertaining nightlife.

Stakeholders lack united vision for downtown
- Relationship between the City, Chamber of Commerce and downtown business owners.
- Individualized, but not collective, efforts amongst retail groups.

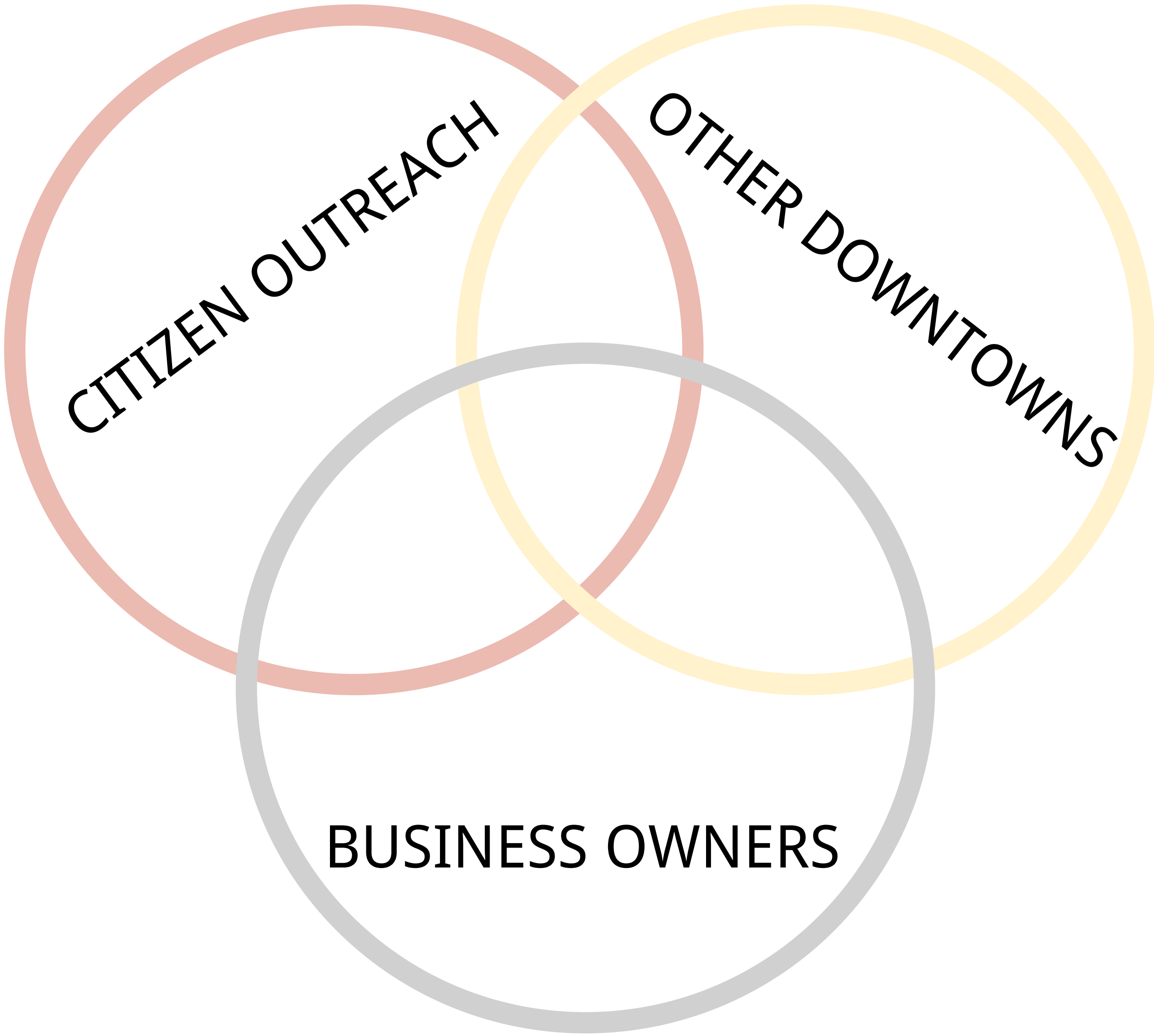
Citizens do not actively visit downtown
- Perceived parking issues as a deterrent.
- Downtown boundaries are not clear.

Our resulting project scope consisted of two main focal points

Retail Mix Analysis and Recommendations	Engaging Business Owners
Identify what a successful retail mix looks like in Redmond.	Identify what a healthy support system for downtown businesses looks like.

- What is the current retail mix for downtown Redmond?
- What is the retail mix of downtowns similar to Redmond?
- Are there any gaps in downtown Redmond’s retail mix?
- What types of retail stores does downtown Redmond need?
- What will make a successful downtown retail store?

Our research consisted of three main sources



Data compiled on variety of retail stores in each city showed the ideal mix

CITY OF ISSAQUAH WASHINGTON

Baker City Oregon

City of Sherwood Oregon

CITY OF FLAGSTAFF ARIZONA • ESTABLISHED 1882 •

NEVADA CITY CALIFORNIA

City of St. George

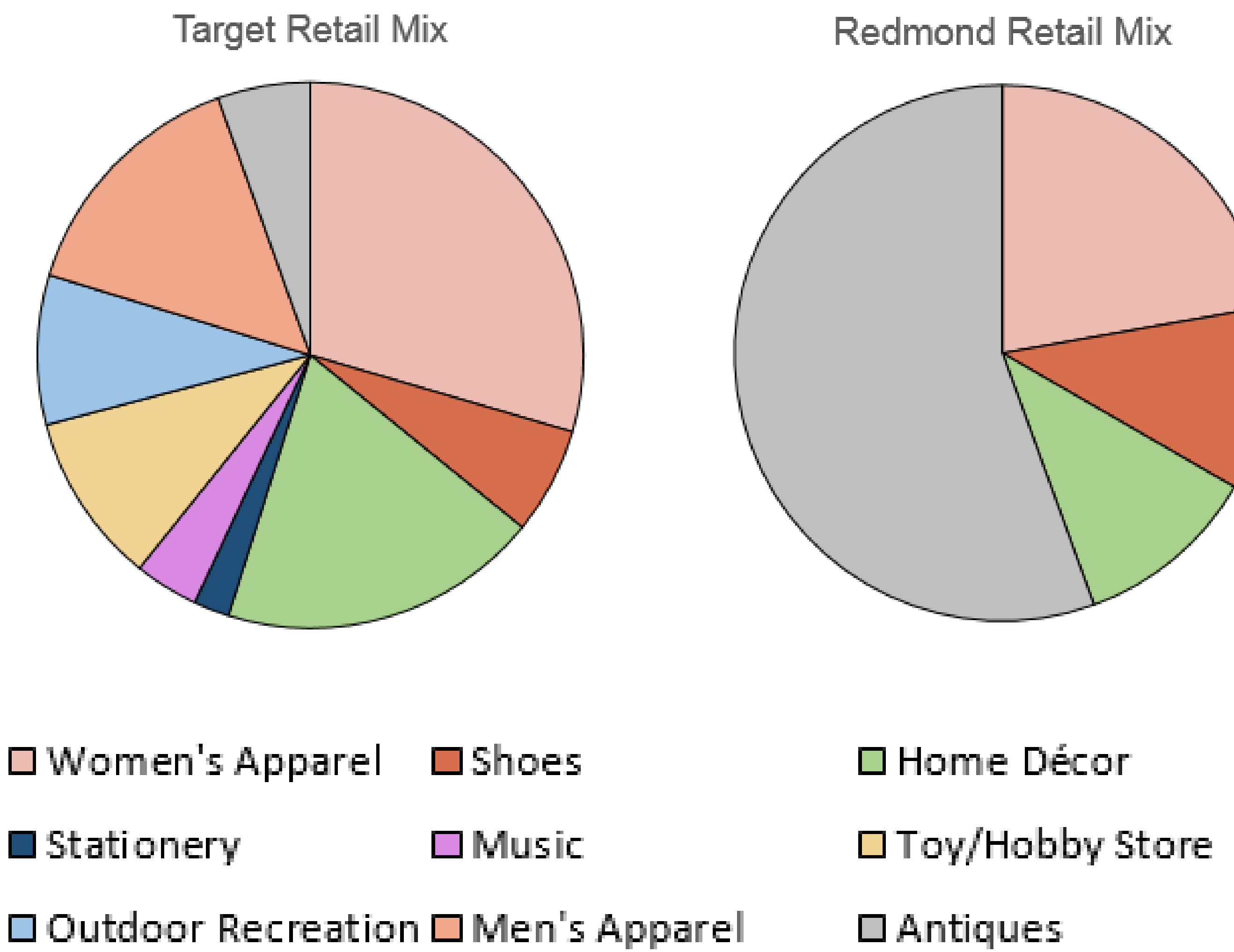
Eugene

Real de la Santa Fé de San Francisco de Asís La Villa

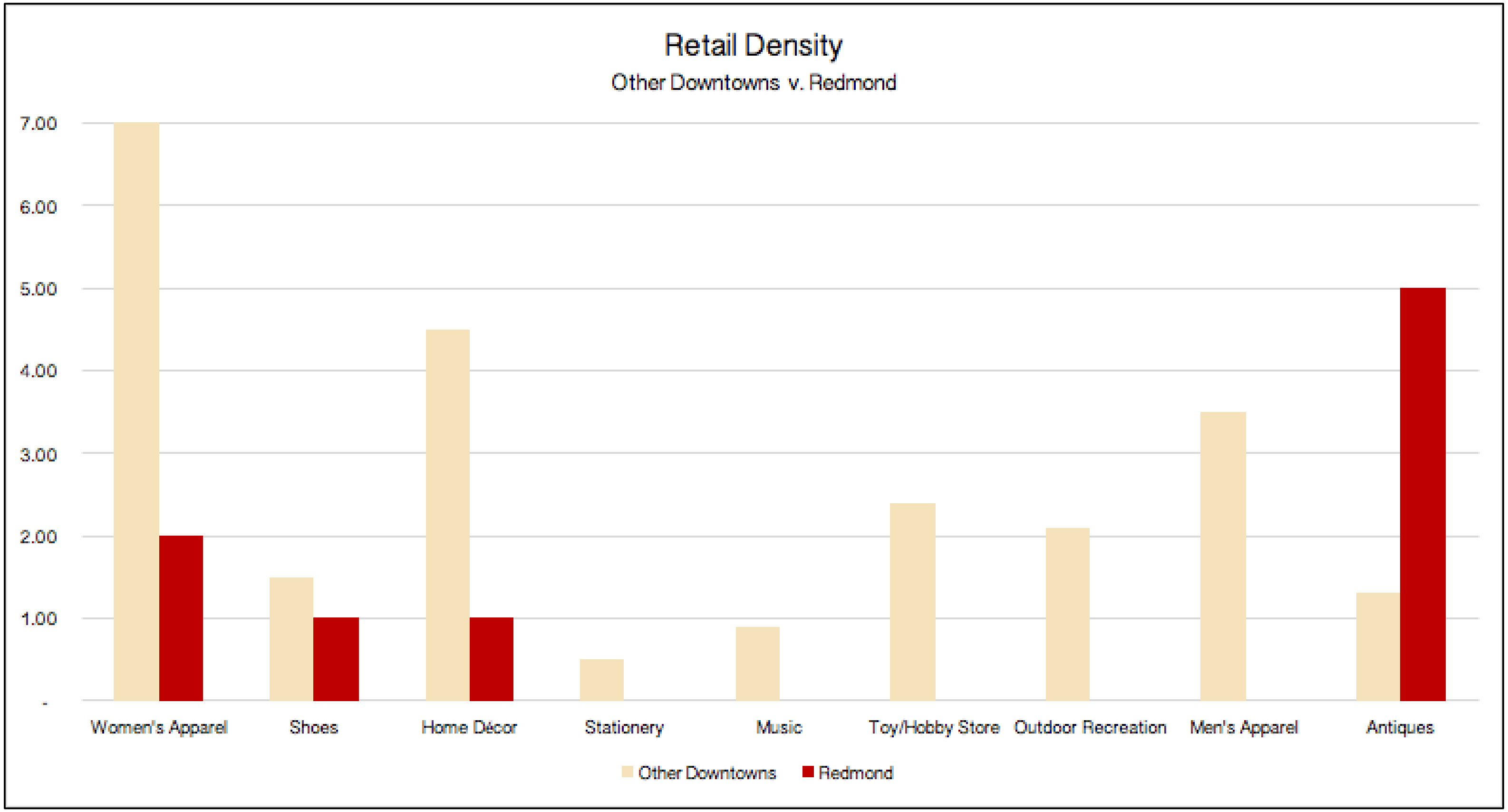
BOROUGH OF SOMERVILLE, N.J. SETTLED 1683 CHARTERED 1909

City of Fort Collins

Compared to the average, there are notable gaps in Redmond's retail mix



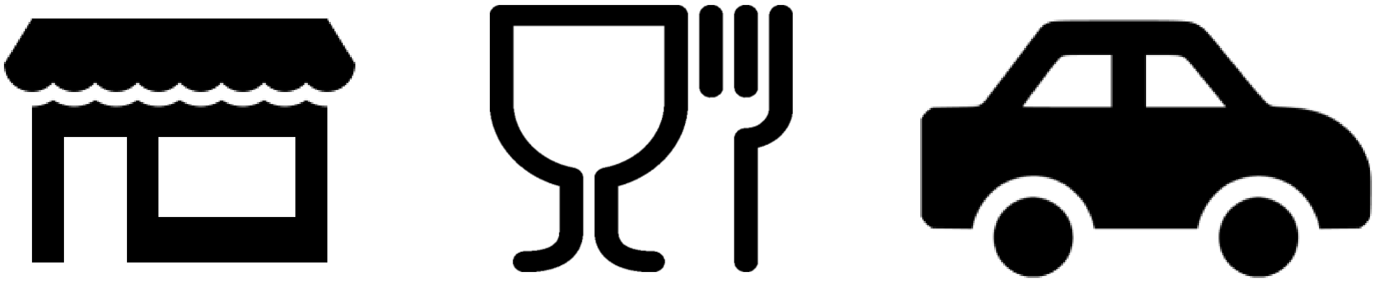
A comparison of the retail density in other downtowns show notable gaps in Redmond



Redmond's store variety only represents four of the major retail areas in other downtowns.

*Eugene, OR not included in this data chart. Full data can be found in Appendix A.
**Data on other downtowns are averaged between 10 data sets

Which of the following reasons would make infrequent visitors come downtown?



Residents who rarely shop in downtown would visit more often if there was a larger variety of stores.

Active downtown-supporting organizations are important to downtown health

Eugene Chamber of Commerce

- Public-private partnerships to attract residents downtown
- Membership to downtown supporting organizations seen as an investment for downtown optimization
- Required membership to Downtown Eugene, Inc.
- Downtown Merchant Association ran by business owners

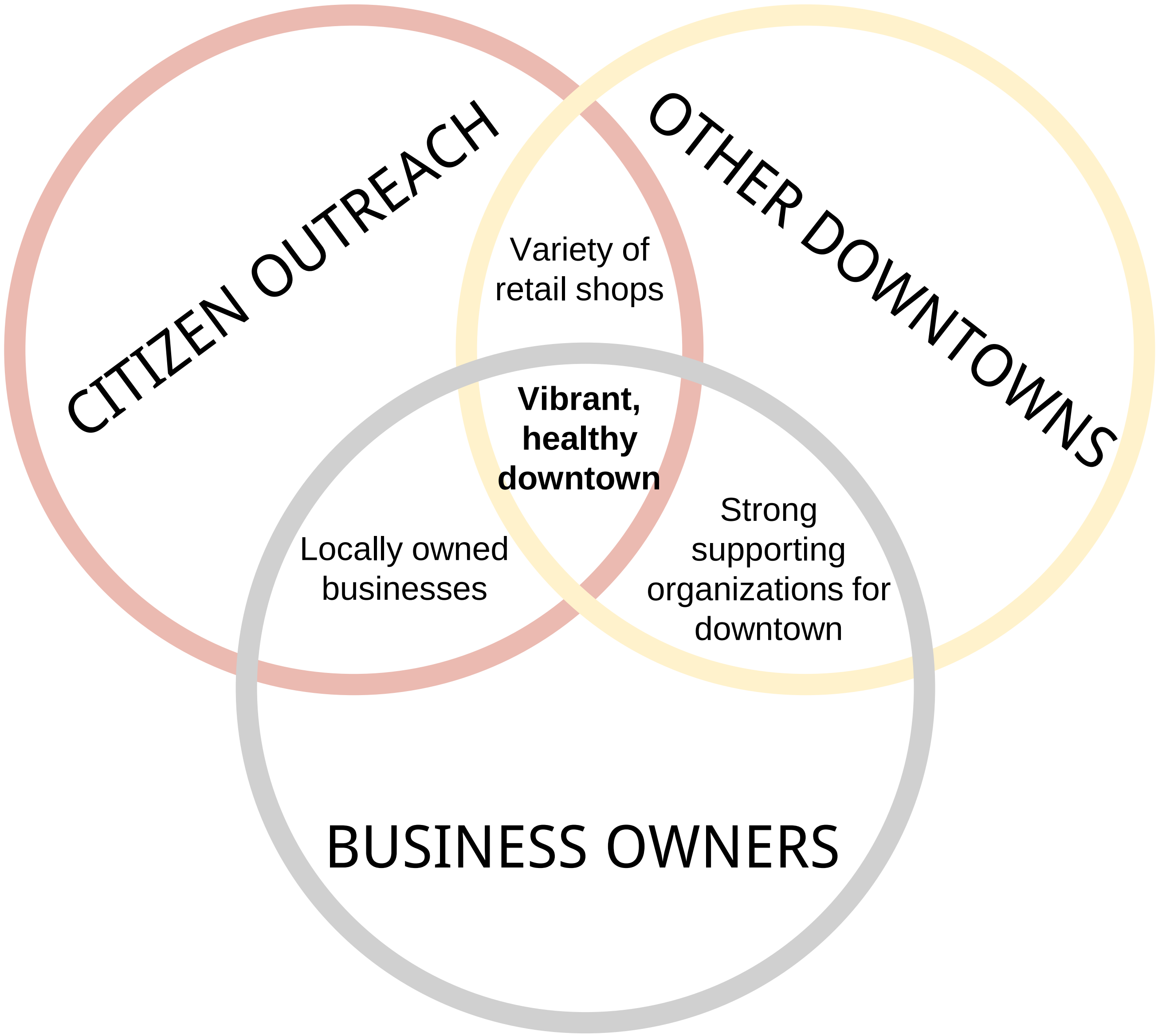
Sherwood Chamber of Commerce

- Active Main Street Organization funded by the City
- Large events attract foot traffic and don't rely solely on contributions from local businesses
- City provides façade grants
- Local businesses act as anchor stores

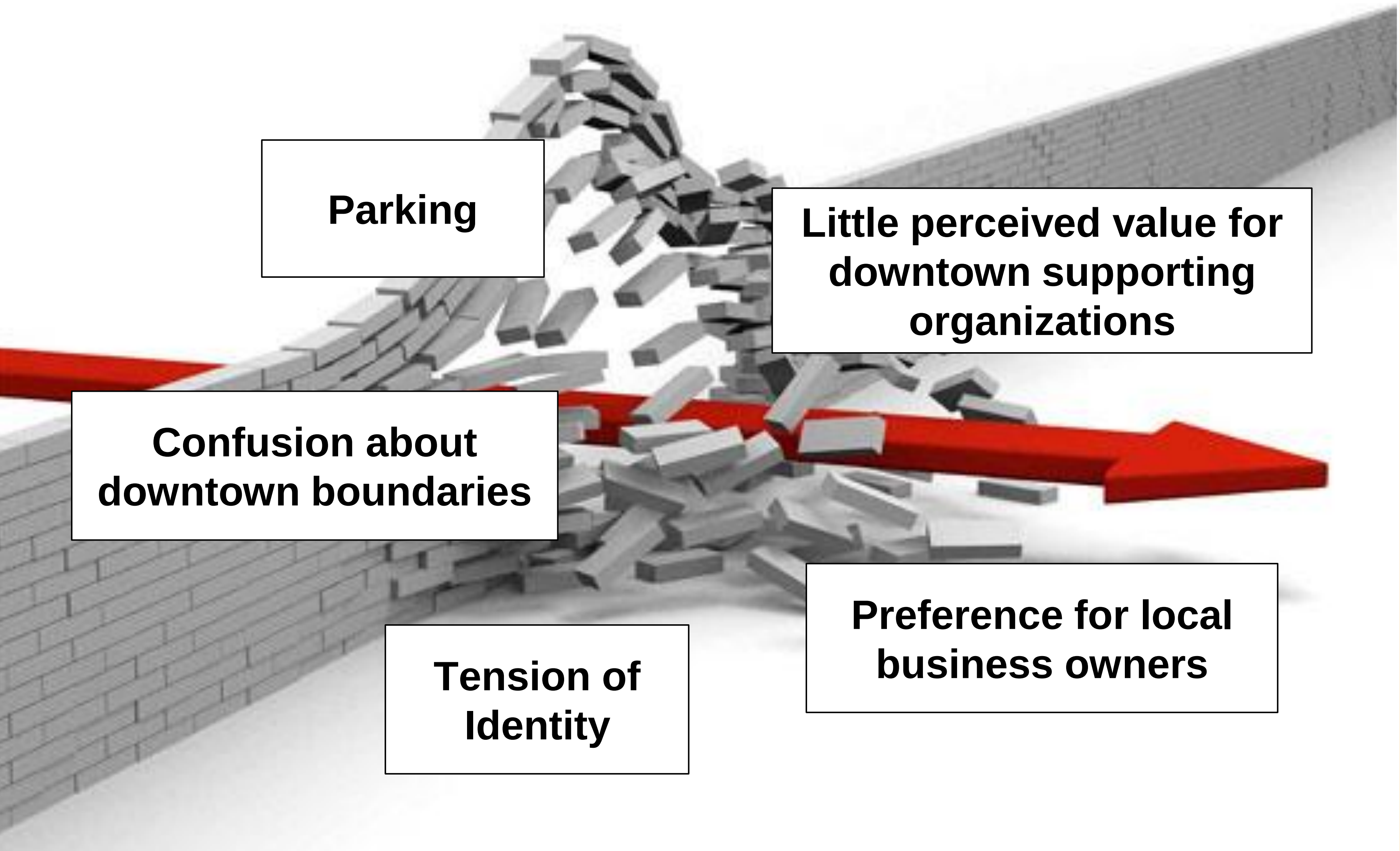
Redmond's downtown merchants are also looking for a better store mix

Already Have in Downtown	Need in Downtown	Helpful to Have in Downtown

All of the research reinforces lack of variety in downtown retail market



Barriers preventing future development in downtown



Vacancies to Accommodate Growth

Low Rivalry Amongst Retailers

Lack of Foot Traffic

Chain Stores, Neighboring Cities, Online

New stores to diversify retail mix	**Overall improvements to downtown**
Working to bring new stores downtown will change the current retail mix and not cause current stores to shut down.	Investments in the downtown area as a whole will allow for growth of the entire downtown.

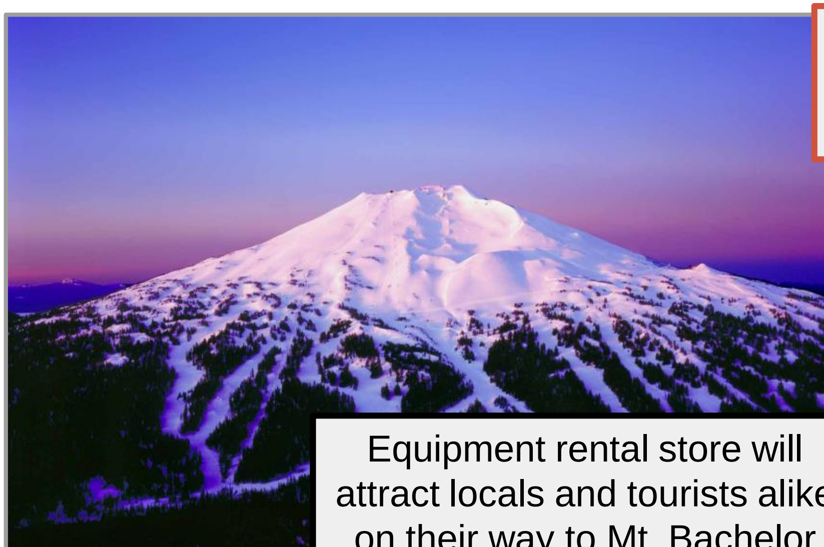
Redmond's downtown merchants are also looking for a better store mix

Already Have in Downtown	Need in Downtown	Helpful to Have in Downtown

Some areas where Redmond can diversify retail variety

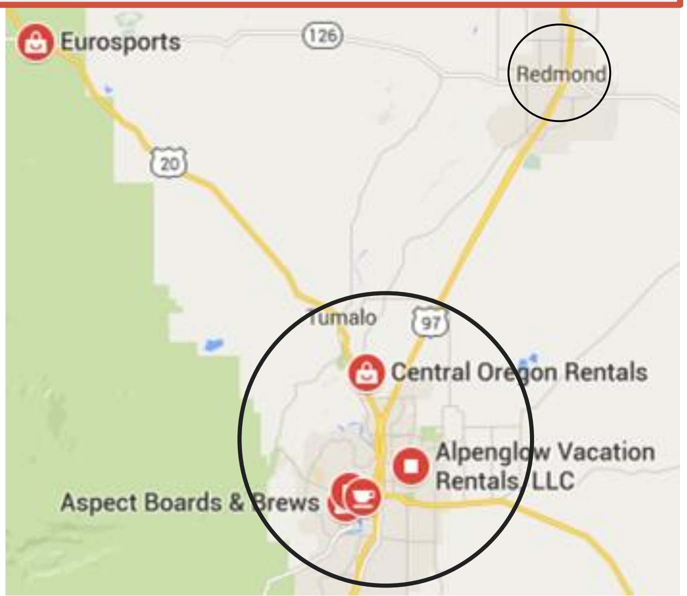
Already Have in Downtown	Need in Downtown	Helpful to Have in Downtown

Outdoor gear stores and rental stores fill a clear gap



Equipment rental store will attract locals and tourists alike on their way to Mt. Bachelor

On average, other cities with successful downtowns have two outdoor shops



With similar distance as Bend from Mt. Bachelor, Redmond is an ideal location for equipment rental

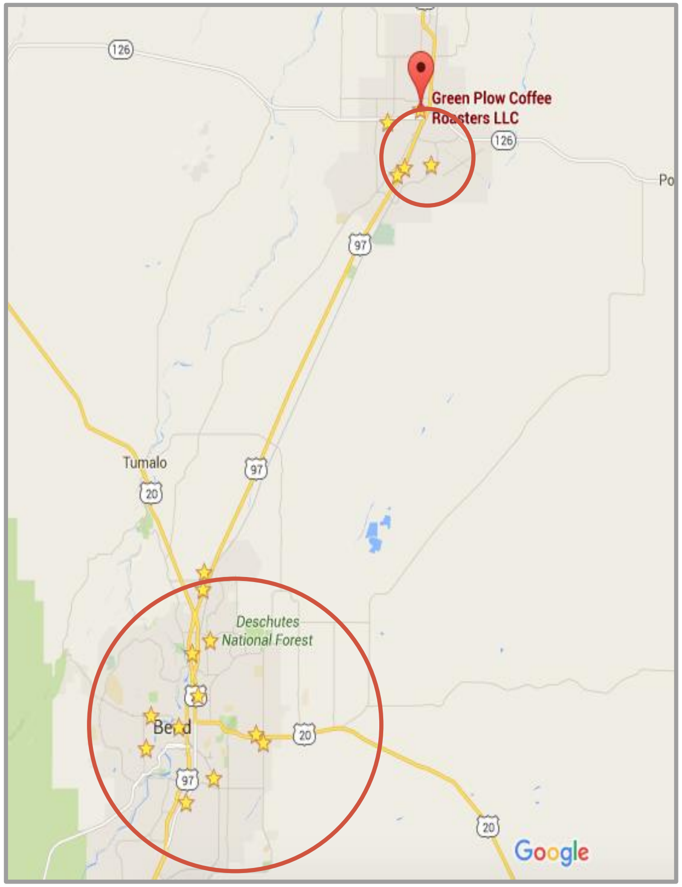
Dry Canyon's climbing attraction presents opportunity for a local outdoor gear shop

Being located in Central Oregon and with currently no local equipment rental or outdoor gear shop in Redmond, there is opportunity for development in this sector

Stationery and office supplies stores support citizens and downtown businesses

Opportunity for a local stationery business to be competitive against larger retailers by providing speciality products

Though not identified as an integral part of a healthy retail mix, **business owners voiced a need for office supplies** in downtown



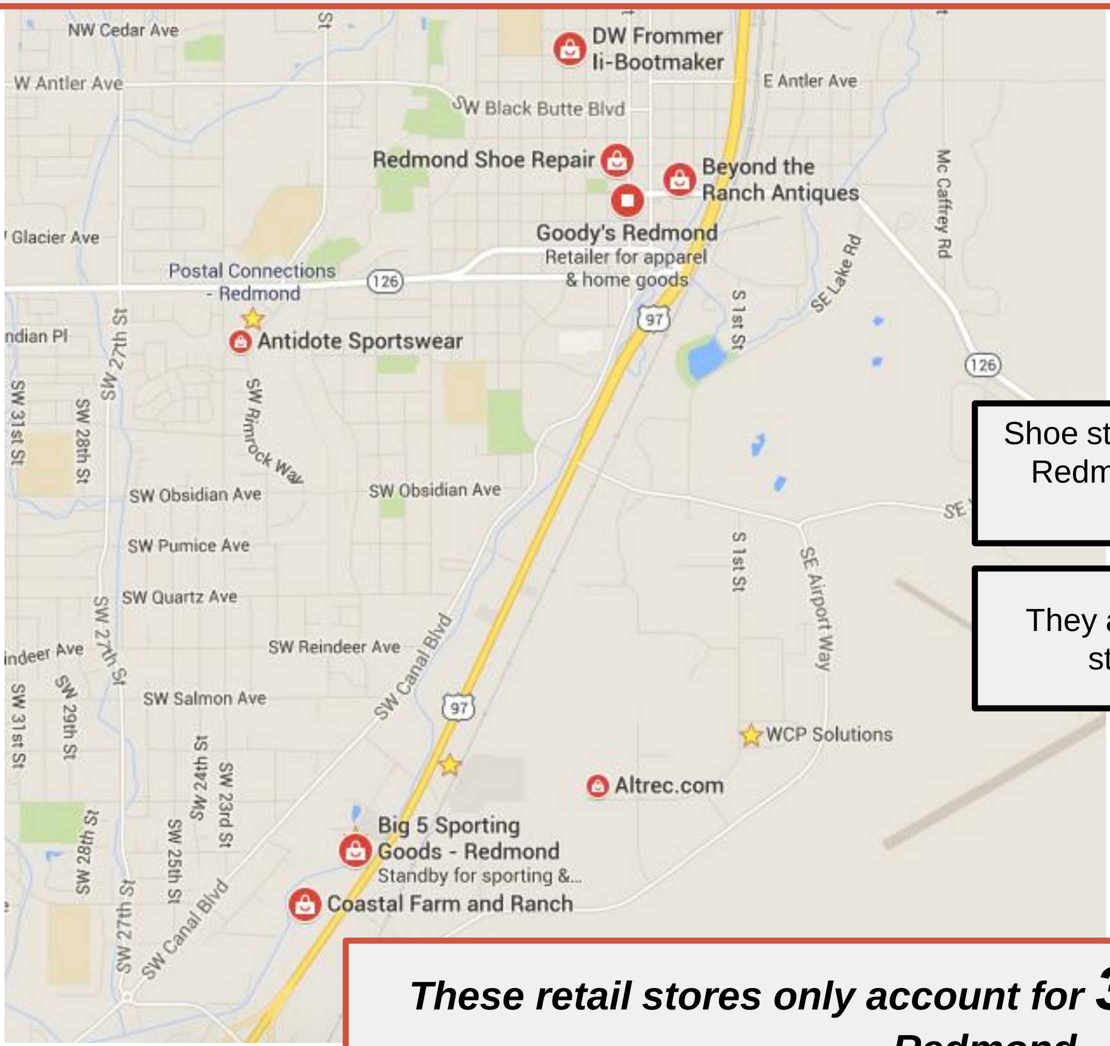
Most office supply stores are located in Bend. Courier and print service businesses provide the majority of office supplies to the Redmond area.

Men’s apparel will complement existing women’s stores

There are some men’s casual wear located in Redmond, however, they are located primarily away from the downtown area.

The only place where men can buy and rent formal wear is the Men’s Warehouse located in Bend.

Women's apparel, men's apparel, and shoes account for 50% of the retail mix in other downtowns.



Shoe stores are dispersed throughout Redmond, but none are located in downtown.

They are a good mix of self-owned stores and big box stores.

These retail stores only account for 33% of the retail mix in Redmond.

Business owners want the return of a local hardware store in the area after Cent-Wise closed in 2012

Attract people who are running errands to visit other local businesses in downtown

On average, other cities with successful downtowns had an average of one hardware store in their retail mix

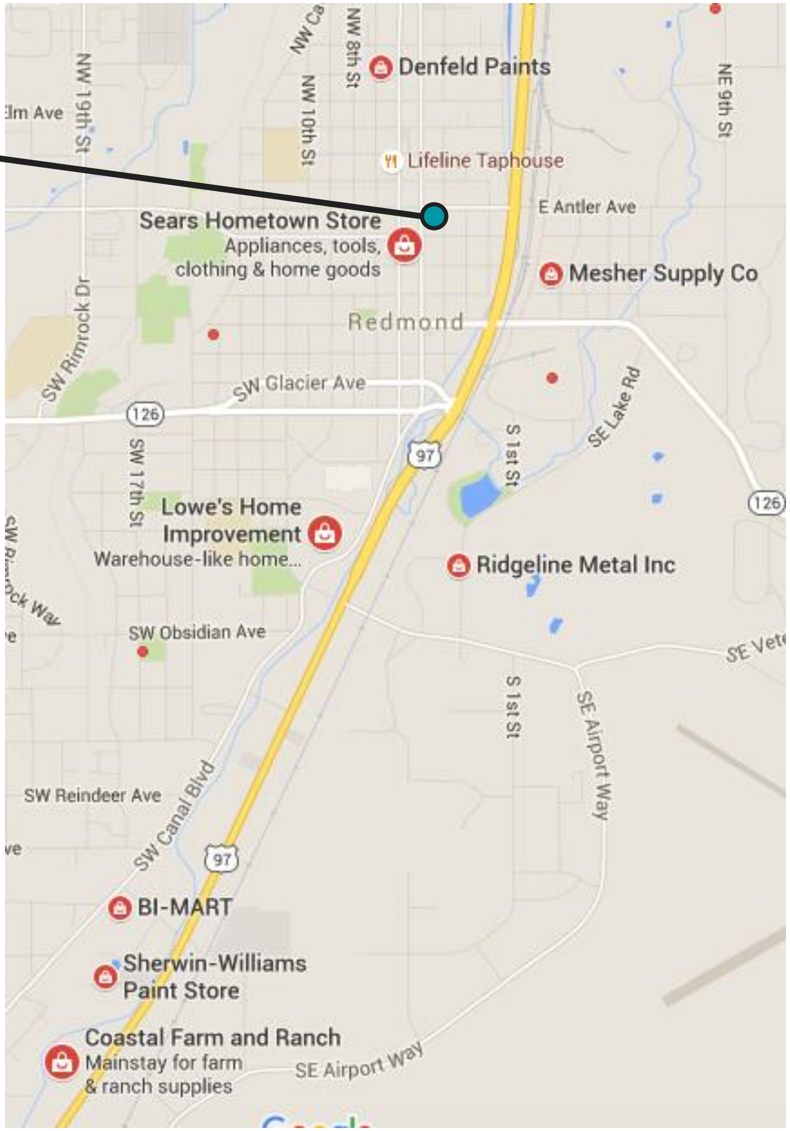
A hardware store in downtown Redmond will have to compete with many other low-cost hardware stores

Other big-box substitutes may be less expensive

The Sears is nearby and sells exclusively hardware items

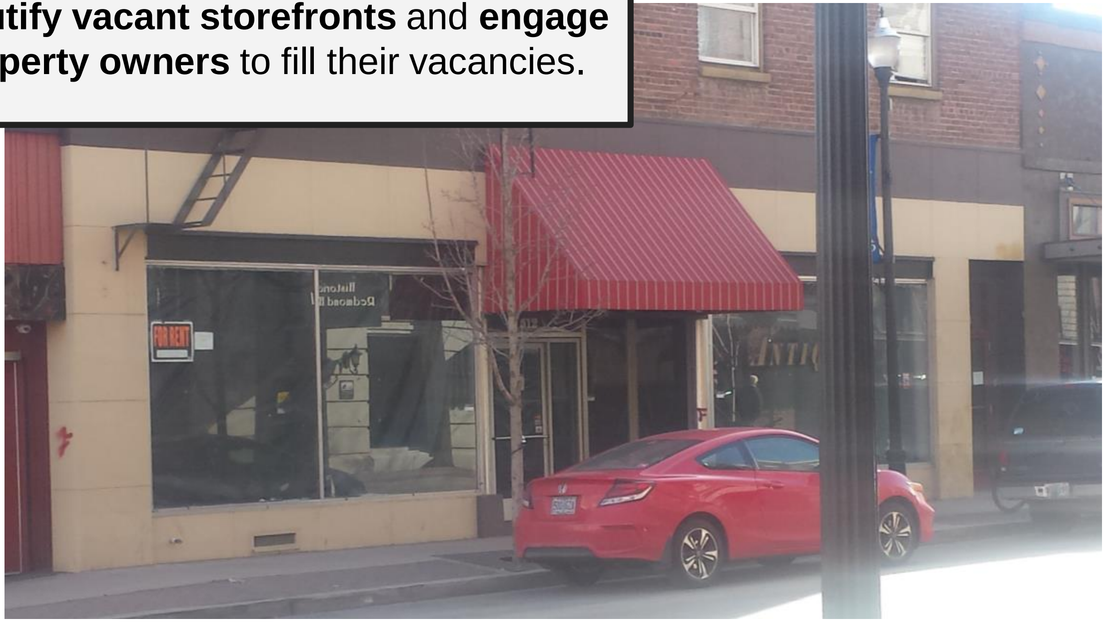
Cent-Wise closed despite its strong relationships in the community

Attract "local hub" types of businesses

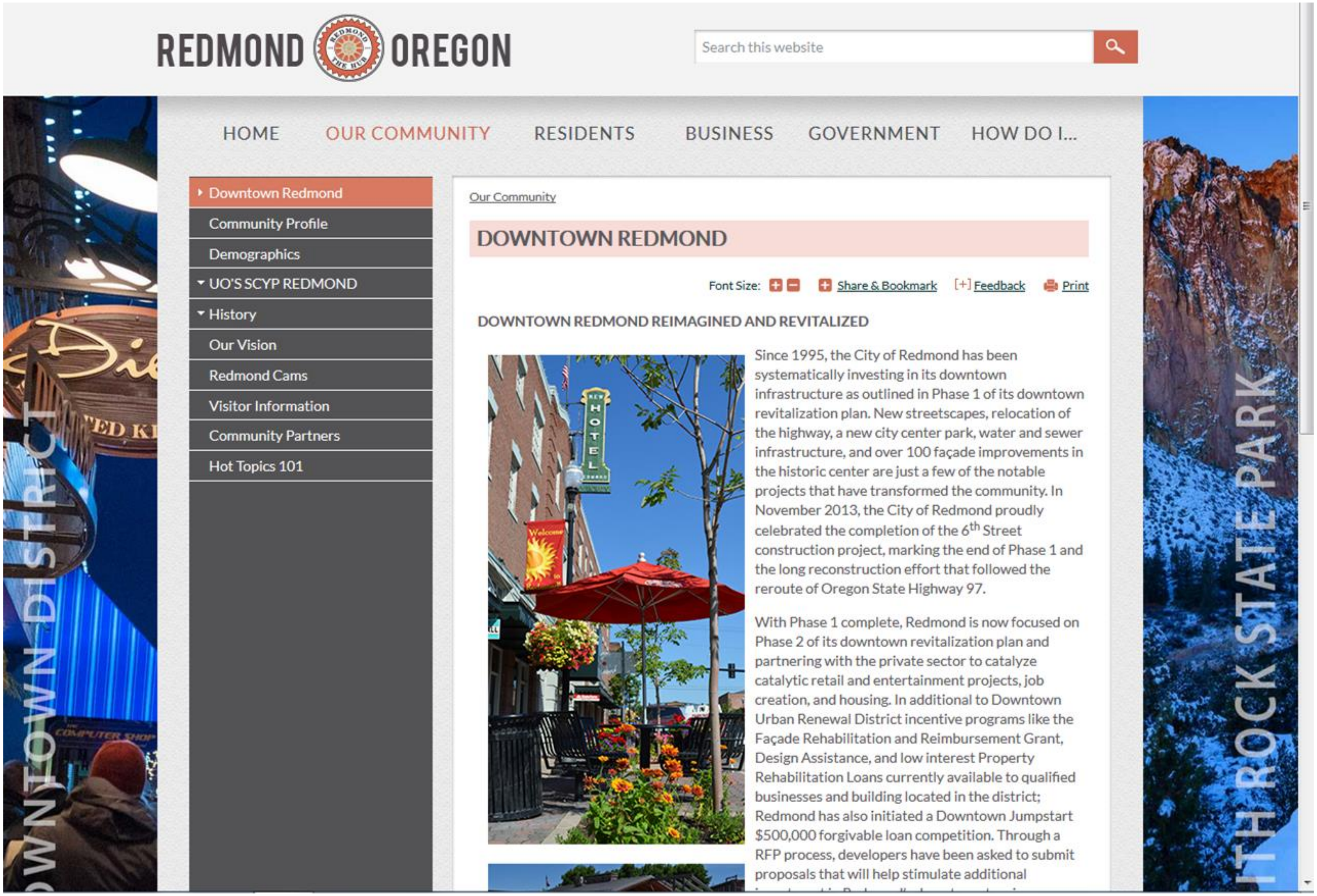


To attract a variety of retailers, the City can invest in beautification of vacant storefronts

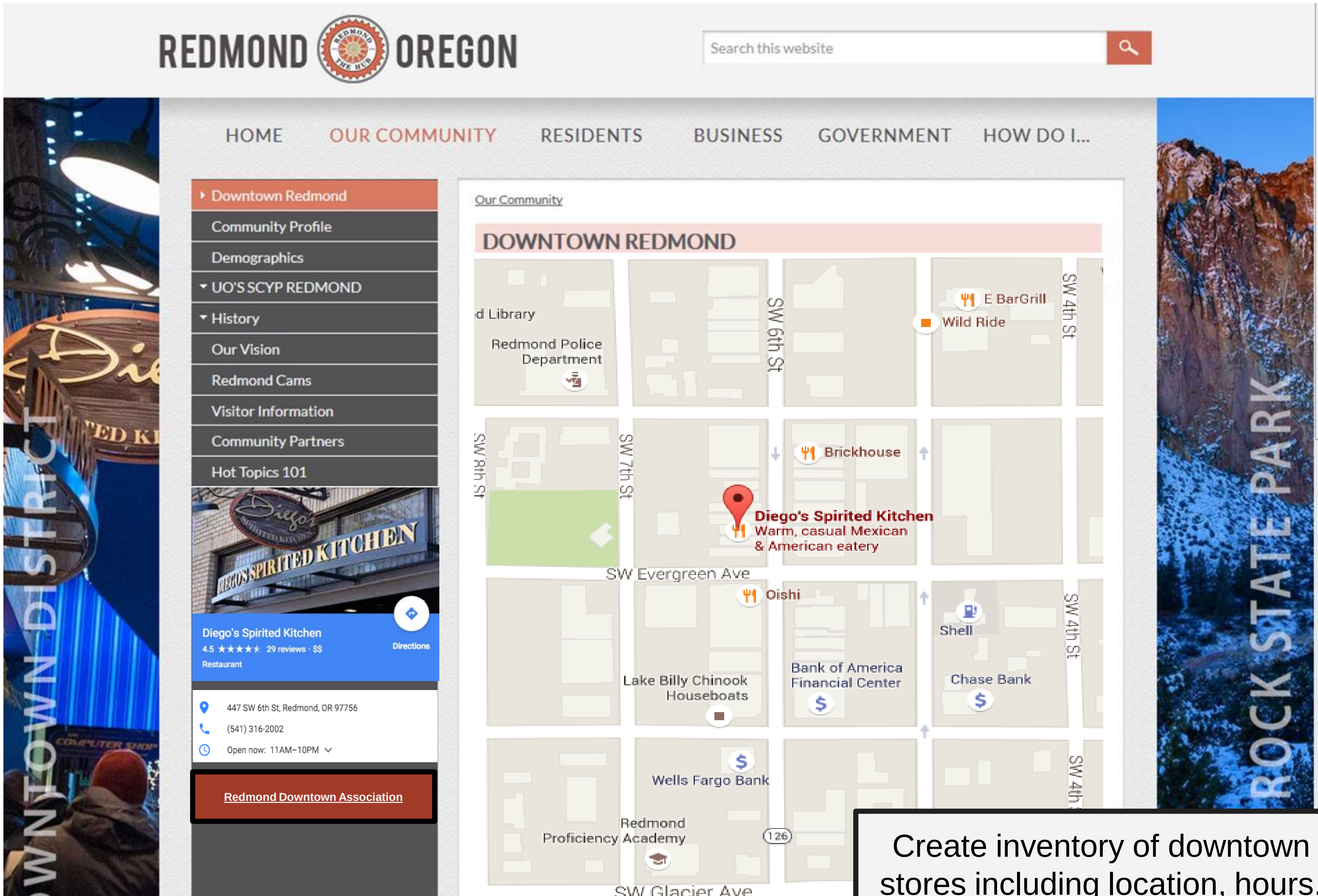
Beautify vacant storefronts and **engage property owners** to fill their vacancies.



The City can also invest in development of downtown website…



by putting more information about downtown online



Create inventory of downtown stores including location, hours, offerings, links to websites and reviews

Finally, the City can expand awareness about public parking

Action plan to implement recommendations

Objectives	Measures	Targets
Fill vacant storefronts in coordination with retail mix	Vacancy rate	Lower vacancy rate by 40% within 2 years
Attract retailers in new categories	Number of new retailers who operate for more than 2 years	Add retailers in 4 new categories and retain them for 2 or more years
Analyze vacancy rate and retail mix	Vacancy rate and number of new and retained retailers	Analysis complete after 2 years

Implications on current businesses

- Slow growth of existing businesses
- Additional competition
- Dilution of market share

Source: The city of Redmond's application for the Sustainable City Year program

Not adapting to Redmond "local" feel

- Local feel is important to citizens
- Outside retailers may not be able to adapt
- Switching costs & Redmond pricing

Retail provides value in developing communities

Redmond is missing some of this value

Changing the retail mix can allow for growth and development of downtown

Begin by communicating goals with stakeholders and ensuring a common vision

Questions?

Downtown Revitalization Clusters

Citizen Outreach

March 2016

William Atwood, Ahva Pakzadan, Sarah Wilson, David Creach, and Tiffani Carter

Table of Contents

Executive Summary

OVERVIEW OF PROJECT AND STRATEGIC RECOMMENDATIONS

Executive Summary

Core Mission and Objectives

The City of Redmond has come to the University of Oregon to ask for a comprehensive survey about attitudes, frequencies and demographics of those who patronize Downtown Redmond as part of an ongoing effort to revitalize downtown and provide a superior experience for citizens. Our goal was to conduct a survey to gain a better understanding of the current Downtown Redmond Experience. Over the last ten weeks, we conducted secondary research on downtown experience surveys of other municipalities, created and distributed a survey across Redmond, corroborated the survey with further intercepts, and analyzed the results.

Current State of Downtown Redmond

There is a disconnect between what the council wants for downtown and how citizens feel that downtown should be energized. Citizens in our research are neutral to slightly unsatisfied with the current state of Downtown Redmond.

In moving forward, the city needs to understand that the citizens in our survey can be broken into five profiles: Film Foodie Frank, Nourishment Nutrition Nancy, Crafty Children Christine, Outdoor Obsessed Oscar and Anti-Antique Annie. Each segment not only has different current behaviors, but also different future desires, and downtown priorities.

Strategic Recommendations

The interests of Redmond's citizens have highlighted three main focal areas for the city. The first area relates to the dining experience. We found in our survey there are three main dining experiences missing from downtown: healthy, gourmet and casual. The second area is to create more downtown events, which is a main motivator for citizens to go downtown through live music events. The third emphasis is to enhance retail options, especially by attracting an outdoor sporting goods store to match the outdoorsy citizens of Redmond.

It is important to note that the citizen outreach research largely corroborates separate work done by the separate food and retail downtown cluster teams.

Project Issue

DEFINING THE PROJECT

Project Issue and Objectives

Downtown Redmond underwent a major change when Highway 97 was removed from the center of downtown. The purpose of this change was to get rid of traffic problems and attract more foot traffic in downtown. However, Downtown Redmond still faces issues with empty storefronts and low levels of consumer activity. City council members hope to understand citizen views, current consumer shopping habits and find ways to bring more people downtown.

Redmond is committed to "establishing [itself] as a first choice community for residents and businesses." Three elements that the City of Redmond focuses on to set it apart from other downtowns are local businesses, family-friendly environment, and community events. The city wants downtown to be "The Hub," with people constantly flowing in and out of the businesses.

In order to help Downtown Redmond's continued redevelopment reflect citizens, a viral survey was developed and posted by city officials on Facebook, Twitter, and the city's official website. It was also emailed out to 4-H families in the Redmond area and flyers were handed out to local businesses with the survey URL listed on them. The survey centered around people's downtown habits and what changes they would like to be seen made in downtown. Nearly 120 surveys were analyzed resulting in a portrait of how people currently see and how they hope to see downtown in the future.

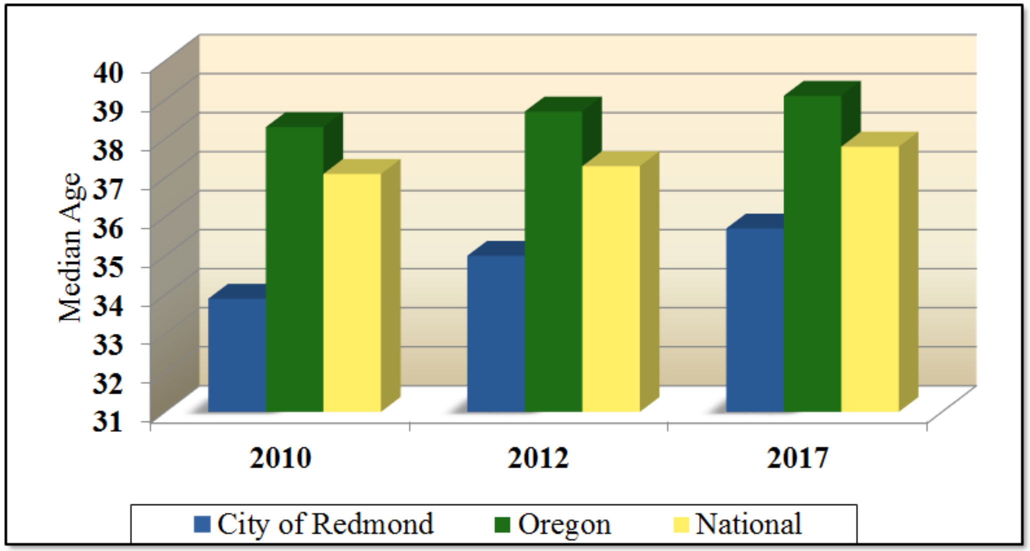
Separately, there are three other University of Oregon student teams looking at the food, retail, and lodging clusters, primarily from the business owners' perspective. Together with the survey results, the city council can identify priorities to improve Downtown Redmond and help it reach its goal of being a first choice community.

Internal Analysis

CURRENT STATE OF DOWNTOWN REDMOND

Who are the People of Redmond?

Median Age Distribution

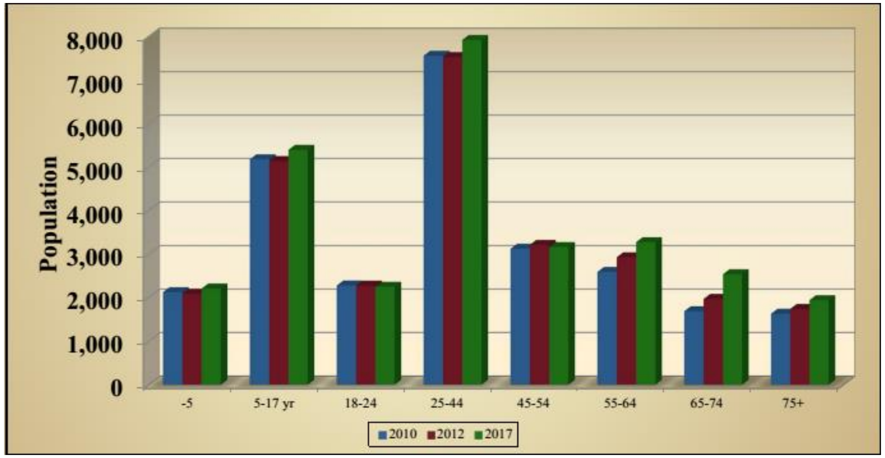


The distribution of age in Redmond as compared to the State of Oregon and nationally has remained proportionally the same. Redmond has a slightly lower median age at 34. Over the next year, the median age is forecasted to increase.

Source: Demographic Profile Data Slides 03 12 14.pdf

Redmond is Growing in Population

Population Age Trends Projections

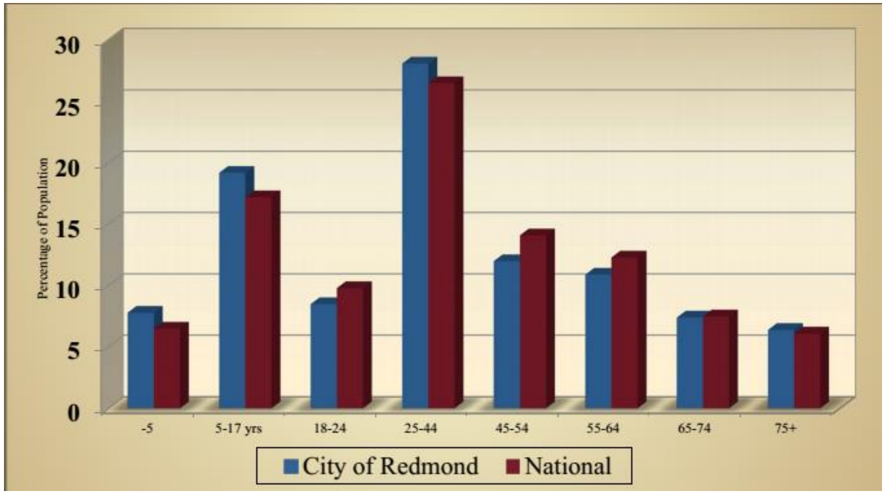


Source: Demographic Profile Data Slides 03 12 14.pdf

Redmond has experienced strong population growth, from being 12% of Deschutes County's population in 2000 to 17% in 2012. At the same time overall county population has grown.

While the median age of the city is 34, there is a 9% annual growth with retirement age individuals between 55 to 75 year-old.

Population Age Trends Comparison



Source: Demographic Profile Data Slides 03 12 14.pdf

Are Citizens able to Support Themselves?

Median Household Income

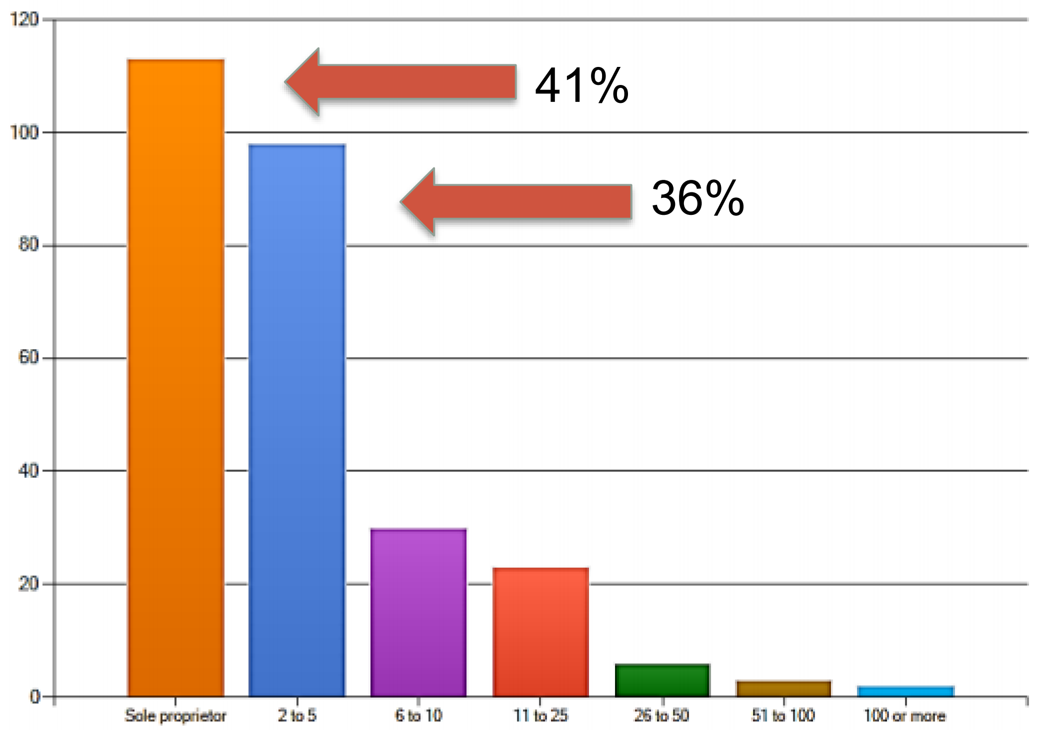
Source: Demographic Profile Data Slides 03 12 14.pdf

The median income in Redmond is 25% lower than the county's and overall lower than the rest of the state and the country.

Redmond has also experienced an increase in the people who are below the poverty Line. The number of people below the poverty line has doubled since 10.8% to 21.6%.

What Businesses are in Redmond?

Size of your business? Number of Employees



Source: Demographic Profile Data Slides 03 12 14.pdf

Redmond attracts small businesses. Looking at data taken from the 2013 business survey, the vast majority of businesses are either sole proprietorships or have 2-5 employees. (77% combined)

External Analysis

LEARNING FROM OTHER DOWNTOWN OUTREACH SURVEYS

Secondary research focused on other downtown outreach surveys.

In crafting the survey, we looked not only at the 2005 Redmond effort, but also researched other downtown surveys and analyzed the questions each one posed to their citizens. Our goal in researching other surveys was to determine what types of questions should be asked and how to structure our survey. The research confirmed that the survey needed general categories of questions that went beyond retail shopping and addressed a mixture of downtown uses.

In addition to looking up other surveys, we read articles about what makes a strong consumer analysis survey and how we should ask questions to get the results we desired.

The two primary surveys that we referenced when creating our survey were the Downtown Kings Mountain Business District Consumer Survey and the Downtown Westfield Consumer Survey. These surveys were most relevant to the question and issue posed to us. These two surveys were also created for smaller towns that have similar demographic characteristics to Redmond.

Downtown Kings Mountain Business District Consumer Survey

Downtown Westfield Consumer Survey

The Survey and Key Results

SURVEY BREAKDOWN AND INTERPRETATION OF FINDINGS

The survey had four sections to determine how residents view downtown.

The survey was designed to understand both how residents currently view downtown and what they envision for the future of Downtown Redmond. The four main parts:

- Current Shopping, Events, and Downtown Redmond Visits
- Travel and Parking in Downtown Redmond
- Responses to various statements about Downtown Redmond's mix of businesses, future needs, aesthetics, safety, layout, convenience.
- Priorities for Downtown Redmond

The full survey is shown in Appendix A. It was built in and deployed in Qualtics, a survey platform used by Lundquist College of Business at the University of Oregon. There was no charge to the City of Redmond for this software.

City officials posted the survey link to Redmond’s website, Facebook, and Twitter page. Flyers were also posted in local businesses with the URL address for the survey (Appendix B). Respondents’ results were anonymous, although at the end of the survey people could put in an email address that the City would use to distribute a $5 coupon to Green Plow Coffee Roasters (Appendix C).

The following pages provide additional detail about each section of the survey.

Part one of the survey focused on residents' habits in Downtown Redmond.

The goal of this section was to identify how frequently people visit Downtown Redmond today and what they typically do while downtown**.** If respondents selected an option related to not visiting downtown on a regular basis, they were then asked questions about what would make them go downtown more as well as the other downtowns that they visited and enjoyed. If they selected an option related to frequently visiting downtown Redmond, they were asked questions related to what are the primary factors for going to downtown on a regular basis.

Question #3) Specifically how often do you do each of the following?

	Never	Less than once a month	Once a month	2-3 times a month	Once a week	2-3 times a week	Daily
Shop in Downtown Redmond	○	○	○	○	○	○	○
Eat in Downtown Redmond	○	○	○	○	○	○	○
Attend an event in Downtown Redmond	○	○	○	○	○	○	○
Show visitors Downtown Redmond	○	○	○	○	○	○	○
Visit Centennial Park	○	○	○	○	○	○	○
Work in Downtown Redmond	○	○	○	○	○	○	○

For example this question from part one was designed to determine how often people do certain things in downtown. This helps identify habits among the residents of Redmond.

Part two asked questions relating to travel and parking accessibility in downtown.

A common theme we heard at the project kickoff was that a limited amount of parking available downtown was a deterrent for citizens of Redmond. Our goal for this section of the survey was to capture a better understanding of how citizens travel to Downtown Redmond and how far away those who actually drive have to park. If parking is a true deterrent for citizens, then we wanted to know if, and why, they travel outside of Redmond to other downtowns that are more accessible. The ultimate goal of this section is to determine how people are able to get to Downtown Redmond and if parking is as much of an issue as businesses believe it to be.

Question #8) When driving, how far away from your Downtown Redmond destination do you typically end up parking?

- Near entry
- 1/2 block away
- 1 block away
- 2 blocks away
- 3 blocks away
- 4 or more blocks away

For example this question from part two was created to show us on average how far away people park from where they want to shop in downtown.

The third part determined current views of downtown and visions for the future.

The goal of part three was to determine what respondents' think of the retail, entertainment, and recreation options currently available in downtown and what businesses and opportunities they would like to see (and not see) in Downtown Redmond. Ultimately, we hoped to determine the top areas that City Council can focus on when creating a plan for further development.

Question #11) Please complete this statement regarding the mix of businesses in Downtown Redmond:

Downtown Redmond needs more…	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree
High-end retail locations					
Discount retail locations					
Restaurant options					
Bars and lounges					
Office space					
Housing options					
Personal service storefronts (i.e. salon/barber)					
Professional services (i.e. insurance/legal)					
Big-box stores					

This sample question from part three was created to determine what mix of businesses residents want, and don't want, in downtown.

The final part was created to determine top priorities for Downtown Redmond.

In this section of the survey, respondents were asked open-ended questions relating to their overall satisfaction with Downtown Redmond and what changes they would like to see. The goal of this section was to determine how residents envision the future of Downtown Redmond and identify the top priorities for action in a way that the City Council can hear this in residents' own voices.

Question #15) Please write up to two changes that you would like to see to Downtown Redmond

Change One

Change Two

Question #16) If you could have a specific business or type of business come to Downtown Redmond, what would they be?

Business One

Business Two

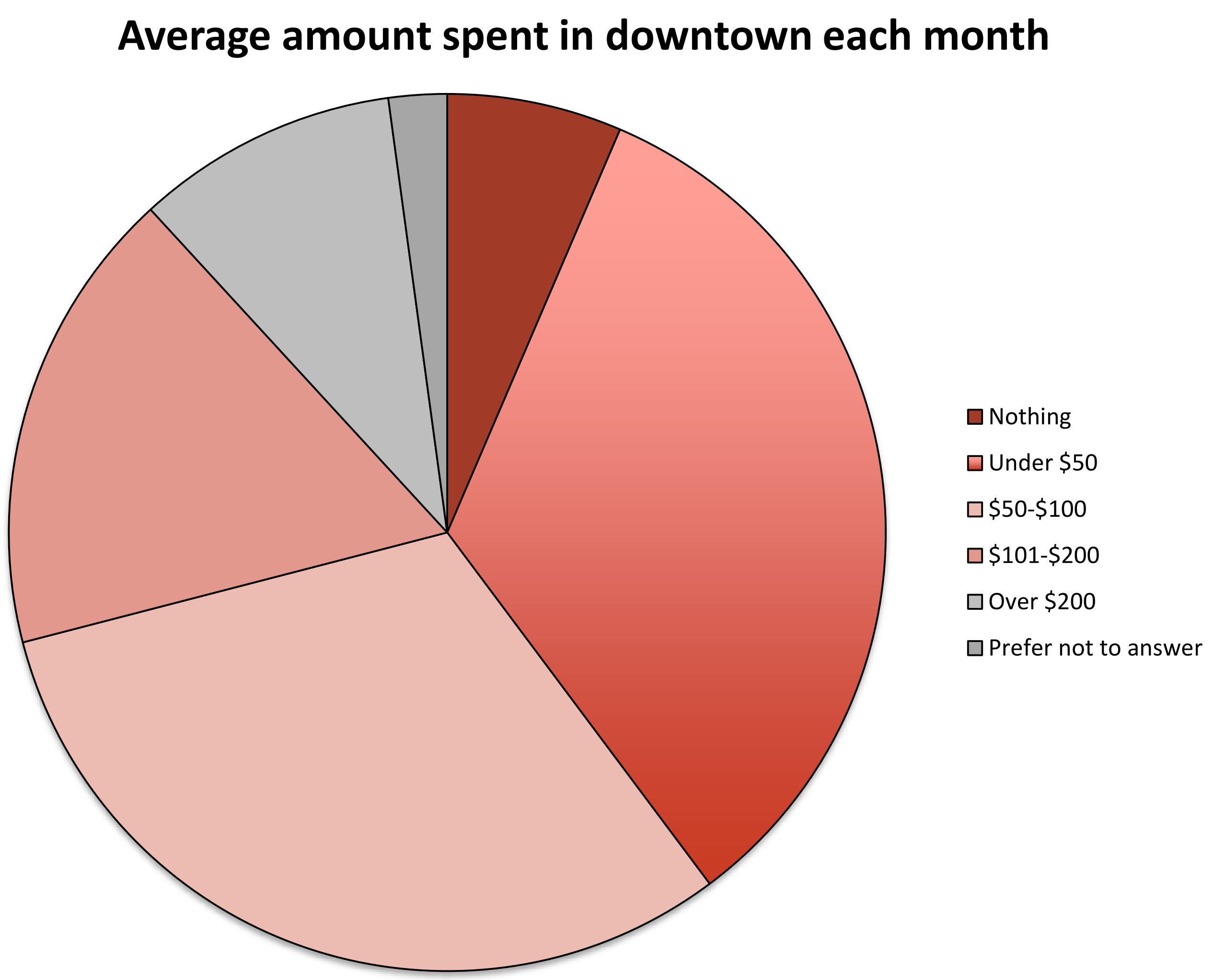
There are some summary demographics that are important to note.

88 respondents in total:

41% fall into the 25-44 age group
35% are married with children and 33% are married without children
28% of respondents make $80,000 or more each year, while 18% either make between $25,000 and $39,999 or preferred not to answer the question
32% have some college education, but no degree while 25% have a Bachelor’s Degree
73% live within the Redmond City limits

**All of these figures are based off of the survey results, which can be found in Appendix D.

Our survey shows that visitors spend between $1 and $100/month in downtown.



**Numbers based off of survey results from question 16. Please see appendix D for detailed results.

Most Redmond residents work outside of downtown.

Most people who live within the city limits of Redmond do not work in Downtown Redmond. In fact, only 17% of respondents who live in Redmond also work in Downtown Redmond. If 73% of respondents commute out of Redmond, this will likely drive spending in other cities.

		Specifically how often do you do each of the following? - Work in Downtown Redmond							
		Never	Less than once a month	Once a month	2-3 times a month	Once a week	2-3 times a week	Daily	Total
Do you live:	Within the Redmond City limits	41	3	1	2	1	4	11	63
	Between 0 and 2 miles from the city limits	0	0	0	0	0	0	1	1
	Between 2 and 5 miles from the city limits	3	0	1	0	0	0	2	6
	Greater than 5 miles away from the city limits	10	0	0	2	0	0	2	14
	Prefer not to answer	0	0	0	1	0	0	1	2
	Total	54	3	2	5	1	4	17	86

Residents go outside of Redmond for a variety of reasons.

Reason for going outside of Redmond	Percentage of respondents
Retail Shopping	78.9%
Entertainment	65.6%
Dining	60%
Night life	42.2%
Grocery Shopping	34.4%

**Results based off of question 17 of the survey.

Respondents like the atmosphere of downtown.

55% of respondents visit downtown 2-3 times a month or less, but generally enjoy the atmosphere of downtown.

Attitudes and Feelings about downtown	Percentage of Respondents who strongly agree or agree
Like downtown's ambience	74%
Like downtown events	73%
Like the art in downtown	72%
Feel safe in downtown	72%
Want to buy local	67%
Would bring a guest downtown	62%

The results in the table above represent good news, but 31% of respondents "strongly disagreed" or disagreed with recommending shopping in Downtown Redmond.

Community events and restaurants are the top two downtown destinations.

Community events, especially family-friendly events and ones with food and beverages, drive people downtown. Events provide residents with an opportunity to socialize and explore the various businesses in Downtown Redmond. Also popular among residents is the conversion of part of Centennial Park into water fountains during the summer for children to play in and into a skating rink during the winter months for a family-oriented attraction. Downtown also provides its residents with a variety of dining options, from Oishi Japanese Restaurant to Diego's Spirited Kitchen.

Wild Ride Brewing offers young adults a destination in Downtown Redmond.

While a major focus of Downtown Redmond is to be family-friendly, there is also a push to keep young adults in Redmond rather than moving away. One step already taken to achieve this goal is the addition of Wild Ride Brewing. Wild Ride offers a place for young adults to hang out, try new beers, and sample food from a variety of food trucks and many people have mentioned it as a new bright spot in downtown and model of how exciting new businesses can build foot traffic in Downtown Redmond.

Dining is a primary motivator for those with higher incomes.

Nearly 30% of respondents eat downtown once a week or more while 50% said they eat downtown 2-3 times a month or more. This compares to general shopping where more than 70% of respondents say they shop downtown less than once a month.

Those with the higher income brackets tend to say that the primary reason they go downtown is for dining.

		What is the primary reason for you to go to Downtown Redmond?							
		Work	Dining	Shopping	Community events	Night life	Leisure time	Other (Please specify)	Total
Which best describes your total household annual income?	Under 25,000	1	1	0	0	0	0	0	2
	25,000 - 39,999	3	2	0	3	0	2	3	13
	40,000 - 64,999	2	4	0	0	0	0	1	7
	65,000 - 79,999	4	5	0	1	0	0	1	11
	80,000 or above	4	9	3	0	0	0	3	19
	Prefer not to answer	4	6	0	0	0	1	0	11
	Total	18	27	3	4	0	3	8	63

Events drive people downtown, but there are not enough events.

Events are the main motivation to go downtown. Today, **73%** people said that they like to attend downtown events. However, 58% of these people say that they only go downtown less than once a month.

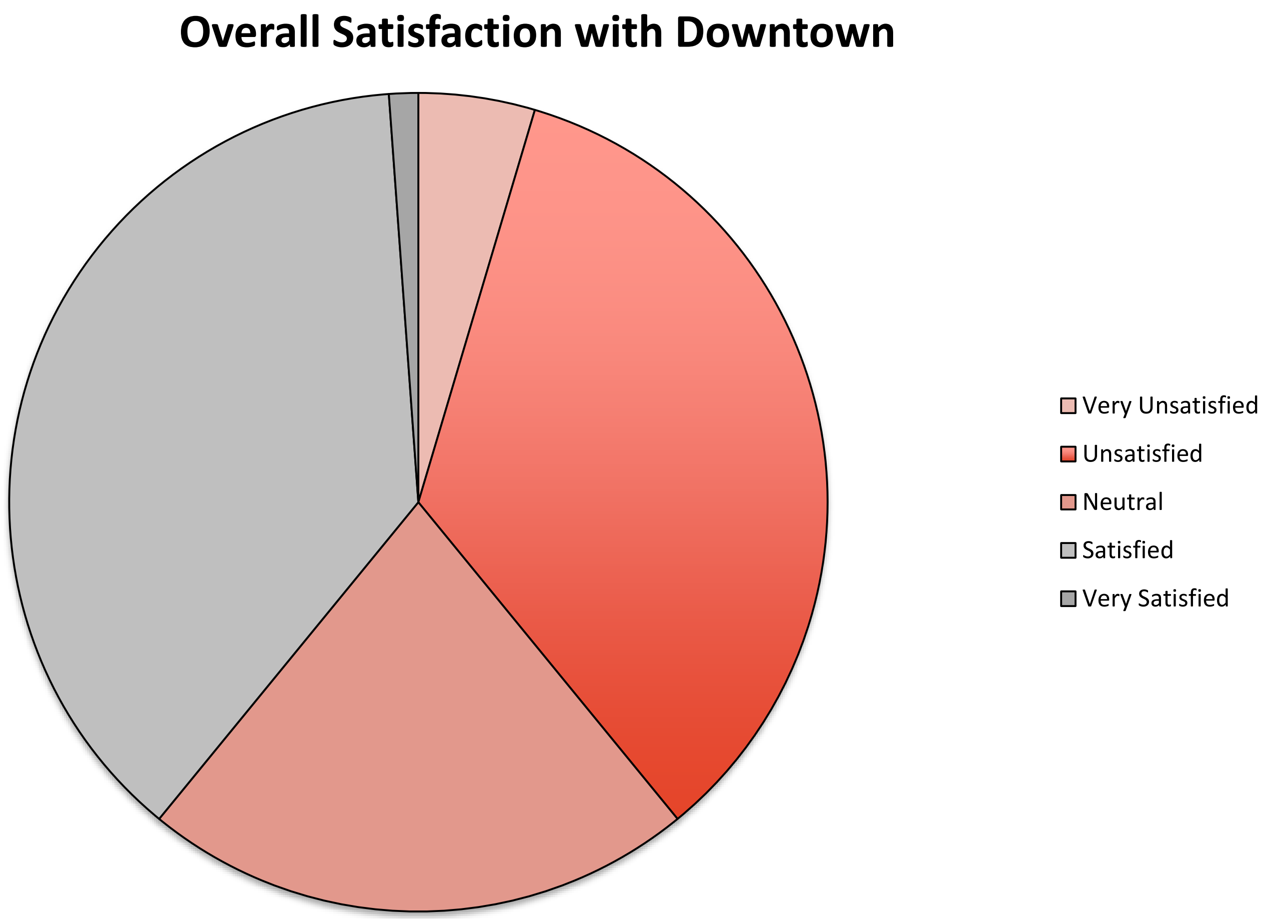
Specifically how often do you do each of the following? - Attend an event in Downtown Redmond	Considering the attributes of Downtown Redmond, please respond accordingly: - I like to attend events in the downtown					
	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Total
Never	2	0	1	0	0	3
Less than once a month	2	5	12	27	12	58
Once a month	0	0	2	10	10	22
2-3 times a month	0	0	1	3	2	6
Once a week	0	0	0	1	0	1
2-3 times a week	0	0	0	0	2	2
Daily	0	0	0	0	0	0
Total	4	5	16	41	26	92

Early close times and closed days are inconvenient for shoppers.

A common issue raised about businesses in Downtown Redmond is their operating hours. Many businesses are not open late, which drives younger people to other cities when they want to go out for a night on the town. Some business owners are worried that more trouble and problems will arise if places are open late at night, which is the driving factor for not keeping their doors open. Additionally, some businesses are only open on certain days of the week, with the majority of stores being closed on Sundays. This forces residents to go elsewhere if they want to do something fun on Sundays because downtown is dead and cannot offer them places to visit.

Having a vital downtown that has active traffic at all times requires greater density of businesses and persistent patterns of shoppers or diners.

Overall satisfaction about Downtown Redmond is quite divided.



**Results based off of question 9 of the survey.

Additional venues in downtown are needed.

Overall citizen respondents indicate Downtown Redmond could use some additional vitality. The mix of how to do that is consistent in the top and bottom, but the middle is unclear.

Tier	Potential Venue	Percentage of Respondents who strongly agree or agree downtown needs more
Tier 1	Entertainment Venues	85%
Tier 1	Recreational Facilities	75%
Tier 1	Community Events	72%
Tier 2	Restaurant Options	81%
Tier 2	Artistic/Cultural Opportunities	58%
Tier 2	High End Retail	44%
Tier 2	Discount Retail	34%
Tier 3	Housing Options	55%
Tier 3	Bars/Lounges	41%
Tier 3	Personal Services	38%
Tier 4	Office Spaces	18%
Tier 4	Professional Services	15%
Tier 4	Big Box Stores	14%

There is a variety of establishments that respondents want to see and would use.

When probed about their likely use of new establishments in downtown, more food options shown as ones with highest likelihood of patronizing. New retail were sporting goods, followed by clothing, books, and pet supplies.

New Establishment	Percentage of respondents who would utilize it
Casual Dining	71.1%
Live Music	65.6%
Fine Dining	61.1%
Pubs/Bars	50%
Sporting Goods	48.9%
Women's Clothing	48.9%
Movies (Discount)	45.6%
Men's Clothing	37.8%
Book Stores	36.7%
Pet Supplies	32.2%
Healthcare/Beauty	26.7%
Children's Clothing	23.3%
Spa	23.3%
Fitness	21.1%
Electronic Repair	18.9%
Shoes/Leather	18.9%
Fast Food	15.6%

The mix/variety and density of food options in Redmond is addressed in the final report by the student team studying the food cluster.

Citizens with income above $65,000 want more restaurant options.

This demonstrates a correlation between higher income levels and those whom want more restaurants to be placed in downtown. This means that the higher the income brackets of the citizens, the more they are in favor of restaurants to be placed in downtown.

		Which best describes your total household annual income?						
		Under 25,000	25,000 - 39,999	40,000 - 64,999	65,000 - 79,999	80,000 or above	Prefer not to answer	Total
Please complete this statement regarding the mix of businesses in Downtown Redmond: Downtown Redm... - Restaurant options	Strongly Disagree	0	0	0	0	0	0	0
	Somewhat Disagree	0	0	0	0	1	0	1
	Neutral	0	2	4	1	3	0	10
	Somewhat Agree	1	7	5	8	9	5	35
	Strongly Agree	3	7	3	4	12	10	39
	Total	4	16	12	13	25	15	85

The majority of people who drive downtown would like more parking options.

70% of people drivie as their main method of transportation into Downtown Redmond. Of these people, 47% strongly support additional parking to make their downtown experience better. This corroborates the feedback of business owners, but not nearly with the same level of intensity. Parking ease is desirable, but is not the significant deterrent business owners perceive it to be.

Moreover, the perception of parking as an issue does not seem to be borne out by respondents actual experiences. Of those who drive, 65% indicate that they can park at their destination or within ½ block. A cumulative 89% park within a block or less.

		Please check all of the following that you are interested in or strongly support					
		Downtown beautification	Downtown community events	Additional public safety and police presence	Adding more storefronts to the downtown area	Additional parking	Total
When visiting Downtown Redmond, how do you most often travel?	By foot/walking	12	13	1	13	7	16
	Driving	44	47	21	45	34	64
	Bicycle	1	2	0	3	0	3
	Public Transportation	0	0	0	0	0	0
	Other (please specify)	2	2	0	2	2	4
	Total	59	64	22	63	43	87

Citizen Profiles

IDENTIFYING THE PEOPLE OF REDMOND

Five profiles were created to categorize Redmond citizens.

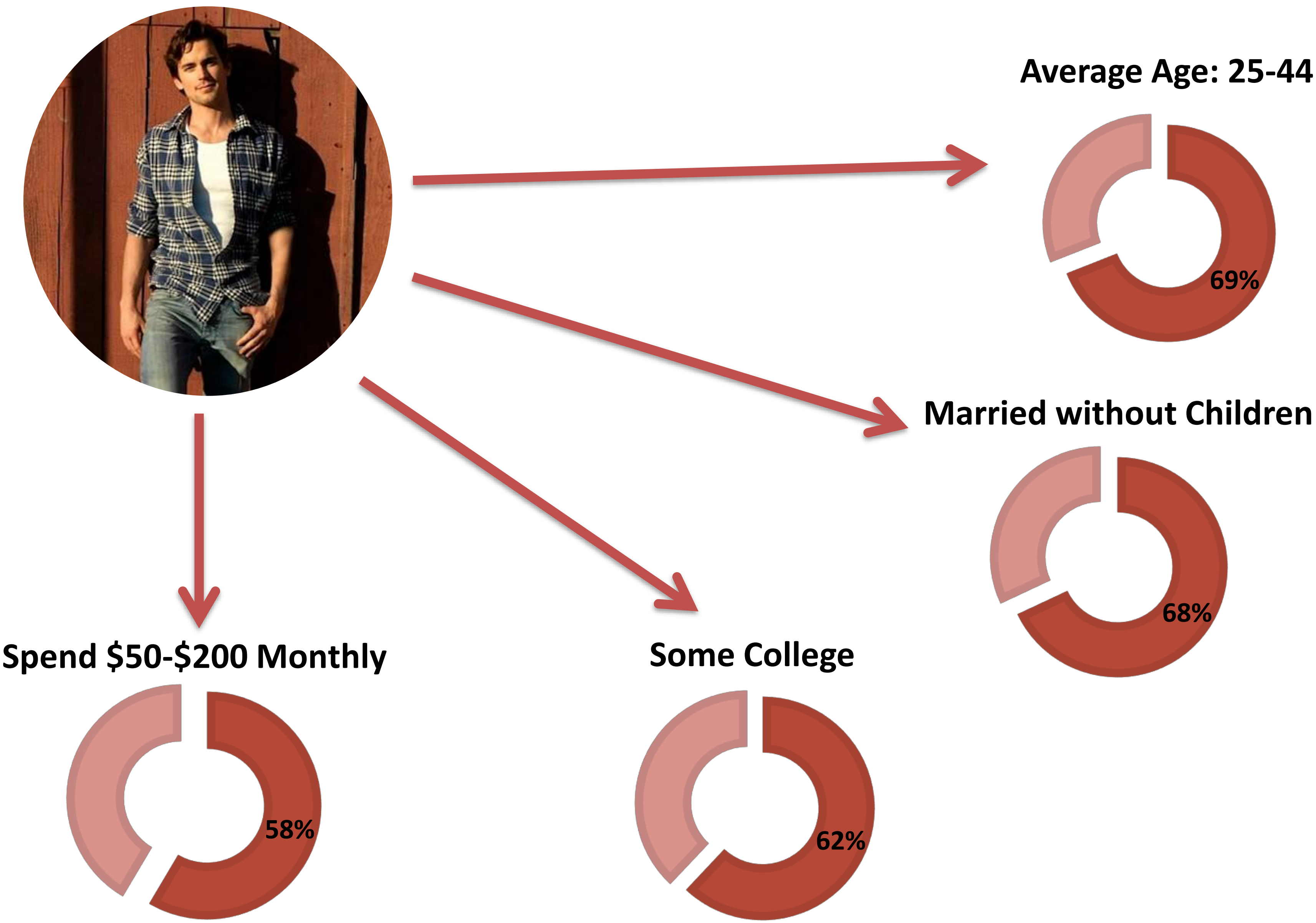
As the City Council moves to prioritize future improvements in Redmond, it's helpful to better understand how different some values, views, and priorities are, as well as where they overlap. We classified the citizens of Redmond into distinct profiles to better categorize the types of people that go into the downtown area. We identified five distinct profiles that exist in the City of Redmond. They are:

1. Film Foodie Frank
2. Nutrition Nourishment Nancy
3. Family Fun Frannie
4. Outdoor Obsessed Oscar
5. Anti-Antique Annie

The Primary source of these profiles was cross tabulations of survey responses around values, current practices and future priorities. The cross tabulations are provided in Appendix E.

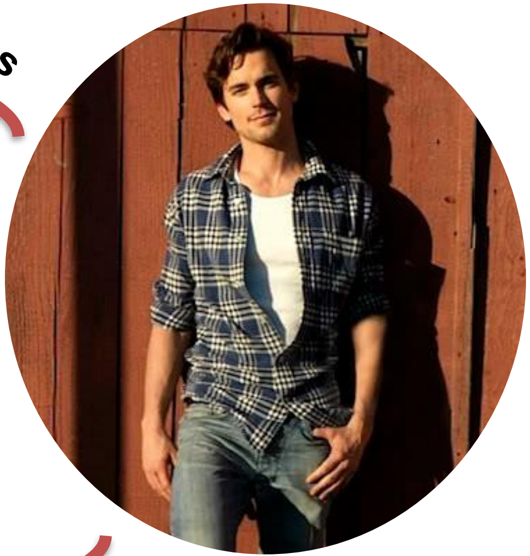
In addition, we conducted 15 direct intercepts with residents of Redmond on the streets of downtown on the following day: Feb 6th. These intercepts helped corroborate the online survey and shape the resident profiles. The intercept survey is in Appendix F; it is a selected few questions from the online survey.

Film Foodie Frank is young, married, and spends his extra income downtown.



Film Foodie Frank likes to see movies, eat out, and go camping.

Love seeing the new movies



Food brings me downtown

I may sing in the car

My favorite vacation spot

Film Foodie Frank wants a larger variety of stores, restaurants, and events.

Would go downtown more if...

- A larger variety of stores
- More restaurants
- More community events
- Better parking
- There was a recreation center

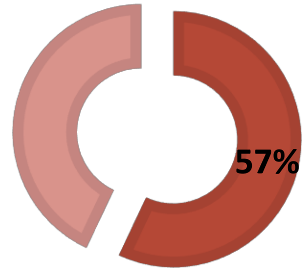
Satisfaction with Downtown

54% Less than Satisfied

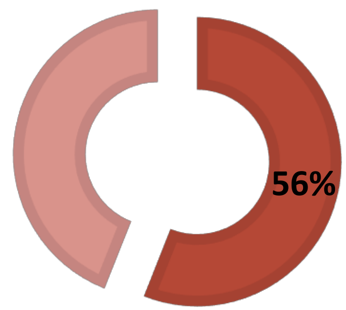
Issue	Want	Indifferent	Do Not Want
Restaurant Options	88%	12%	-
High-end Retail	53%	32%	15%
Housing Options	50%	29%	21%
Bars & Pubs	44%	17%	38%
Personal Services	38%	44%	18%
Discount Retail	36%	18%	47%
Office Space	24%	52%	24%
Professional Services	21%	47%	32%
Big-box Stores	9%	15%	74%

Nutrition Nourishment Nancy has no children and higher downtown spending.

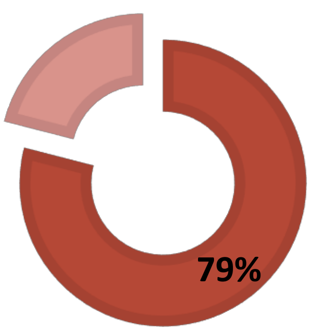
Average Age: 18-24



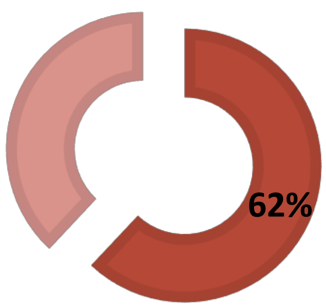
Married without Children



Spend $101-$200 Monthly



Some College



Nutrition Nourishment Nancy is active, but also enjoys a nice, gourmet meal.

I Love Fine Dining

I’m not afraid to sweat

Two wheels are okay

I prefer starry nights

Nutrition Nourishment Nancy wants more restaurants, retail shops, and events.

Would go downtown more if…

- Larger variety of restaurants
- Larger variety of retail shops
- More recreational facilities
- More entertainment venues
- More community events
- More artistic and cultural opportunities

Satisfaction with Downtown

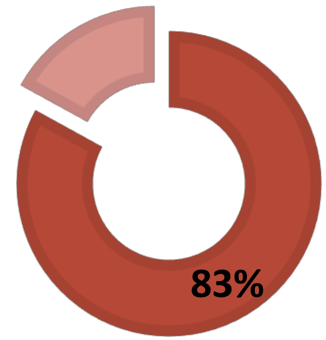
48% **Responded Satisfied**

52% **Responded Less than Satisfied**

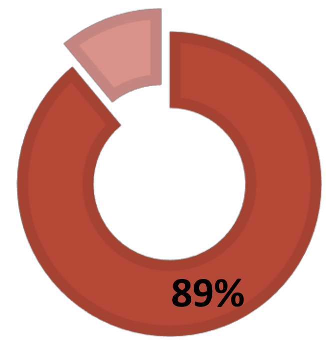
Issue	Want	Indifferent	Do Not Want
Restaurant Options	84%	13%	3%
High-end Retail	58%	16%	26%
Housing Options	50%	29%	21%
Bars & Pubs	47%	29%	24%
Personal Services	45%	34%	21%
Discount Retail	34%	13%	53%
Big Box Stores	16%	13%	71%
Professional Services	14%	53%	33%
Office Space	13%	45%	42%

Family Fun Frannie is older, has children, and does not spend as much downtown.

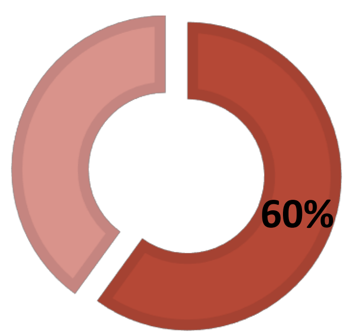
Average Age: 25-54



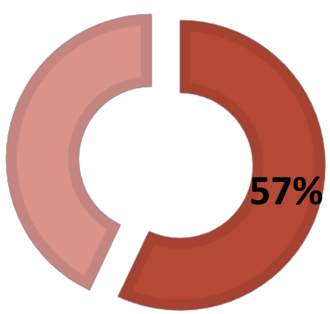
Married with Children



Associates Degree or Higher



Spend Under $50-$100 Monthly



Family Fun Frannie enjoys family, being outdoors, and getting her hands dirty.

I love music

I prefer to cook/bake

I can create beauty

I share my passion with my kids

Family Fun Frannie wants more family friendly options in Downtown Redmond.

Would go downtown more if…

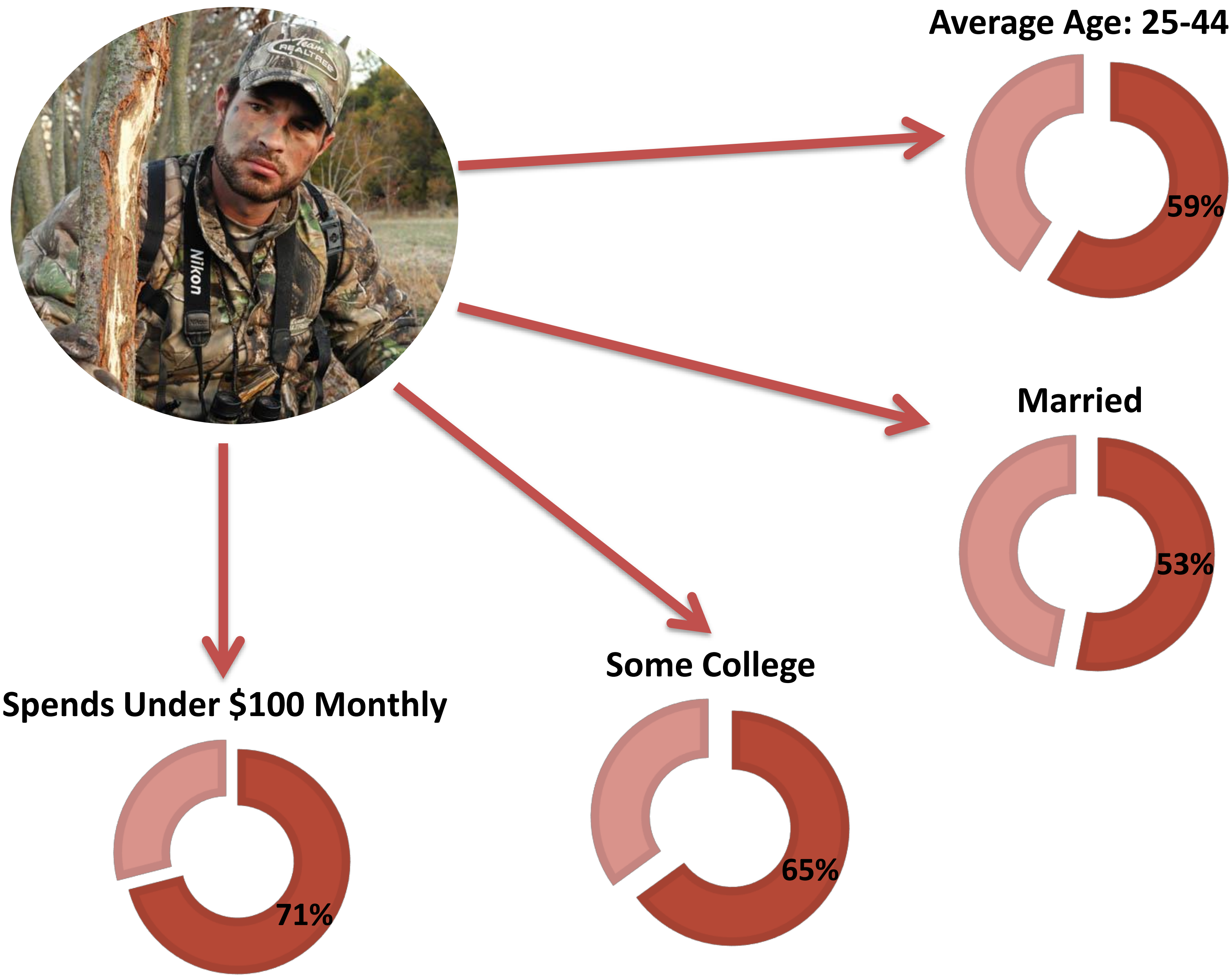
- More recreational facilities
- More entertainment venues
- More artistic and cultural opportunities
- More community events
- More live music venues
- More discount retail locations

Satisfaction with Downtown

53% Less than Satisfied

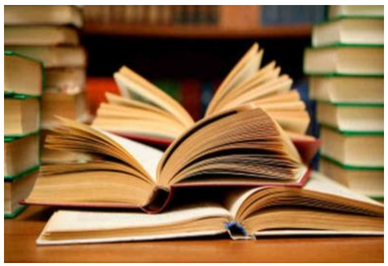
Issue	Want	Indifferent	Do Not Want
Restaurant Options	93%	7%	-
Bars & Pubs	55%	17%	28%
Housing Options	49%	34%	17%
Discount Retail	49%	14%	38%
Personal Services	48%	34%	17%
High-end Retail	41%	24%	14%
Office Space	34%	48%	17%
Big Box Stores	21%	3%	76%
Professional Services	13%	66%	20%

Outdoor Obsessed Oscar is married and does not spend much downtown.



Outdoor Obsessed Oscar works downtown, likes reading and the outdoors.

I work in Redmond



I like a good book

The right music is key

I live for the outdoors

Outdoor Obsessed Oscar wants events, restaurants, and a recreation center.

Would enjoy downtown more if…

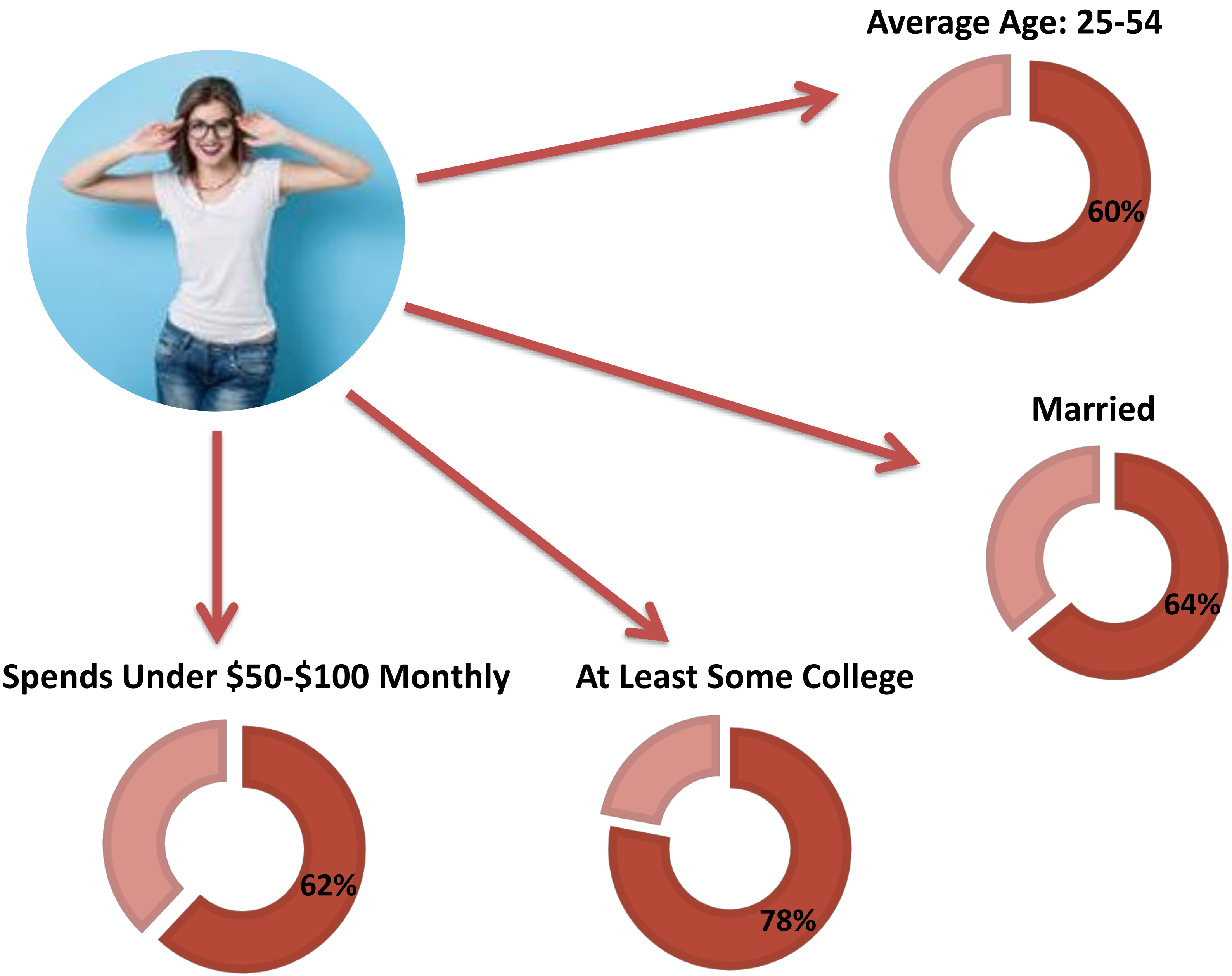
- There were more retail stores
- More restaurants
- More community events
- There was a recreation center
- More housing options

Satisfaction with Downtown

41% Satisfied with downtown

Issue	Want	Indifferent	Do Not Want
Restaurant Options	80%	20%	-
High-end Retail	70%	30%	-
Housing Options	70%	20%	10%
Bars & Pubs	40%	40%	20%
Personal Services	30%	20%	50%
Discount Retail	20%	10%	70%
Professional Services	20%	50%	30%
Office Space	10%	40%	50%
Big Box Stores	10%	-	90%

Anti-Antique Annie is of all ages, does not spend much, and is married.



Anti-Antique Annie likes friends, movies, and good food, but not antique stores.

I'm not a fan of antique shops

High quality food is a must

I like a vibrant night life

I enjoy a good movie

Anti-Antique Annie wants less antique shops, more nightlife, and live music.

Would go downtown more if…

- Less antique stores!
- Modern dining options
- Attractive bars, lounges and pubs (nightlife)
- Live music venues
- Movie theater
- Wants businesses to attract the younger generation

Satisfaction with Downtown

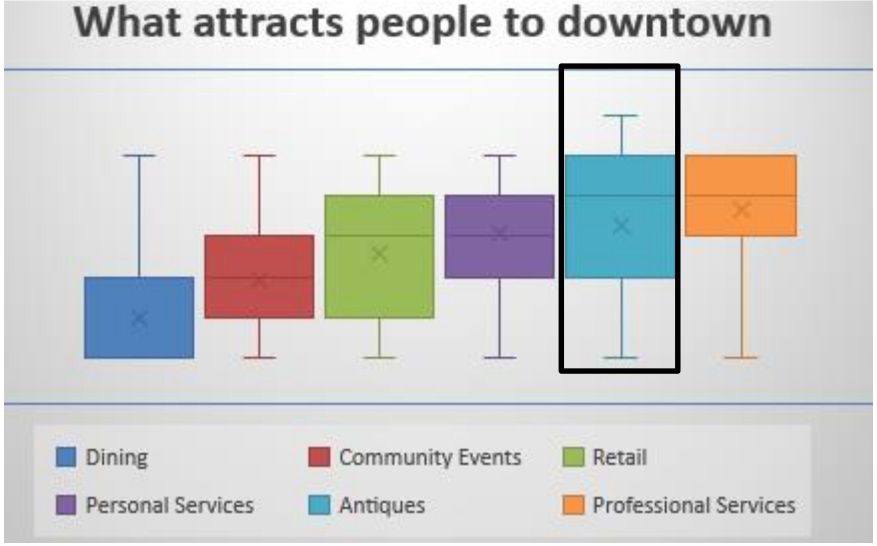
68% Less than Satisfied

Antique stores are common throughout Downtown Redmond.

Antique stores display remnants of Redmond's past and shop owners search far and wide for treasures that tell the story of Redmond. Nine antique stores encompasses the Antique District of Downtown Redmond and they provide visitors with insight into the Redmond of old.

Anti-Antique Annie's attitude may be the symptom of a underlying problem.

One survey question asked respondents what attracted them in downtown Redmond. Based on a scale of 1-6, with 1 being what attracts people the most and 6 being what attracts people the least, antiques have the second highest mean, which indicates that this type of business is not particularly attractive for the people of Redmond today.



We were surprised by the opinions about Redmond's antique concentration. However, further analysis indicates that this is most likely about the relative lack of overall retail variety in Redmond rather than about antique stores per se. The student team looking at retail will talk to this in its reports.

Recommendations

IDEAS TO EXPLORE

The citizen's first recommendation is clear: add more dining options downtown.

Moreover, **44%** of survey participants listed dining as their primary reason for going downtown, meaning there is room to grow in the food sector. Three groups that need to be considered are those who want a more active lifestyle, those who value fine dining, and those that want a family-friendly casual dining option that also serves young adults. Thus, these three dining options:

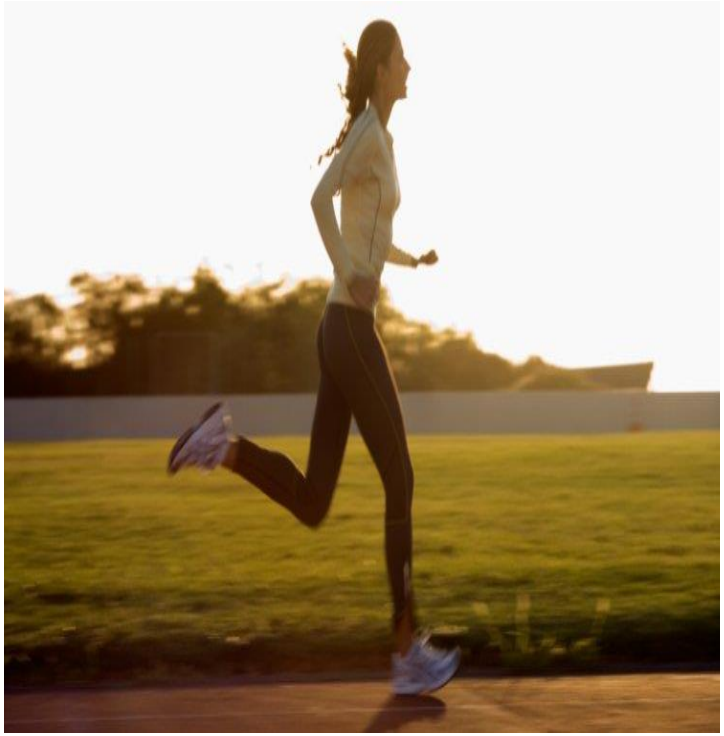
- Dining for healthy eaters
- Dining for gourmet eaters
- Dining for families and young adults

Healthy eating options will appeal to citizen segments.

Healthy Dining

The Nutrition Nourishment Nancys of Redmond would primarily appreciate more healthy food options downtown. A healthy lifestyle is a prominent concern for this younger age group (18-44) due to the rise in obesity rates. As an Oregon Public Health report stated, only **56.5%** of Oregon citizens reach the amount of physical activity recommended by the CDC. However, in Oregon we see a rise in the 18-24, 25-35, and 45-54 age group with 61.8%, 65.1%, and 56.5% exceeding the CDC physical activity recommendation. [1]

Besides healthy options in existing dining venues, places that focus on green super foods as well as locally sourced ingredients appeal to these citizens.



1 "Oregon Public Health." *Oregon Health Authority*. oregon.gov, n.d. Web. 18 Feb. 2016. <https://public.health.oregon.gov/PreventionWellness/PhysicalActivity/Documents/Oregon_PANfactst_2012.pdf>.

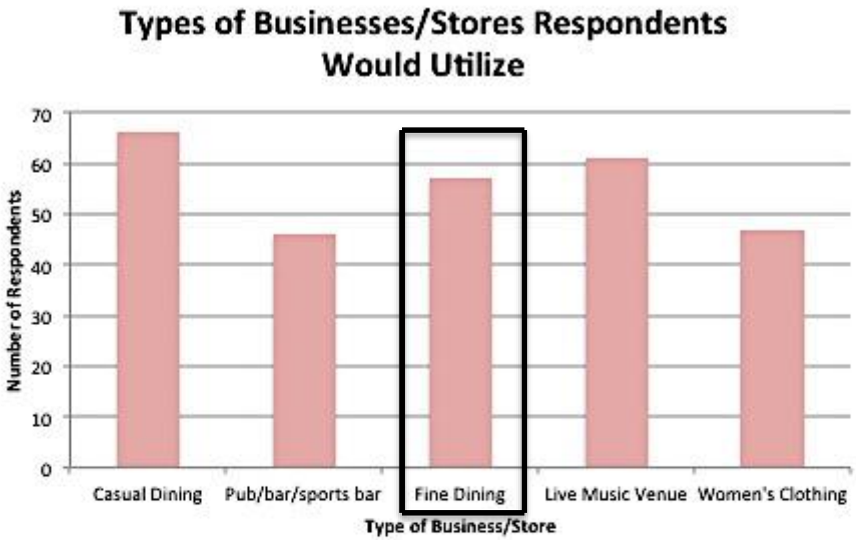
The second dining option that should be pursuedis gourmet/fine dining.

Gourmet Dining

63% of people listed the gourmet dining as one of their interests. Furthermore, 44% participants selected dining as their primary reason for going downtown and of those people, most stated that they were interested in gourmet dining. This means that 79% of those who choose to go downtown for dining want gourmet food choices.

These statistics from the survey align well with what we heard from our intercept survey participants. As one lady stated: “There is no where to go downtown for food. If my husband and I want upscale dining, we have to leave town”.

Question 21:



Fine dining will attract the Film Foodie Franks of Redmond into downtown.

Adding gourmet dining options will attract some of the Film Food Franks who enjoy a nice dinner. As we found in our intercept surveys, many citizens feel like there are not many gourmet dining options locally. Those who enjoy gourmet dining also would like to shop locally. On average, 70% of our overall respondents stated that buying local is important. However, 78% of those who selected gourmet dining as an interest also highly value buying local. This means that this group will be especially open to buying local if a good gourmet option exists.

		Please indicate all of the activities and interests which you and/or your household members enjoy...		
		Other	Gourmet/fine dining	Total
Considering the attributes of Downtown Redmond, please respond accordingly: - I always try to buy products and services locally	Strongly Disagree	1	1	1
	Somewhat Disagree	6	2	6
	Neutral	19	8	19
	Somewhat Agree	36	17	36
	Strongly Agree	25	21	25
	Total	87	49	87

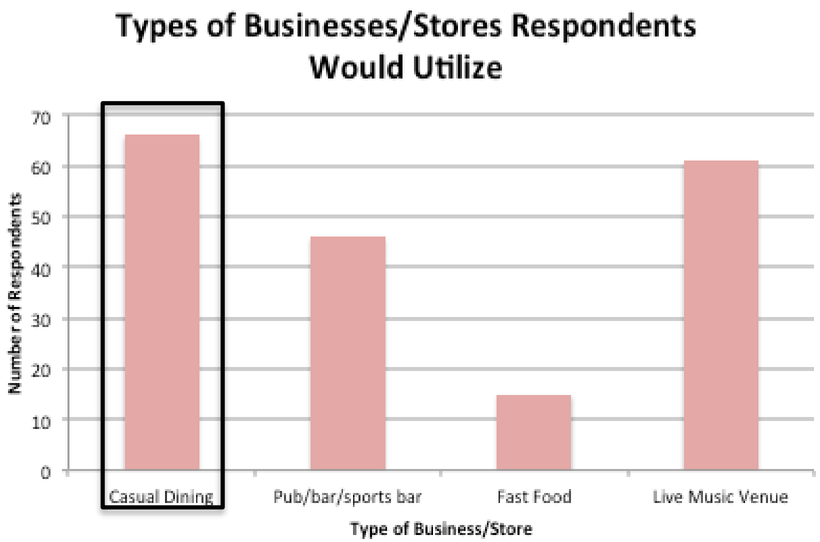
This cross-tabulation shows the relationship between buying locally and the interest in gourmet and fine dining.

Casual dining are appealing as well.

Casual Dining

75% of respondents said that they would utilize more casual dining options if available in Downtown Redmond. Additionally, **52%** of respondents said that they would go to a pub-style restaurant if there was one in downtown. Some respondents specifically stated that the would like to see a restaurant similar to McMenamins because it is both family friendly and attractive to young adults.

Question 21:



A family-friendly pub could attract both families and young adults.

Casual Dining

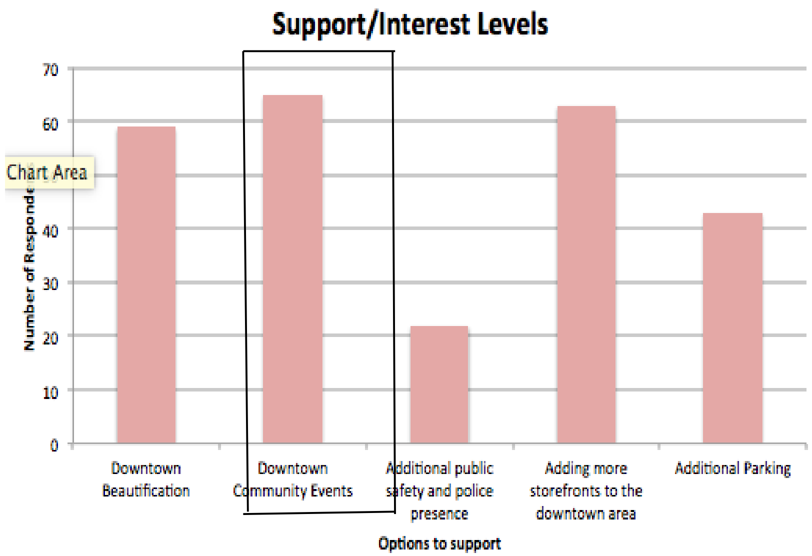
Adding a McMenamins-style restaurant would attract both the Family Fun Frannie group and the Anti-Antique Annie. In the Family Fun Frannie group, **63%** enjoy eating downtown with their families and a family friendly pub would meet their needs. For the Anti-Antique Annie group, **24** of the respondents are concentrated in the 25-44 age category. They are younger and want a fun place to hang out with their friends. By having this style of restaurant in Downtown Redmond, young adults would be more inclined to stay in Redmond rather than go to another place like Bend to meet up with their friends.

Increasing community events will drive traffic downtown.

Question 12:

During our initial meeting with city council members, we learned that community events bring people downtow. We recommend increasing the number of community events even more.

As the chart shows, **74%** of respondents (65 out of 88) said that they would support or be interested in more downtown community events. Additionally, **72%** of respondents said that they like to attend events in downtown. Of the people who do not visit downtown frequently, **44%** said that more community events would drive them downtown more often.

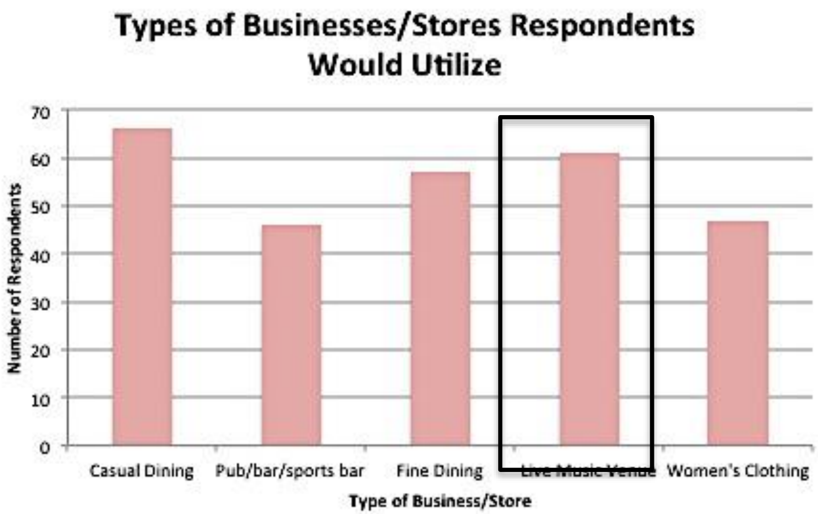


Incorporating music will be key to the success of the events.

Live music will be vital to the success of downtown events and will draw more people to them. **76%** of respondents indicated that they enjoyed listening to music. Additionally, **69%** of respondents (61 out of 88) said that they would patronize a live music venue.

Based on these results, we recommend that the City of Redmond create a live music series, perhaps using Centennial Park or another weather-neutral venue that can be utilized as the focal point of community events. Music and opportunities to socialize bring people together, which is why we believe that additional community events and live music will drive people to Downtown Redmond.

Question 21:



New retail is needed –starting with sporting goods/outdoor activity store.

Over the past five years, the outdoor equipment industry has experienced rapid growth from the decline it faced during the recession. Placing a locally owned outdoor equipment store in downtown will draw the attention of those who have interests in biking, outdoor sports, and physical exercise. It is expected to continue to grow as people become more concerned about their health. The Downtown Redmond Experience survey results about citizen’s interests is indicative of the grow in the outdoor industry. This kind of store could also leverage the increasing number of visitors to Smith Rock State Park.

Of our 64 total respondents:

- 54% stated that they enjoy bicycling
- 27% stated that they enjoy running
- 73% stated that they enjoy camping/being outdoors
- 38% stated that they enjoy swimming
- 67% stated that they enjoy physical activity.

The separate retail cluster student team has additional recommendations on improving the mix and density of retail establishments in Downtown Redmond

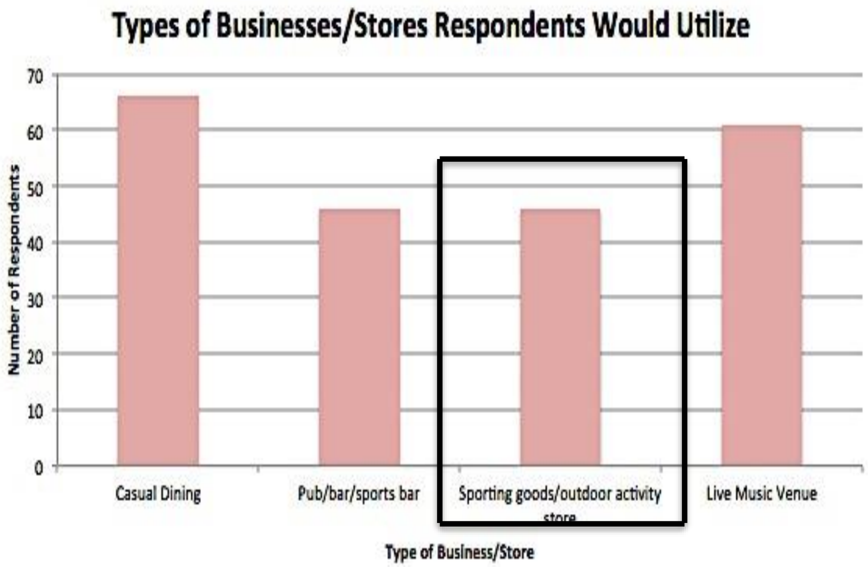
Despite Redmond's outdoor focus, it lacks an outdoor goods store downtown.

Creating an outdoor-focused store downtown would help the Outdoor Obsessed Oscars of Downtown Redmond. This profile of people feel that their downtown does not provide them with stores they are actually interested in. The citizens of Redmond have stated that they like being active. Yet, there are no outdoor activity stores.

Creating these would benefit this large profile of citizens as well as the city. Beyond Outdoor Obsessed Oscar, several other customer segments also spend a significant amount of time being active by playing sports, camping, and exercising. The city would gain the benefits of increased revenue, citizen satisfaction, and increased physical activity in the the Redmond area. Increased revenue from purchases and taxes would lead to more money for the city to create better camping grounds and trails to further satisfy this group of people that make up a significant portion of the Redmond population.

The important aspect would be making it a locally-owned store because many respondents have indicated that they do not want to see big-box stores in Downtown Redmond.

Question 21:



Action Plans

DIRECTION FOR THE FUTURE AND GOALS MOVING FORWARD

This action plan outlines implementation of the dining option recommendations.

What	Who	When
Categorize all the current restaurants in Downtown Redmond: bakery cafe, cafeteria-style, diners, drive-in, fast food, pubs, healthy, casual and gourmet	Redmond City Council Restaurant Owners	Immediately
New survey related to specifically food and restaurants to gather more information	Chamber of Commerce Downtown Business Association	Immediately
Add one more healthy, gourmet, and casual dining location across downtown with incentives	Redmond City Council Restaurant Business Owners	One year
Measure success of newly implemented restaurants	Redmond City Council Restaurant Business Owners	Every three months after restaurant opening
Includes food options in Downtown Redmond Experience questionnaire	Redmond City Council	Five years

This second action plan depicts implementation of increasing downtown events.

What	Who	When
Brainstorm community event ideas	Redmond City Council Chamber of Commerce Downtown Business Association	Last week of March
Poll citizens to narrow down top choices	Marketing Director (Charlie)	First two weeks of April
Set official dates for events and put them on a community calendar	Marketing Director (Charlie)	3rd week of April
Contract with local companies and bands/artists for event	Events Director (Karen)	3-4 weeks before first event
Execute Events	Events Director (Karen)	On predetermined date
Meet to review pros and cons of event	Events Director (Karen) leading a board meeting	The week following the event
Implement improvements for next event	Events Director (Karen)	Between post-event meeting and next event
Repeat steps 4-7 continuously	Events Director (Karen)	Continuously
Includes events in Downtown Redmond Experience questionnaire	Redmond City Council	Five years

This third action plan outlines implementation to attract a sporting goods store.

What	Who	When
Develop an incentive to attract new businesses downtown that focuses on a locally-owned sporting goods store	Redmond City Council	End of March
Secure location	Store Owner	Beginning of July
Open store	Store Owner Chamber of Commerce Downtown Business Association	October
Measure success of newly opened store	Redmond City Council Store Owner	Starting January 2017 and every 6 months after
Includes retail options in Downtown Redmond Experience questionnaire	Redmond City Council	Five years

The City Council should actively measure the success of carrying out action plans.

Categories:	Objectives:	Measures:	Targets:	Initiatives:
Financial	Increased revenue in Redmond Retain money locally	Business revenues tracked (pre and post) Event budget variances Reduction of empty storefronts New business employment	TBD	
Customer (Redmond Citizen)	Citizen Satisfaction	Relaunch distinctive city satisfaction surveys every 3-5 years to track improvements	Have an 85% overall citizen satisfaction rating	Use feedback from citizens to initiate changes but they get results
		Citizen event feedback/event traffic	Host at least one community event/month	Begin event planning for more events
		Chamber satisfaction by business members	Chamber approval ratings	Work to meet business needs more directly
		Number of new events and shops	New shops downtown	Create incentives for new shops to come in
Internal	Create efficiency in communication Deliver new venues for citizens	Reduced time between need identified and solution carried out	Reduce time by 30%	Create a communication platform between the various levels of local government
Learning	Improve knowledge of citizen wants/needs because they're dumb	Survey citizens and check alignment with Chamber goals	Be able to correctly identify citizens' biggest wants and needs 75% of the time	Member with the closest knowledge of citizen wants/needs gets to head project
	Improve ability to execute events and attract new businesses	New event and shop numbers	Two new businesses approaching Chamber in 6 months	Marketing outreach to local entrepreneurs

Appendices

SUPPLEMENTAL MATERIAL

Appendix A: Downtown Redmond, Citizen Outreach Survey

Default Question Block

This survey chartered by City of Redmond as part of the Sustainable City Year effort with the University of Oregon to find out citizens' opinions on the current state of the Downtown Redmond area. Our goal is to make Downtown Redmond an inclusive area through the opinions of the citizens. We will ask questions relating to your Downtown Redmond shopping, dining, cultural, transportation and recreational experiences. We want to hear your views on how the logistics, attributes and frequency of your downtown visits can improve Downtown Redmond for future generations.

Please answer these questions honestly as your responses are anonymous. After approximately 6 weeks, consolidated survey results will be available via the City Manager at the conclusion of the project for reference. Thank you for your time. It is much appreciated in the city's efforts of making Downtown Redmond a more enjoyable destination.

Additionally, at the end of the survey you will be prompted to enter an e-mail address, which will only be used by the city to distribute a $5.00 coupon to Green Plow Coffee Roasters.

PART 1: CURRENT SHOPPING, EVENTS, AND DOWNTOWN REDMOND VISITS

Thinking back over the last year, how often do you typically visit or spend time in Downtown Redmond? (CHECK THE CLOSEST RESPONSE)

Never

Less than once a month

Once a month

2-3 times a month

Once a week

2-3 times a week

Daily

Considering the attributes of Downtown Redmond, please respond accordingly:

	Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Str A
I always try to buy products and services locally	○	○	○	○	
I like the look and feel of Downtown Redmond	○	○	○	○	
I like the art in Downtown Redmond	○	○	○	○	
I feel safe in the downtown at all hours	○	○	○	○	
I like to bring out-of-town guests to the downtown	○	○	○	○	
I would recommend shopping in Downtown Redmond	○	○	○	○	
I like to attend events in the downtown	○	○	○	○	

Specifically how often do you do each of the following?

	Less than		2-3	Once	2-3

	Never	Less than once a month	Once a month	2-3 times a month	Once a week	2-3 times a week	Daily
Shop in Downtown Redmond	O	O	O	O	O	O	O
Eat in Downtown Redmond	O	O	O	O	O	O	O
Attend an event in Downtown Redmond	O	O	O	O	O	O	O
Show visitors Downtown Redmond	O	O	O	O	O	O	O
Visit Centennial Park	O	O	O	O	O	O	O
Work in Downtown Redmond	O	O	O	O	O	O	O

Which of the following would make you go to Downtown Redmond more? (SELECT ALL THAT APPLY)

A larger variety of stores

More community events

A larger diversity of restaurants

Better parking options

Having a recreation center

Other (Please specify)

What other downtowns have you visited and enjoyed?

Downtown One

Downtown Two

Downtown Three

What is the primary reason for you to go to Downtown Redmond?

Work

Dining

Shopping

Community events

Night life

Leisure time

Other (Please specify)

Approximately how much money do you spend in Downtown Redmond over the course of a month?

Nothing ($0) | Under $50 | $50-$100 | $101-$200 | Over $200 | Prefer not to answer

Overall rank the following from one (1) to six (6), with 1 being what attracts you the most and 6 being what attracts you the least to Downtown Redmond.

Retail (i.e. clothing)

Antiques

Dining (take out or dine in)

Personal Services (i.e salon/barbershop)

Professional services (i.e. insurance/legal)

Community Events

PART 2: TRAVEL AND PARKING IN DOWNTOWN REDMOND

When visiting Downtown Redmond, how do you most often travel?

By foot/walking

Driving

Bicycle

Public Transportation

Other (please specify)

When driving, how far away from your Downtown Redmond destination do you typically end up parking?

Near entry

1/2 block away

1 block away

2 blocks away

3 blocks away

4 or more blocks away

What are some reasons that you would choose to go outside of Redmond, such as to Bend? (Check all that apply)

I don't go outside of Redmond

Retail shopping

Dining

Night life

Leisure Time

Entertainment

Community Events

Grocery Shopping

Work

Family/Friends

Residence

Other (please specify)

PART 3: THIS SECTION ASKS YOU TO RESPOND TO VARIOUS STATEMENTS

ABOUT DOWNTOWN REDMOND'S MIX OF BUSINESSES, FUTURE NEEDS,

AESTHETICS, SAFETY, LAYOUT, CONVENIENCE. IN EACH GROUP OF QUESTIONS YOU ARE ASKED TO AGREE OR DISAGREE WITH THE STATEMENT.

How strongly do you agree or disagree with the following statements about future community and cultural opportunities for development?

Downtown Redmond needs more...

	Strongly Disagree	Somewhat Disagree	Neutral	Som A
Recreational facilities (i.e. bowling)				
Entertainment venues (i.e. music or theater)				
Artistic and cultural opportunities				
Community events (i.e. Music-fest Concerts)				

Please complete this statement regarding the mix of businesses in Downtown Redmond:

Downtown Redmond needs more...

	Strongly Disagree	Somewhat Disagree	Neutral	So
High-end retail locations				
Discount retail locations				
Restaurant options				
Bars and lounges				
Office space				
Housing options				
Personal service storefronts (i.e. salon/barber)				
Professional services (i.e. insurance/legal)				
Big-box stores				

What types of stores or services would you personally use if available in Downtown Redmond? Please check all that apply.

Apartments/condos

Men's clothing

Books/magazines
Casual Dining
Children/youth clothing
Electronics sales/repair
Exercise/fitness
Fast Food
Fine dining
Health-care/beauty
Live music venue
Movies (discount/2nd run)
Pet supplies
Pub/bar/sports bar
Shoe/leather repair
Sporting goods/outdoor activity store
Spa
Women's clothing
I choose not to shop in Downtown Redmond
Other (please specify)

PART 4: PRIORITIES FOR DOWNTOWN REDMOND

How satisfied are you overall with the present state of the Downtown Redmond area?

Very unsatisfied	Unsatisfied	Neutral	Satisfied	Very Satisfied

Please briefly explain.

Please check all of the following that you are interested in or strongly support

Downtown beautification
Downtown community events
Additional public safety and police presence
Adding more storefronts to the downtown area
Additional parking

Please write up to two changes that you would like to see to Downtown Redmond

Change One

Change Two

If you could have a specific business or type of business come to Downtown Redmond, what would they be?

Business One

Business Two

THE FOLLOWING QUESTIONS ARE FOR STATISTICAL ANALYSIS PURPOSES ONLY. ALL ANSWERS ARE ANONYMOUS.

Besides yourself, how many additional people live in your household?

None (just you)

1-2

3-5

Over 5

Prefer not to answer

What is the highest level of education that you have completed?

Less than 9th grade

Some high school

High school graduate/Equivalent

Associates Degree

Some college (No degree)

Bachelors Degree

Graduate/Professional Degree

Prefer not to answer

With which racial or ethnic group do you identify?

Black or African American

Non-Hispanic or Euro American

East Asian or Asian American

Hawaiian or Pacific Islander

Hispanic or Latino

Middle Eastern or Arab American

Native American or American Indian

South Asian or Indian American

Prefer not to answer

Other(Please Specify)

Which of the following best describes your household living situation?

Married - with children

Married - without children

Divorced

Widowed

Separated

Single

Single Parent

Prefer not to answer

Which best describes your total household annual income?

Under 25,000

25,000 - 39,999

40,000 - 64,999

65,000 - 79,999

80,000 or above

Prefer not to answer

Which of the following best describes your age?

Under 18

18-24

25-44

45-54

55-64

Over 64

Prefer not to answer

Do you live:

Within the Redmond City limits

Between 0 and 2 miles from the city limits

Between 2 and 5 miles from the city limits

Greater than 5 miles away from the city limits

Prefer not to answer

Please indicate all of the activities and interests which you and/or your household members enjoy on a regular basis.

Bicycling

Running

Camping/Being outdoors

Arts and Crafts

International Travel

Gourmet/fine dining

Coin/stamp collecting

Swimming

Sewing

Needlework/knitting

Outdoor gardening

Going to a movie theater

Wildlife/environmental issues

Do-it-Yourself/workshop

Money making opportunities

Visiting art galleries and museums

Antique Shopping
Reading
Participate in sports
Watching TV
Fashion Clothing
Charities/Volunteer work
Bible/devotional reading
Attend a sporting event
Physical fitness/exercise
Cooking/baking
Listening to music
Other (please specify)

Where did you hear about this survey:

City Website

Facebook

Other (please specify)

Please enter your email address to receive a $5.00 Green Plow Coffee Roasters coupon:

Thank you for your participation in this survey regarding Downtown Redmond. We appreciate your participation in trying to make Downtown Redmond the best place it can be. Your responses will be kept anonymous. Your email will only be used to receive the $5.00 Green Plow Coffee Roasters coupon.

Appendix B: Downtown Flyer Distributed About Survey

Appendix C: Coupons

Appendix D: Response Frequencies

(SPSS Outputs)

Part 1 of Survey

How often people go downtown

Freq_visits

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	2.2	2.2	2.2
	2	15	16.3	16.3	18.5
	3	9	9.8	9.8	28.3
	4	25	27.2	27.2	55.4
	5	11	12.0	12.0	67.4
	6	15	16.3	16.3	83.7
	7	15	16.3	16.3	100.0
	Total	92	100.0	100.0	

1 = Never	2 = Less than a month	3 = Once a month	4 = 2-3 times a month	5 = Once a week	6 = 2-3 times a week	7 = Daily

Over 50% of people only go downtown 2-3 times a month or less.

Responses to Downtown Redmond's current state

Key:

1 = strongly disagree	2 = somewhat disagree	3 = neutral	4 = somewhat agree	5 = strongly agree

Buy_Local

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1.1	1.1	1.1
	2	6	6.5	6.5	7.6
	3	23	25.0	25.0	32.6
	4	35	38.0	38.0	70.7
	5	27	29.3	29.3	100.0
	Total	92	100.0	100.0	

Over 50% of people say they like to buy local.

Ambiance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	4.3	4.3	4.3
	2	8	8.7	8.7	13.0
	3	11	12.0	12.0	25.0
	4	40	43.5	43.5	68.5
	5	29	31.5	31.5	100.0
	Total	92	100.0	100.0	

People tend to like the ambiance

Art

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	5.4	5.4	5.4
	2	4	4.3	4.3	9.8
	3	17	18.5	18.5	28.3
	4	33	35.9	35.9	64.1
	5	33	35.9	35.9	100.0
	Total	92	100.0	100.0	

72% 0f people like the art in Redmond

Safety

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	2.2	2.2	2.2
	2	7	7.6	7.6	9.8
	3	17	18.5	18.5	28.3
	4	30	32.6	32.6	60.9
	5	36	39.1	39.1	100.0
	Total	92	100.0	100.0	

People feel safe in Downtown Redmond

Bring_visitors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	7.6	7.6	7.6
	2	7	7.6	7.6	15.2
	3	21	22.8	22.8	38.0
	4	25	27.2	27.2	65.2
	5	32	34.8	34.8	100.0
	Total	92	100.0	100.0	

62% of people would bring a guest into downtown Redmond

Recommend_shopping

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	14	15.2	15.2	15.2
	2	15	16.3	16.3	31.5
	3	26	28.3	28.3	59.8
	4	24	26.1	26.1	85.9
	5	13	14.1	14.1	100.0
	Total	92	100.0	100.0	

60% are neutral or would not recommend their friends go downtown to shop.

Events

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	4.3	4.3	4.3
	2	5	5.4	5.4	9.8
	3	16	17.4	17.4	27.2
	4	41	44.6	44.6	71.7
	5	26	28.3	28.3	100.0
	Total	92	100.0	100.0	

Almost 73% of people really like downtown Events

Frequency Table

Key for frequency of participating in specific activities in Downtown Redmond.

1 = Never	2 = Less than a month	3 = Once a month	4 = 2-3 times a month	5 = Once a week	6 = 2-3 times a week	7 = Daily

Shop

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	9	9.8	9.8	9.8
	2	31	33.7	33.7	43.5
	3	25	27.2	27.2	70.7
	4	12	13.0	13.0	83.7
	5	9	9.8	9.8	93.5
	6	6	6.5	6.5	100.0
	Total	92	100.0	100.0	

Over 70 % of people only responded they go shopping once a month or less.

Eat

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	3.3	3.3	3.3
	2	17	18.5	18.5	21.7
	3	24	26.1	26.1	47.8
	4	20	21.7	21.7	69.6
	5	16	17.4	17.4	87.0
	6	8	8.7	8.7	95.7
	7	4	4.3	4.3	100.0
	Total	92	100.0	100.0	

Over 50% of respondents said that they eat downtown 2-3 times a month or more.

Event_attendance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	3.3	3.3	3.3
	2	58	63.0	63.0	66.3
	3	22	23.9	23.9	90.2
	4	6	6.5	6.5	96.7
	5	1	1.1	1.1	97.8
	6	2	2.2	2.2	100.0
	Total	92	100.0	100.0	

63% of people go to community events less than once a month, 24% go to events once a month.

Show_visitors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	15	16.3	16.3	16.3
	2	51	55.4	55.4	71.7
	3	18	19.6	19.6	91.3
	4	2	2.2	2.2	93.5
	5	3	3.3	3.3	96.7
	6	2	2.2	2.2	98.9
	7	1	1.1	1.1	100.0
	Total	92	100.0	100.0	

91% do not bring anyone downtown more than once a month

Visit_Centenial_Park

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	15	16.3	16.3	16.3
	2	31	33.7	33.7	50.0
	3	20	21.7	21.7	71.7
	4	17	18.5	18.5	90.2
	5	6	6.5	6.5	96.7
	6	3	3.3	3.3	100.0
	Total	92	100.0	100.0	

71% of people only visit the park once a month or less

Work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	55	59.8	59.8	59.8
	2	3	3.3	3.3	63.0
	3	2	2.2	2.2	65.2
	4	5	5.4	5.4	70.7
	5	3	3.3	3.3	73.9
	6	4	4.3	4.3	78.3
	7	20	21.7	21.7	100.0
	Total	92	100.0	100.0	

20% of respondents work downtown daily, 60% never work downtown

Rank of Activities

Key Description:

We asked participants to rank 6 activities against each other to determine what people liked or did not like in Downtown Redmond. Each of the below sections are the 6 activities and are displayed to show how many people put them in each position 1-6.

Retail

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	13	14.4	14.4	14.4
	2	15	16.7	16.7	31.1
	3	15	16.7	16.7	47.8
	4	19	21.1	21.1	68.9
	5	9	10.0	10.0	78.9
	6	19	21.1	21.1	100.0
	Total	90	100.0	100.0	

Antiques

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	11.1	11.1	11.1
	2	12	13.3	13.3	24.4
	3	9	10.0	10.0	34.4
	4	10	11.1	11.1	45.6
	5	11	12.2	12.2	57.8
	6	37	41.1	41.1	98.9
	7	1	1.1	1.1	100.0
	Total	90	100.0	100.0	

Dining

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	52	57.8	57.8	57.8
	2	13	14.4	14.4	72.2
	3	10	11.1	11.1	83.3
	4	5	5.6	5.6	88.9
	5	5	5.6	5.6	94.4
	6	5	5.6	5.6	100.0
	Total	90	100.0	100.0	

Personal_services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	5.6	5.6	5.6
	2	14	15.6	15.6	21.1
	3	14	15.6	15.6	36.7
	4	16	17.8	17.8	54.4
	5	21	23.3	23.3	77.8
	6	20	22.2	22.2	100.0
	Total	90	100.0	100.0	

Professional_services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	5.6	5.6	5.6
	2	5	5.6	5.6	11.1
	3	8	8.9	8.9	20.0
	4	13	14.4	14.4	34.4
	5	23	25.6	25.6	60.0
	6	36	40.0	40.0	100.0
	Total	90	100.0	100.0	

Community_Events

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	15	16.7	16.7	16.7
	2	25	27.8	27.8	44.4
	3	23	25.6	25.6	70.0
	4	14	15.6	15.6	85.6
	5	7	7.8	7.8	93.3
	6	6	6.7	6.7	100.0
	Total	90	100.0	100.0	

Overall Rank:

1) Dining
2) Community Events
3) Retail
4) Antiques
5) Personal Services
6) Professional Services

We wanted to know how much money people spend in downtown.

Key:

1 = Nothing ($0)	2 = Under $50	3 = $50-$100	4 = $101-$200	5 = Over $200	6 = Prefer not to answer

Money_Spent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	5.6	5.6	5.6
	2	30	33.3	33.3	38.9
	3	28	31.1	31.1	70.0
	4	16	17.8	17.8	87.8
	5	9	10.0	10.0	97.8
	6	2	2.2	2.2	100.0
	Total	90	100.0	100.0	

70% spend less than $100/month downtown

Part 2 of Survey

We worked to figure out how people got downtown, where they parked, and reasons they might leave Redmond for another town.

Key for Transportation:

1 = By foot/walking	2 = Driving	3 = Bicycle	4 = Public Transportation	5 = Other

Transportation_method

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	17	18.9	19.3	19.3
	2.00	63	70.0	71.6	90.9
	3.00	3	3.3	3.4	94.3
	4.00	1	1.1	1.1	95.5
	5.00	4	4.4	4.5	100.0
	Total	88	97.8	100.0	
Missing	System	2	2.2		
Total		90	100.0		

70% of people get downtown by driving

Key for parking locations:

1 = Near Entry	2 = 1/2 block away	3 = 1 block away	4 = 2 blocks away	5 = 3 blocks away	6 = 4 or more blocks away

Park_location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No Response	28	31.1	31.1	31.1
	1	9	10.0	10.0	41.1
	2	22	24.4	24.4	65.6
	3	21	23.3	23.3	88.9
	4	7	7.8	7.8	96.7
	5	1	1.1	1.1	97.8
	6	2	2.2	2.2	100.0
	Total	90	100.0	100.0	

Most people park 1-2 Blocks away from their destination

Key for reasons to leave Redmond:

1 = Option Selected, the rest is the number of participants who did not select that option (except for the "Do Not Leave Redmond" question, this means that this is not a reason for the m to leave Redmond).

Do_Not_leave_Redmond

		Frequency	Percent	Valid Percent	Cumulative Percent
		85	94.4	94.4	94.4
Valid	1	5	5.6	5.6	100.0
	Total	90	100.0	100.0	

Only 5.6% of participants never leave Redmond.

Retail_shopping

		Frequency	Percent	Valid Percent	Cumulative Percent
		19	21.1	21.1	21.1
Valid	1	71	78.9	78.9	100.0
	Total	90	100.0	100.0	

Most people (78.9%) leave to go retail shopping

Dining

		Frequency	Percent	Valid Percent	Cumulative Percent
		36	40.0	40.0	40.0
Valid	1	54	60.0	60.0	100.0
	Total	90	100.0	100.0	

60% of people leave for dining

Night_life

		Frequency	Percent	Valid Percent	Cumulative Percent
		52	57.8	57.8	57.8
Valid	1	38	42.2	42.2	100.0
	Total	90	100.0	100.0	

42% leave for night life

Leisure_Time

		Frequency	Percent	Valid Percent	Cumulative Percent
		58	64.4	64.4	64.4
Valid	1	32	35.6	35.6	100.0
	Total	90	100.0	100.0	

2/3 people stay for their leisure time

Entertainment

		Frequency	Percent	Valid Percent	Cumulative Percent
		31	34.4	34.4	34.4
Valid	1	59	65.6	65.6	100.0
	Total	90	100.0	100.0	

2/3 of people do leave for entertainment

Community_Event

		Frequency	Percent	Valid Percent	Cumulative Percent
		50	55.6	55.6	55.6
Valid	1	40	44.4	44.4	100.0
	Total	90	100.0	100.0	

Nearly half of respondents go to community events in other towns

Grocery_Shopping

		Frequency	Percent	Valid Percent	Cumulative Percent
		59	65.6	65.6	65.6
Valid	1	31	34.4	34.4	100.0
	Total	90	100.0	100.0	

1/3 of people shop for groceries outside of Redmond

Work

		Frequency	Percent	Valid Percent	Cumulative Percent
		66	73.3	73.3	73.3
Valid	1	24	26.7	26.7	100.0
	Total	90	100.0	100.0	

Roughly ¼ of people work outside of Redmond. 5/6 of those who leave for work live in Redmond

Family_Friends

		Frequency	Percent	Valid Percent	Cumulative Percent
		55	61.1	61.1	61.1
Valid	1	35	38.9	38.9	100.0
	Total	90	100.0	100.0	

61% of people leave Redmond for family and friends

Residence

		Frequency	Percent	Valid Percent	Cumulative Percent
		84	93.3	93.3	93.3
Valid	1	6	6.7	6.7	100.0
	Total	90	100.0	100.0	

Only 6.7% of our respondents lived outside of Redmond

Other

		Frequency	Percent	Valid Percent	Cumulative Percent
		80	88.9	88.9	88.9
Valid	1	10	11.1	11.1	100.0
	Total	90	100.0	100.0	

Night life, school, shops, recreation, medical, music

Part 3 of Survey

In this part of the survey, we were getting an idea of what citizens wanted to see come to Downtown Redmond.

Key:

1 = strongly disagree	2 = somewhat disagree	3 = neutral	4 = somewhat agree	5 = strongly agree

Each of the following ask the degree of agreement for the sentence, "Downtown Redmond needs more…" (Each of the frequency titles)

Rec_facilities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1.1	1.2	1.2
	2	2	2.2	2.4	3.6
	3	12	13.3	14.5	18.1
	4	25	27.8	30.1	48.2
	5	43	47.8	51.8	100.0
	Total	83	92.2	100.0	
Missing	System	7	7.8		
Total		90	100.0		

75% of respondents want more recreational facilities (i.e. bowling)

Entertainment_Venues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1.1	1.2	1.2
	3	6	6.7	7.1	8.3
	4	26	28.9	31.0	39.3
	5	51	56.7	60.7	100.0
	Total	84	93.3	100.0	
Missing	System	6	6.7		
Total		90	100.0		

85% of people want more entertainment venues (i.e. music/theater)

Artistic_Cultural

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	1.1	1.2	1.2
	2	4	4.4	4.8	6.0
	3	25	27.8	30.1	36.1
	4	24	26.7	28.9	65.1
	5	29	32.2	34.9	100.0
	Total	83	92.2	100.0	
Missing	System	7	7.8		
Total		90	100.0		

58% of people want more artistic and cultural opportunities

Community_events

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	2.2	2.4	2.4
	2	1	1.1	1.2	3.6
	3	16	17.8	19.0	22.6
	4	26	28.9	31.0	53.6
	5	39	43.3	46.4	100.0
	Total	84	93.3	100.0	
Missing	System	6	6.7		
Total		90	100.0		

72% of people want more community events

Highend_retail

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	5.6	5.9	5.9
	2	15	16.7	17.6	23.5
	3	25	27.8	29.4	52.9
	4	22	24.4	25.9	78.8
	5	18	20.0	21.2	100.0
	Total	85	94.4	100.0	
Missing	System	5	5.6		
Total		90	100.0		

44% want more high-end retail

Discount_retail

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	17	18.9	20.0	20.0
	2	24	26.7	28.2	48.2
	3	13	14.4	15.3	63.5
	4	16	17.8	18.8	82.4
	5	15	16.7	17.6	100.0
	Total	85	94.4	100.0	
Missing	System	5	5.6		
Total		90	100.0		

45% of respondents DO NOT want discount retail, 14 % are indifferent, and 32% do want it

Restaurants

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	1.1	1.2	1.2
	3	10	11.1	11.8	12.9
	4	35	38.9	41.2	54.1
	5	39	43.3	45.9	100.0
	Total	85	94.4	100.0	
Missing	System	5	5.6		
Total		90	100.0		

81% of people want more restaurant options

Bars_lounges

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	9	10.0	10.6	10.6
	2	17	18.9	20.0	30.6
	3	22	24.4	25.9	56.5
	4	21	23.3	24.7	81.2
	5	16	17.8	18.8	100.0
	Total	85	94.4	100.0	
Missing	System	5	5.6		
Total		90	100.0		

This is basically, 28% no, 40% yes, 25% do not care

Office_spaces

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	9	10.0	10.6	10.6
	2	18	20.0	21.2	31.8
	3	41	45.6	48.2	80.0
	4	14	15.6	16.5	96.5
	5	3	3.3	3.5	100.0
	Total	85	94.4	100.0	
Missing	System	5	5.6		
Total		90	100.0		

30% are opposed to this, 45% are indifferent, only 18% want it

Housing_options

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	7.8	8.2	8.2
	2	14	15.6	16.5	24.7
	3	23	25.6	27.1	51.8
	4	21	23.3	24.7	76.5
	5	20	22.2	23.5	100.0
	Total	85	94.4	100.0	
Missing	System	5	5.6		
Total		90	100.0		

55% of people want more housing options

Personal_service_storefront

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	2.2	2.4	2.4
	2	14	15.6	16.5	18.8
	3	34	37.8	40.0	58.8
	4	30	33.3	35.3	94.1
	5	5	5.6	5.9	100.0
	Total	85	94.4	100.0	
Missing	System	5	5.6		
Total		90	100.0		

38% want more personal services. This is slightly more than those who are indifferent

Professional_services

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	7.8	8.2	8.2
	2	20	22.2	23.5	31.8
	3	44	48.9	51.8	83.5
	4	11	12.2	12.9	96.5
	5	3	3.3	3.5	100.0
	Total	85	94.4	100.0	
Missing	System	5	5.6		
Total		90	100.0		

30% do not want these, 49% are indifferent

Bigbox_stores

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	48	53.3	57.1	57.1
	2	13	14.4	15.5	72.6
	3	10	11.1	11.9	84.5
	4	8	8.9	9.5	94.0
	5	5	5.6	6.0	100.0
	Total	84	93.3	100.0	
Missing	System	6	6.7		
Total		90	100.0		

67% are opposed to big-box stores

Key for types of stores that participants would personally use if in Redmond:

1 = Option Selected, the rest is the amount of participants who did not select that option

Apartment_condos

		Frequency	Percent	Valid Percent	Cumulative Percent
		76	84.4	84.4	84.4
Valid	1	14	15.6	15.6	100.0
	Total	90	100.0	100.0	

Most people would not use apartments/condos if they were put in

Books_magazines

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	33	36.7	100.0	100.0
Missing	System	57	63.3		
Total		90	100.0		

1/3 of people would use book stores

Casual_dining

		Frequency	Percent	Valid Percent	Cumulative Percent
		26	28.9	28.9	28.9
Valid	1	64	71.1	71.1	100.0
	Total	90	100.0	100.0	

71% would use more casual dining

Children_clothing

		Frequency	Percent	Valid Percent	Cumulative Percent
		69	76.7	76.7	76.7
Valid	1	21	23.3	23.3	100.0
	Total	90	100.0	100.0	

23% would use children’s clothing stores

Electronic_sales_repair

		Frequency	Percent	Valid Percent	Cumulative Percent
		73	81.1	81.1	81.1
Valid	1	17	18.9	18.9	100.0
	Total	90	100.0	100.0	

19% would use electronic repair stores

Exercise_fitness

		Frequency	Percent	Valid Percent	Cumulative Percent
		71	78.9	78.9	78.9
Valid	1	19	21.1	21.1	100.0
	Total	90	100.0	100.0	

21% would use fitness facilities

Fast_food

		Frequency	Percent	Valid Percent	Cumulative Percent
		76	84.4	84.4	84.4
Valid	1	14	15.6	15.6	100.0
	Total	90	100.0	100.0	

Only 15% want fast food

Fine_dining

		Frequency	Percent	Valid Percent	Cumulative Percent
		35	38.9	38.9	38.9
Valid	1	55	61.1	61.1	100.0
	Total	90	100.0	100.0	

61% want fine dining

Healthcare_Beauty

		Frequency	Percent	Valid Percent	Cumulative Percent
		66	73.3	73.3	73.3
Valid	1	24	26.7	26.7	100.0
	Total	90	100.0	100.0	

26% of people want health and beauty services

Live_music

		Frequency	Percent	Valid Percent	Cumulative Percent
		31	34.4	34.4	34.4
Valid	1	59	65.6	65.6	100.0
	Total	90	100.0	100.0	

65% of people want more live music opportunities

Mens_clothing

		Frequency	Percent	Valid Percent	Cumulative Percent
		56	62.2	62.2	62.2
Valid	1	34	37.8	37.8	100.0
	Total	90	100.0	100.0	

38% of people would utilize men's clothing stores

Movies_discount

		Frequency	Percent	Valid Percent	Cumulative Percent
		49	54.4	54.4	54.4
Valid	1	41	45.6	45.6	100.0
	Total	90	100.0	100.0	

45% of people would like discount movies

Pet_supplies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	29	32.2	100.0	100.0
Missing	System	61	67.8		
Total		90	100.0		

68% would like more pet supply stores

Pub_bars_sport_bars

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	45	50.0	100.0	100.0
Missing	System	45	50.0		
Total		90	100.0		

50% would like more bars, 50% would not

Shoe_leather_repair

		Frequency	Percent	Valid Percent	Cumulative Percent
		73	81.1	81.1	81.1
Valid	1	17	18.9	18.9	100.0
	Total	90	100.0	100.0	

19% would use more shoe repair places

Sporting_goods

		Frequency	Percent	Valid Percent	Cumulative Percent
		46	51.1	51.1	51.1
Valid	1	44	48.9	48.9	100.0
	Total	90	100.0	100.0	

49% would use sporting goods stores

Spa

		Frequency	Percent	Valid Percent	Cumulative Percent
		69	76.7	76.7	76.7
Valid	1	21	23.3	23.3	100.0
	Total	90	100.0	100.0	

23% would use a spa

Womens_clothing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	46	51.1	100.0	100.0
Missing	System	44	48.9		
Total		90	100.0		

49% would use a woman's clothing store

Do_not_shop_downtown

		Frequency	Percent
Missing	System	90	100.0

Respondents all shop downtown

Other

		Frequency	Percent	Valid Percent	Cumulative Percent
		79	87.8	87.8	87.8
Valid	1	11	12.2	12.2	100.0
	Total	90	100.0	100.0	

Part 4 of Survey

We asked participants to respond to their overall satisfaction with the current state of Downtown Redmond.
Key:

1 = Very unsatisfied	2 = Unsatisfied	3 = Neutral	4 = Satisfied	5 = Very Satisfied

Satisfaction

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		5	5.6	5.6	5.6
	1	3	3.3	3.3	8.9
	2	30	33.3	33.3	42.2
	3	19	21.1	21.1	63.3
	4	32	35.6	35.6	98.9
	5	1	1.1	1.1	100.0
	Total	90	100.0	100.0	

Roughly 1/3 of people are satisfied with downtown (not very satisfied), 1/3 are dissatisfied (not very dissatisfied), 21% Are neutral

We followed up by asking what type of things they would be interested in or strongly support.

Key for types of stores that participants would personally use if in Redmond:

1 = Option Selected, the rest is the amount of participants who did not select that option

Downtown_Beautification

		Frequency	Percent	Valid Percent	Cumulative Percent
		33	36.7	36.7	36.7
Valid	1	57	63.3	63.3	100.0
	Total	90	100.0	100.0	

2/3 of respondents want more downtown beautification

Community_events

		Frequency	Percent	Valid Percent	Cumulative Percent
		27	30.0	30.0	30.0
Valid	1	63	70.0	70.0	100.0
	Total	90	100.0	100.0	

70% are interested in community events

More_public_safety

		Frequency	Percent	Valid Percent	Cumulative Percent
		69	76.7	76.7	76.7
Valid	1	21	23.3	23.3	100.0
	Total	90	100.0	100.0	

Only 23% feel the need for more public safety

More_storefronts

		Frequency	Percent	Valid Percent	Cumulative Percent
		29	32.2	32.2	32.2
Valid	1	61	67.8	67.8	100.0
	Total	90	100.0	100.0	

2/3 of people are interested in more storefronts

More_parking

		Frequency	Percent	Valid Percent	Cumulative Percent
		48	53.3	53.3	53.3
Valid	1	42	46.7	46.7	100.0
	Total	90	100.0	100.0	

47% of people want more parking

Demographics

To get a better idea of who was responding to the survey and divide up the groups, we narrowed down respondents by demographics before creating profiles of the people of Redmond.

People_per_household

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	8.9	9.3	9.3
	2	50	55.6	58.1	67.4
	3	26	28.9	30.2	97.7
	5	2	2.2	2.3	100.0
	Total	86	95.6	100.0	
Missing	System	4	4.4		
Total		90	100.0		

Key:

1 = None (just you)	2 = 1-2	3 = 3-5	4 = Over 5	Prefer not to answer

58% of people live by themselves or with 1-2 other people, 30% live with 3-5 people

Education_level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		4	4.4	4.4	4.4
	3	4	4.4	4.4	8.9
	4	10	11.1	11.1	20.0
	5	28	31.1	31.1	51.1
	6	21	23.3	23.3	74.4
	7	19	21.1	21.1	95.6
	8	4	4.4	4.4	100.0
	Total	90	100.0	100.0	

Key:

1 = Less than 9th grade	2 = Some high school	3 = High school graduate/Equivalent	4 = Associates Degree	5 = Some college (No degree)	6 = Bachelors Degree	7 = Graduate/Professional Degree

Findings: 1/3 of people have some college (no degree), 44% have a Bachelors or higher

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		5	5.6	5.6	5.6
	1	11	12.2	12.2	17.8
	2	58	64.4	64.4	82.2
	4	1	1.1	1.1	83.3
	7	1	1.1	1.1	84.4
	9	14	15.6	15.6	100.0
	Total	90	100.0	100.0	

Ethnicity

Key:

1 = Black or African American	2 = Non-Hispanic or Euro American	3 = East Asian or Asian American	4 = Hawaiian or Pacific Islander	5 = Hispanic or Latino	6 = Middle Eastern or Arab American	7 = Native American or American Indian	8 = South Asian or Indian American	9 = Prefer not to answer	10 = Other(Please Specify)

64% of respondents are Non-Hispanic/Euro American (white)

Living_situation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		4	4.4	4.4	4.4
	1	30	33.3	33.3	37.8
	2	29	32.2	32.2	70.0
	3	4	4.4	4.4	74.4
	4	1	1.1	1.1	75.6
	5	1	1.1	1.1	76.7
	6	11	12.2	12.2	88.9
	7	4	4.4	4.4	93.3
	8	6	6.7	6.7	100.0
	Total	90	100.0	100.0	

Key:

1 = Married - with children	2 = Married - without children	3 = Divorced	4 = Widowed	5 = Separated	6 = Single	7 = Single Parent	8 = Prefer not to answer

1/3 of respondents are married with children, 1/3 are married without children

Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		4	4.4	4.4	4.4
	1	4	4.4	4.4	8.9
	2	16	17.8	17.8	26.7
	3	12	13.3	13.3	40.0
	4	14	15.6	15.6	55.6
	5	25	27.8	27.8	83.3
	6	15	16.7	16.7	100.0
	Total	90	100.0	100.0	

Key:

1 = Under 25,000	2 = 25,000 - 39,999	3 = 40,000 - 64,999	4 = 65,000 - 79,999	5 = 80,000 or above	6 = Prefer not to answer

Fairly even distribution of income across the $25,000-$79,999 range. 28% are above $80,000

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		4	4.4	4.4	4.4
	2	3	3.3	3.3	7.8
	3	36	40.0	40.0	47.8
	4	17	18.9	18.9	66.7
	5	18	20.0	20.0	86.7
	6	11	12.2	12.2	98.9
	7	1	1.1	1.1	100.0
	Total	90	100.0	100.0	

Key:

1 = Under 18	2 = 18-24	3 = 25-44	4 = 45-54	5 = 55-64	6 = Over 64	7 = Prefer not to answer

No one under 18 responded. 40% of respondents were 25-44, about 40% were 45-64

Living_location

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		4	4.4	4.4	4.4
	1	63	70.0	70.0	74.4
	2	1	1.1	1.1	75.6
	3	6	6.7	6.7	82.2
	4	14	15.6	15.6	97.8
	5	2	2.2	2.2	100.0
	Total	90	100.0	100.0	

Key:

1 = Within the Redmond City limits	2 = Between 0 and 2 miles from the city limits	3 = Between 2 and 5 miles from the city limits	4 = Greater than 5 miles away from the city limits	5 = Prefer not to answer

70% of respondents lived within city limits, 16% live more than 5 miles outside of city limits

Psychographics

To get a better idea of who are participants are, we asked them what kind of activities they enjoy so that we can establish different interest groups within the participants.

Key for types of stores that participants would personally use if in Redmond:

1 = Option Selected, the rest is the amount of participants who did not select that option

Bicycling

		Frequency	Percent	Valid Percent	Cumulative Percent
		43	47.8	47.8	47.8
Valid	1	47	52.2	52.2	100.0
	Total	90	100.0	100.0	

52% of respondents ride bicycles

Running

		Frequency	Percent	Valid Percent	Cumulative Percent
		70	77.8	77.8	77.8
Valid	1	20	22.2	22.2	100.0
	Total	90	100.0	100.0	

Only 22% go running

Camping_being_outdoors

		Frequency	Percent	Valid Percent	Cumulative Percent
		26	28.9	28.9	28.9
Valid	1	64	71.1	71.1	100.0
	Total	90	100.0	100.0	

64% enjoy the outdoors

Arts_crafts

		Frequency	Percent	Valid Percent	Cumulative Percent
		50	55.6	55.6	55.6
Valid	1	40	44.4	44.4	100.0
	Total	90	100.0	100.0	

44.4% are interested in arts and crafts

International_Travel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		63	70.0	70.0	70.0
	1	27	30.0	30.0	100.0
	Total	90	100.0	100.0	

70% do not leave the country

Fine_dining

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		43	47.8	47.8	47.8
	1	47	52.2	52.2	100.0
	Total	90	100.0	100.0	

Roughly half enjoy going out for fine dining

Coin_Stamp_collecting

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		89	98.9	98.9	98.9
	1	1	1.1	1.1	100.0
	Total	90	100.0	100.0	

Almost no one enjoys collections

Swimming

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		59	65.6	65.6	65.6
	1	31	34.4	34.4	100.0
	Total	90	100.0	100.0	

1/3 of respondents go swimming

Antique_shopping

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		70	77.8	77.8	77.8
	1	20	22.2	22.2	100.0
	Total	90	100.0	100.0	

22% of respondents enjoy antiquing, the other 80% do not

Participation_in_sports

		Frequency	Percent	Valid Percent	Cumulative Percent
		62	68.9	68.9	68.9
Valid	1	28	31.1	31.1	100.0
	Total	90	100.0	100.0	

Only 31% participate in sports

Fashion_clothing

		Frequency	Percent	Valid Percent	Cumulative Percent
		70	77.8	77.8	77.8
Valid	1	20	22.2	22.2	100.0
	Total	90	100.0	100.0	

Only 20% are into fashion

Bible_devotional_reading

		Frequency	Percent	Valid Percent	Cumulative Percent
		74	82.2	82.2	82.2
Valid	1	16	17.8	17.8	100.0
	Total	90	100.0	100.0	

Most respondents are not big on Bible reading

Physical_fitness_exercise

		Frequency	Percent	Valid Percent	Cumulative Percent
		32	35.6	35.6	35.6
Valid	1	58	64.4	64.4	100.0
	Total	90	100.0	100.0	

Almost 2/3 of people are into fitness and exercising

istening_to_music

		Frequency	Percent	Valid Percent	Cumulative Percent
		26	28.9	28.9	28.9
Valid	1	64	71.1	71.1	100.0
	Total	90	100.0	100.0	

71% of respondents listen to music

Sewing

		Frequency	Percent	Valid Percent	Cumulative Percent
		73	81.1	81.1	81.1
Valid	1	17	18.9	18.9	100.0
	Total	90	100.0	100.0	

20% are into sewing

Needlework_knitting

		Frequency	Percent	Valid Percent	Cumulative Percent
		75	83.3	83.3	83.3
Valid	1	15	16.7	16.7	100.0
	Total	90	100.0	100.0	

16% knit

Outdoor_gardening

		Frequency	Percent	Valid Percent	Cumulative Percent
		42	46.7	46.7	46.7
Valid	1	48	53.3	53.3	100.0
	Total	90	100.0	100.0	

Over half of the respondents are into gardening

Go_to_Movie_theater

		Frequency	Percent	Valid Percent	Cumulative Percent
		35	38.9	38.9	38.9
Valid	1	55	61.1	61.1	100.0
	Total	90	100.0	100.0	

61% enjoy going to a theater

Wildlife_environmental_issues

		Frequency	Percent	Valid Percent	Cumulative Percent
		65	72.2	72.2	72.2
Valid	1	25	27.8	27.8	100.0
	Total	90	100.0	100.0	

Over ¼ of the people are concerned about environmental issues

DIY

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		57	63.3	63.3	63.3
	1	33	36.7	36.7	100.0
	Total	90	100.0	100.0	

1/3 of the respondents were into DIY projects

Money_making_opportunities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		76	84.4	84.4	84.4
	1	14	15.6	15.6	100.0
	Total	90	100.0	100.0	

Only 15% capitalize on money making opportunities

Visiting_art_museums_galleries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		56	62.2	62.2	62.2
	1	34	37.8	37.8	100.0
	Total	90	100.0	100.0	

Over 1/3 enjoy art galleries and museums

Reading

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		38	42.2	42.2	42.2
	1	52	57.8	57.8	100.0
	Total	90	100.0	100.0	

Over half enjoy reading

Watching_TV

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		37	41.1	41.1	41.1
	1	53	58.9	58.9	100.0
	Total	90	100.0	100.0	

Almost 60% watch TV

Charities_volunteer_work

		Frequency	Percent	Valid Percent	Cumulative Percent
		63	70.0	70.0	70.0
Valid	1	27	30.0	30.0	100.0
	Total	90	100.0	100.0	

Only 30% participate in volunteer work

Attend_sporting_Event

		Frequency	Percent	Valid Percent	Cumulative Percent
		52	57.8	57.8	57.8
Valid	1	38	42.2	42.2	100.0
	Total	90	100.0	100.0	

42% like attending a sporting event

Cooking_baking

		Frequency	Percent	Valid Percent	Cumulative Percent
		37	41.1	41.1	41.1
Valid	1	53	58.9	58.9	100.0
	Total	90	100.0	100.0	

Nearly 60% enjoy cooking/baking

These are the free responses people gave to what they would use downtown.

Other

		Frequency	Percent	Valid Percent	Cumulative Percent
		80	88.9	88.9	88.9
Valid	1	10	11.1	11.1	100.0
	Total	90	100.0	100.0	

Text

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		80	88.9	88.9	88.9
	attending live music performances, genealogy research (mostly online)	1	1.1	1.1	90.0
	automotive and home repair	1	1.1	1.1	91.1
	Collecting comic books	1	1.1	1.1	92.2
	Disc golf	1	1.1	1.1	93.3
	Golfing	1	1.1	1.1	94.4
	history/genealogy	1	1.1	1.1	95.6
	Playing Music	1	1.1	1.1	96.7
	Shooting/ firearms	1	1.1	1.1	97.8
	Snowboarding	1	1.1	1.1	98.9
	Walking	1	1.1	1.1	100.0
	Total	90	100.0	100.0	

In order for the city to best reach people, we asked how our respondents heard about our survey. This should help for reaching out in future surveys.

Heard_about_survey_from

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		4	4.4	4.4	4.4
	1	12	13.3	13.3	17.8
	2	58	64.4	64.4	82.2
	3	16	17.8	17.8	100.0
	Total	90	100.0	100.0	

Key:

1 = City Website	2 = Facebook	3 = Other

64% of respondents heard about the survey through Facebook.

Others include Twitter and email

Appendix E: Cross Tabulations

		Thinking back over the last year, how often do you typically visit or spend time in Downtown Redm...							
		Never	Less than once a month	Once a month	2-3 times a month	Once a week	2-3 times a week	Daily	Total
Which best describes your total household annual income?	Under 25,000	0	1	1	1	0	0	1	4
	25,000 - 39,999	0	2	1	7	3	0	3	16
	40,000 - 64,999	0	2	3	3	0	2	2	12
	65,000 - 79,999	0	3	0	4	3	2	2	14
	80,000 or above	0	3	3	5	3	8	3	25
	Prefer not to answer	0	3	1	4	1	3	3	15
	Total	0	14	9	24	10	15	14	86

Total Household Income vs Downtown Visits

		What are some reasons that you would choose to go outside of Redmond, such as to Bend? (Check all...												
		I don't go outside of Redmond	Retail shopping	Dining	Night life	Leisure Time	Entertainment	Community Events	Grocery Shopping	Work	Family/Friends	Residence	Other (please specify)	Total
Which best describes your total household annual income?	Under 25,000	1	2	1	3	1	1	0	1	1	0	0	1	4
	25,000 - 39,999	1	13	9	8	7	10	7	10	6	11	1	1	16
	40,000 - 64,999	0	10	10	4	5	11	6	4	4	7	2	2	12
	65,000 - 79,999	0	14	11	7	9	10	11	7	4	8	2	2	15
	80,000 or above	1	20	14	13	6	17	10	6	7	5	0	3	25
	Prefer not to answer	2	12	10	3	5	11	7	2	2	4	1	1	16
	Total	5	71	55	38	33	60	41	30	24	35	6	10	88

Total Household Income vs Reasons For Leaving Redmond

		Considering the attributes of Downtown Redmond, please respond accordingly: - I like to attend events in the downtown					
		Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Total
Specifically how often do you do each of the following? - Attend an event in Downtown Redmond	Never	2	0	1	0	0	3
	Less than once a month	2	5	12	27	12	58
	Once a month	0	0	2	10	10	22
	2-3 times a month	0	0	1	3	2	6
	Once a week	0	0	0	1	0	1
	2-3 times a week	0	0	0	0	2	2
	Daily	0	0	0	0	0	0
	Total	4	5	16	41	26	92

Attendance of Event in Downtown Redmond vs Enjoyment of Attending Events

		Considering the attributes of Downtown Redmond, please respond accordingly: - I like to attend events in the downtown					
		Strongly Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Strongly Agree	Total
Specifically how often do you do each of the following? - Show visitors Downtown Redmond	Never	2	1	4	4	4	15
	Less than once a month	1	3	6	26	15	51
	Once a month	1	1	4	8	4	18
	2-3 times a month	0	0	1	1	0	2
	Once a week	0	0	1	2	0	3
	2-3 times a week	0	0	0	0	2	2
	Daily	0	0	0	0	1	1
	Total	4	5	16	41	26	92

Show Visitors Downtown Redmond vs Enjoyment of Attending Events

		What is the primary reason for you to go to Downtown Redmond?							
		Work	Dining	Shopping	Community events	Night life	Leisure time	Other (Please specify)	Total
Which best describes your total household annual income?	Under 25,000	1	1	0	0	0	0	0	2
	25,000 - 39,999	3	2	0	3	0	2	3	13
	40,000 - 64,999	2	4	0	0	0	0	1	7
	65,000 - 79,999	4	5	0	1	0	0	1	11
	80,000 or above	4	9	3	0	0	0	3	19
	Prefer not to answer	4	6	0	0	0	1	0	11
	Total	18	27	3	4	0	3	8	63

Total Household Income vs Primary Reason to go Downtown

		Approximately how much money do you spend in Downtown Redmond over the course of a month?						
		Nothing ($0)	Under $50	$50-$100	$101-$200	Over $200	Prefer not to answer	Total
Please complete this statement regarding the mix of businesses in Downtown Redmond: Downtown Redm... - Restaurant options	Strongly Disagree	0	0	0	0	0	0	0
	Somewhat Disagree	0	0	0	1	0	0	1
	Neutral	0	4	5	0	0	1	10
	Somewhat Agree	3	10	10	8	3	1	35
	Strongly Agree	2	15	12	5	5	0	39
	Total	5	29	27	14	8	2	85

Mix of Restaurant Options vs Monthly Spending

		Which best describes your total household annual income?						
		Under 25,000	25,000 - 39,999	40,000 - 64,999	65,000 - 79,999	80,000 or above	Prefer not to answer	Total
Please complete this statement regarding the mix of businesses in Downtown Redmond: Downtown Redm... - Restaurant options	Strongly Disagree	0	0	0	0	0	0	0
	Somewhat Disagree	0	0	0	0	1	0	1
	Neutral	0	2	4	1	3	0	10
	Somewhat Agree	1	7	5	8	9	5	35
	Strongly Agree	3	7	3	4	12	10	39
	Total	4	16	12	13	25	15	85

Mix of Restaurant Options vs Total Household Income

		Specifically how often do you do each of the following? - Work in Downtown Redmond							
		Never	Less than once a month	Once a month	2-3 times a month	Once a week	2-3 times a week	Daily	Total
Do you live:	Within the Redmond City limits	41	3	1	2	1	4	11	63
	Between 0 and 2 miles from the city limits	0	0	0	0	0	0	1	1
	Between 2 and 5 miles from the city limits	3	0	1	0	0	0	2	6
	Greater than 5 miles away from the city limits	10	0	0	2	0	0	2	14
	Prefer not to answer	0	0	0	1	0	0	1	2
	Total	54	3	2	5	1	4	17	86

Living Location vs Work in Downtown Redmond

		Please check all of the following that you are interested in or strongly support					
		Downtown beautification	Downtown community events	Additional public safety and police presence	Adding more storefronts to the downtown area	Additional parking	Total
When visiting Downtown Redmond, how do you most often travel?	By foot/walking	12	13	1	13	7	16
	Driving	44	47	21	45	34	64
	Bicycle	1	2	0	3	0	3
	Public Transportation	0	0	0	0	0	0
	Other (please specify)	2	2	0	2	2	4
	Total	59	64	22	63	43	87

Transportation Downtown vs Interests

		Please indicate all of the activities and interests which you and/or your household members enjoy...																												
		Bicycling	Running	Camping/hiking outdoors	Arts and Crafts	International Travel	Gourmet/fine dining	Coin/stamp collecting	Swimming	Antique Shopping	Participate in sports	Fashion Clothing	Bible/devotional reading	Physical fitness/exercise	Listening to music	Sewing	Needlework/knitting	Outdoor gardening	Going to a movie theater	Wildlife/environmental issues	Do-it-Yourself/workshop	Money making opportunities	Visiting art galleries and museums	Reading	Watching TV	Charities/Volunteer work	Attend a sporting event	Cooking/baking	Other (please specify)	Total
What is the primary reason for you to go to Downtown Redmond?	Work	11	4	13	9	6	8	0	7	6	7	5	2	10	13	2	2	9	11	4	6	2	8	12	11	4	10	9	2	18
	Dining	15	9	21	13	12	22	1	11	7	8	7	8	20	23	5	5	16	23	9	9	7	13	17	19	14	16	16	2	28
	Shopping	2	0	2	2	1	1	0	1	1	1	0	0	2	3	0	1	2	2	1	3	0	0	1	2	1	1	2	0	3
	Community events	2	1	3	3	0	3	0	1	2	1	2	2	3	3	1	1	2	2	2	3	1	3	3	3	3	0	2	1	4
	Night life	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Leisure time	0	0	1	1	0	1	0	2	1	0	2	1	2	3	1	1	2	1	1	1	1	0	0	1	1	0	3	0	3
	Other (Please specify)	5	3	7	3	1	5	0	2	3	4	2	1	6	6	2	0	3	5	1	0	2	3	4	5	2	4	6	1	8
	Total	26	17	47	31	20	40	1	24	20	21	18	12	43	51	11	10	34	44	18	22	13	27	37	41	25	31	38	6	64

Primary Reason vs Activity

		Please indicate all of the activities and interests which you and/or your household members enjoy...														
		Bicycling	Running	Camping/Being outdoors	Arts and Crafts	International Travel	Gourmet/fine dining	Coin/stamp collecting	Swimming	Antique Shopping	Participate in sports	Fashion Clothing	Bible/devotional reading	Physical fitness/exercise	Listening to music	Sewing
Please indicate all of the activities and interests which you and/or your household members enjoy...	Bicycling	48	16	40	22	19	26	2	23	13	18	9	9	34	35	9
	Running	16	20	18	7	6	10	0	10	8	11	2	4	18	15	3
	Camping/Being outdoors	40	18	66	36	21	37	2	30	18	24	11	12	42	51	16
	Arts and Crafts	22	7	36	42	16	28	2	22	16	12	11	6	28	36	15
	International Travel	19	6	21	16	29	21	2	15	7	11	4	4	22	22	5
	Gourmet/fine dining	26	10	37	28	21	49	2	23	13	14	16	8	32	42	11
	Coin/stamp collecting	2	0	2	2	2	2	2	2	2	1	0	0	1	2	1
	Swimming	23	10	30	22	15	23	2	33	10	13	8	8	24	29	9
	Antique Shopping	13	8	18	16	7	13	2	10	21	5	4	3	18	17	9
	Participate in sports	18	11	24	12	11	14	1	13	5	28	6	5	23	24	3
	Fashion Clothing	9	2	11	11	4	16	0	8	4	6	20	6	14	19	5
	Bible/devotional reading	9	4	12	6	4	8	0	8	3	5	6	17	12	12	6
	Physical fitness/exercise	34	18	42	28	22	32	1	24	18	23	14	12	58	46	12
	Listening to music	35	15	51	36	22	42	2	29	17	24	19	12	46	66	13
	Sewing	9	3	16	15	5	11	1	9	9	3	5	6	12	13	17
	Needlework/knitting	8	2	12	14	4	10	2	9	7	5	5	4	11	14	9
	Outdoor gardening	30	12	41	27	18	29	2	24	13	16	10	9	32	38	10
	Going to a movie theater	32	12	45	32	23	38	2	27	13	18	16	12	39	46	11
	Wildlife/environmental issues	16	4	24	20	10	18	1	13	8	8	5	3	17	21	7
	Do-it-Yourself/workshop	17	6	28	21	10	19	1	14	8	11	5	5	21	25	9
	Money making opportunities	7	5	12	7	7	12	0	5	5	4	6	7	13	15	4
	Visiting art galleries and museums	19	5	29	24	16	24	2	15	11	10	10	7	24	31	11
	Reading	30	14	40	25	18	32	2	21	13	15	14	10	39	42	13
	Watching TV	28	10	44	29	20	36	2	22	15	18	16	12	37	46	15
	Charities/Volunteer work	16	3	20	15	14	22	2	15	9	11	8	9	19	23	6
	Attend a sporting event	26	14	34	19	16	26	2	18	11	19	11	9	27	34	9
	Cooking/baking	27	10	43	33	23	34	2	26	17	16	15	11	38	44	16
	Other (please specify)	3	4	7	3	2	7	0	2	3	3	2	1	8	8	2
	Total	48	20	66	42	29	49	2	33	21	28	20	17	58	66	17

		Needlework/knitting	Outdoor gardening	Going to a movie theater	Wildlife/environmental issues	Do-it-Yourself/workshop	Money making opportunities	Visiting art galleries and museums	Reading	Watching TV	Charities/Volunteer work	Attend a sporting event	Cooking/baking	Other (please specify)	Total
Please indicate all of the activities and interests which you and/or your household members enjoy...	Bicycling	8	30	32	16	17	7	19	30	28	16	26	27	3	48
	Running	2	12	12	4	6	5	5	14	10	3	14	10	4	20
	Camping/Being outdoors	12	41	45	24	28	12	29	40	44	20	34	43	7	66
	Arts and Crafts	14	27	32	20	21	7	24	25	29	15	19	33	3	42
	International Travel	4	18	23	10	10	7	16	18	20	14	16	23	2	29
	Gourmet/fine dining	10	29	38	18	19	12	24	32	36	22	26	34	7	49
	Coin/stamp collecting	2	2	2	1	1	0	2	2	2	2	2	2	0	2
	Swimming	9	24	27	13	14	5	15	21	22	15	18	26	2	33
	Antique Shopping	7	13	13	8	8	5	11	13	15	9	11	17	3	21
	Participate in sports	5	16	18	8	11	4	10	15	18	11	19	16	3	28
	Fashion Clothing	5	10	16	5	5	6	10	14	16	8	11	15	2	20
	Bible/devotional reading	4	9	12	3	5	7	7	10	12	9	9	11	1	17
	Physical fitness/exercise	11	32	39	17	21	13	24	39	37	19	27	38	8	58
	Listening to music	14	38	46	21	25	15	31	42	46	23	34	44	8	66
	Sewing	9	10	11	7	9	4	11	13	15	6	9	16	2	17
	Needlework/knitting	16	13	11	9	9	2	12	13	12	7	9	13	3	16
	Outdoor gardening	13	50	31	22	26	7	24	33	32	21	21	33	6	50
	Going to a movie theater	11	31	57	18	22	12	27	37	40	22	32	39	6	57
	Wildlife/environmental issues	9	22	18	26	17	3	15	16	17	9	9	19	2	26
	Do-it-Yourself/workshop	9	26	22	17	34	5	15	21	24	10	11	22	5	34
	Money making opportunities	2	7	12	3	5	15	8	9	14	7	10	11	2	15
	Visiting art galleries and museums	12	24	27	15	15	8	35	27	25	15	19	26	5	35
	Reading	13	33	37	16	21	9	27	54	40	17	27	33	9	54
	Watching TV	12	32	40	17	24	14	25	40	55	21	28	36	5	55
	Charities/Volunteer work	7	21	22	9	10	7	15	17	21	29	17	19	1	29
	Attend a sporting event	9	21	32	9	11	10	19	27	28	17	40	27	5	40
	Cooking/baking	13	33	39	19	22	11	26	33	36	19	27	55	4	55
	Other (please specify)	3	6	6	2	5	2	5	9	5	1	5	4	10	10
	Total	16	50	57	26	34	15	35	54	55	29	40	55	10	87

Activity vs Activity

		What is the primary reason for you to go to Downtown Redmond?							
		Work	Dining	Shopping	Community events	Night life	Leisure time	Other (Please specify)	Total
Which of the following best describes your household living situation?	Married - with children	4	8	1	2	0	0	4	19
	Married - without children	6	13	2	1	0	0	2	24
	Divorced	2	2	0	0	0	1	0	5
	Widowed	0	0	0	0	0	0	0	0
	Separated	0	0	0	0	0	0	0	0
	Single	3	3	0	1	0	1	1	9
	Single Parent	2	1	0	0	0	0	0	3
	Prefer not to answer	1	1	0	0	0	1	1	4
	Total	18	28	3	4	0	3	8	64

Household Living Situation vs Primary Reason

Appendix F: Citizen Outreach Intercept Survey

Survey Question 22:

Thinking back over the last year, how often do you typically visit or spend time in Downtown Redmond? (Check the closest response)

1. Never
2. Less than once a month
3. Once a month
4. 2-3 times a month
5. Once a week
6. 2-3 times a week
7. Daily

Question 3

Specifically, how often do you do each of the following? Options 1=Never, 2=Less than once a month, 3=2-3 timesa month, 4=Once a week, 5= 2-3 times a week, 6=Daily

1. Shop in Downtown Redmond
2. Eat in Downtown Redmond
3. Attend an event in Downtown Redmond
4. Show visitors Downtown Redmond
5. Visit Centennial Park
6. Work in Downtown Redmond

Question 23

Which of the following would make you go to Downtown Redmond more? (Select all that apply)

1. A larger variety of store
2. More community events
3. A larger diversity of restaurants
4. Better parking options
5. Having a recreation center
6. Other (please specify):

Question 36 (regardless)

What other downtowns have you visited and enjoyed?

1.
2.
3.

Question 24

What is the primary reason for you to go to Downtown Redmond?

1. Work
2. Dining
3. Shopping
4. Community events
5. Night life
6. Leisure time
7. Other (please specify)

Question 26

What are some reasons that you would choose to go outside of Redmond, such as to Bend? (Check all that apply)

1. I don't go outside of Redmond
2. Retail shopping
3. Dining
4. Night life
5. Leisure Time
6. Entertainment
7. Community Events
8. Grocery Shopping
9. Work
10. Family/Friends
11. Residence
12. Other (please specify) Question 11 (both)

How satisfied are you overall with the present state of the Downtown Redmond area? Please briefly explain.

1. Very unsatisfied
2. Unsatisfied
3. Neutral
4. Satisfied
5. Very Satisfied Explanation:

Question 28

Please write up to two changes that you like to see to Downtown Redmond.

1.
2.

Question 27

If you could have a specific business or type of business come to Downtown Redmond, what would they be?

1.
2.

Question 1 and 9 (condensed)

How strongly do you agree or disagree with the following statements: Downtown Redmond needs more:

1=strongly disagree, 2=somewhat disagree, 3=neutral, 4=somewhat agree, 5=strongly agree

1. Recreational facilities (i.e. bowling)
2. Entertainment venues (i.e. music or theater)
3. Artistic and cultural opportunities
4. Community events (i.e. Music-fest Concerts)
5. High-end retail locations
6. Discount retail locations
7. Restaurant options
8. Bars and lounges
9. Office space
10. Housing options
11. Personal service storefronts (i.e. salon/barber)
12. Professional services (i.e. insurance/legal)
13. Big-boxstores

Question 30

Which of the following best describes your age?

- Under 18
- 18-24 25-44 45-54 55-64 Over 64
- Prefer not to answerQuestion 32 Do you live:

1. Within the Redmond City limits
2. Between 0 and 2 miles from the city limits
3. Between 2 and 5 miles from the city limits
4. Greater than 5 miles away from the city limits
5. Prefer not to answer

Downtown Revitalization Clusters

Food Cluster

March 2016

Joshua Bryant, Sara Chrisman, Nicholas Deale, Emily Fett, Drexel Grimes

Table of Contents

Executive Summary

A DEEPER ANALYSIS OF THE DOWNTOWN FOOD CLUSTER

Goal

Our goal is to identify the current strengths within the food cluster in downtown Redmond, highlight the main bottlenecks and weaknesses in the current mix of establishment, and provide recommendations on how to eliminate barriers to future business activity and growth.

Approach

Primary and secondary research clarified the current makeup of Redmond's food cluster. We supplemented this with interviews with the City, current restaurant owners, and survey information about Redmond community members developed by another University of Oregon student team. Through our internal and external research, we identified three main areas for improvement: the support organizations, event utilization, and marketing for the downtown.

Key Findings

1. External and industry analysis confirmed there are opportunities for growth in the size and vitality of the food cluster.
2. The City of Redmond is set up to assist in opening a business smoothly and that is a strength for future growth. However, there is a clear weakness in the current business associations support for on-going success. There is also significant room for growth in downtown events, which could increase foot traffic and create awareness for and promote the downtown food cluster.
3. Similar city comparisons demonstrated Redmond's downtown food cluster has a moderately strong variety/mix. However, there is an opportunity to diversify the pricing mix by introducing more unique and premium restaurants in the future.
4. An online marketing analysis revealed moderate strength in the current online presence of Redmond's businesses. There is an opportunity to leverage that presence to draw more attention from community members as well as attract regional consumers to the Redmond food cluster.

Recommendations

We identified a disconnect between the major parties within Redmond: the City, the Chamber of Commerce, and the business owners. This disconnect has led to a misunderstanding of the value proposition of each group to business owners. Ultimately, this results in an overall feeling of ineffectiveness. Increasing the level of communication between all parties is essential to build a shared vision of downtown, improve collaboration, and ensure that everybody has the support needed to be successful.

Capitalizing on events is an important area where increased cooperation is essential. There is an overall sentiment that events are ineffective in building traffic on the day of an event or lasting impact after the event. This contributes to an overall lack of participation and/or unenthusiastic participation. The best way to attain buy-in from business owners is to empower them throughout the process. Taking recommendations and feedback from business owners will help to achieve this goal while also spurring increased participation. This will help to facilitate events that are welcoming to citizens of all interests and income levels.

There is a substantial number of people who choose to dine outside of the downtown area. The food cluster has seen substantial development since its inception, however, there is a lack of awareness for existing offerings. Citizens continue to desire an increase in variety. Knowing that Redmond restaurants have a moderate online presence, we recommended using online as tools and the shift to social media in order to spur awareness for existing offerings. Additionally, the variety of restaurants should continue to be expanded, particularly in the areas of mid-priced Italian, fine dining, and a bakery.

Introduction

APPROACH AND ANALYSIS METHODOLOGY

How Can the City Assist the Food Cluster to Create a Thriving Downtown?

Overall Goals

The City of Redmond and the community overall is committed to creating a vibrant and active downtown. Our project's goal is to identify ways in which the City can promote growth in the food cluster downtown. Additionally, we will identify needs within the food cluster and provide recommendations on how to eliminate barriers to future business activity and growth.

Source: Team

Approach

- Review research on what makes a healthy downtown, briefing material, and the 2006 Market Downtown study
- Perform analysis of the food cluster including, restaurants, breweries, and coffee shops
- Conduct interviews with community leaders and business owners in order to assess assets, incentives, and barriers that are believed to exist
- Identify businesses that are within the food cluster as well as those that reside outside of downtown
- Develop an assessment of the attractiveness, growth, and competitive dynamics within the food cluster
- Develop a prioritized implementation plan that includes tactics that can be used to execute the recommendations

Activities

- Multiple trips to Redmond, OR
- In-person interviews (9)
- In-depth phone interviews (6)
- A focus group (6 attendees)

External Analysis

ADDRESSING ATTRACTIVENESS OF FOOD CLUSTER

Redmond has Economic Challenges and Sociocultural Strengths

Economic Challenges

The economics of Redmond provide challenges to business owners, but the city has financing programs that help alleviate some of the difficulty. Redmond median household income is $38,000 which is 35% lower than Deschutes County. Also, 21.8% of persons in Redmond are below the poverty line, which affects the downtown food industry (Works Cited 19). The income levels limit the disposable income available for community members to spend eating out, which would suggest that in order to be successful, business owners downtown would need to attract the middle to higher income community members as well as people from neighboring cities.

The lack of disposable income has an impact on food business owners' ability to start and maintain a business. This is why there are supports in place by the city to help finance small businesses. The Downtown Urban Renewal Program provides assistance for restoration of the property to improve the exterior of the building to be compatible with the downtown streetscape. There also is the Small Business Lending Program which is designed to help small businesses find banks that will loan to them to start their business.

Sociocultural Strengths

In Redmond, 68% of the population is comprised of families, with 29% of the population between the age of 25 and 44. The largest age group that lives closest to downtown is ages 38-47 (Works Cited 19). Because of the social demographics of Redmond, it is important for business owners to be family-friendly and have things that both parents and kids can partake in. The family aspect of the demographics is a strength because it creates an atmosphere where most people want to support the local businesses and be involved in the community.

In order for businesses to be successful they should consider how their store fronts look to make sure it creates welcoming environment to families. For the food cluster, business owners may want to have options that are appealing for both parents and kids.

Bend and Eating at Home Serve as Threats to the Food Cluster

Threat of Substitutes → High → Growing

The threat of substitutes is a major hurdle standing in the way of Redmond's development of a successful downtown food cluster. Residents have shown they are more than willing to eat at home as an alternative to dining out. According to the Citizens Outreach Survey nearly 50% of respondents mentioned eating downtown no more than once per month, clearly showing that currently the downtown food cluster is not attracting the type of the draw that the city desires (See Question 1 in Appendix A). Based on a large proportion of Redmond experiencing low disposable income, it appears that the driving force behind this trend is that people are choosing to eat at home in order to save money.

Restaurants downtown need to provide a compelling reason for customers to choose them over eating at home, which is a much simpler and cheaper option. It is crucial for the downtown to offer both convenient and affordable options, while still offering specialty, premium options to cater towards middle and higher income demographics.

Customer Power → High → Growing

Despite low purchasing power, residents of Redmond hold a high degree of customer bargaining power. The Citizens Outreach Survey found that over 60% of respondents leave the city of Redmond to eat in other nearby cities (See Question 3 in Appendix A). Our primary research confirms that a significant portion of the residents are going to Bend.

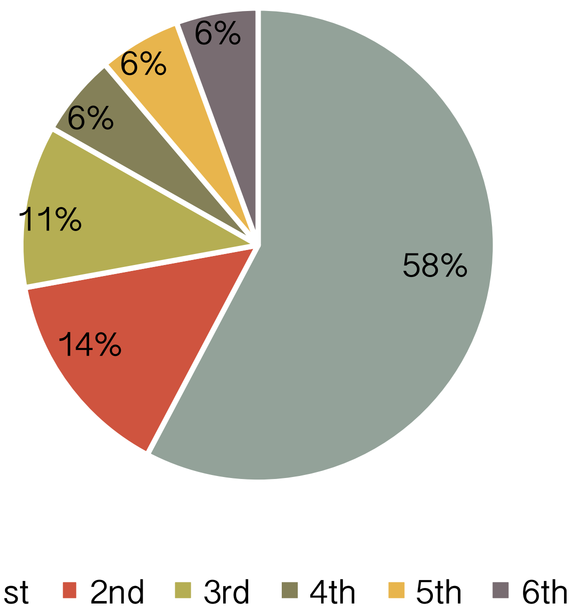
To deter people from traveling to nearby cities for their dining needs, Redmond must balance convenient and cheap options with creating an attractive atmosphere that can rival nearby cities like Bend. In order to make this more effective, restaurants also need better advertising, as many residents and travelers are still unaware what downtown has to offer.

Dining is the #1 Reason People are Going Downtown

Why People Go Downtown?
58% of survey respondents said that dining was the number one reason why they are going downtown. (Question 4, Appendix A.) Almost every participant in this survey stated that dining was in the top three reasons to go downtown. This shows the strength in the food cluster that already exists downtown. However, a problem that was addressed by business owners is that many people are coming downtown to eat and then leaving. There needs to be a better mix overall to increase foot traffic downtown.

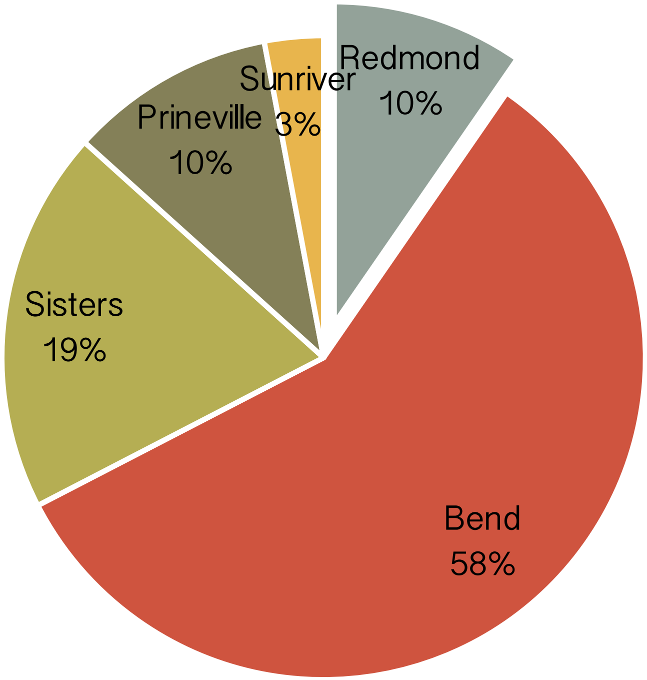
Who Is Eating Downtown?
From the survey we found that those with income over $65,000 were going downtown primarily for dining. (Question 5, Appendix A). These higher income individuals were also the consumer segment that wanted more restaurants and spent the most downtown ($50-$100 per month). This is segment of demographic is a lot smaller than others but is a clear customer segment that wants, appreciates, and will patronize this cluster.

Ranks of Dining as a Reason to go Downtown



Travel Oregon Shows That Bend Dominates the Region

"Eat and Drink" in Central Oregon



Source: 16

There is a moderate amount of competition for tourism in Central Oregon from Sisters and Prineville, but more from Bend. Restaurants in Redmond are working to promote themselves, however, there is room for improvement. In analyzing the restaurant frequencies on Travel Oregon's website that is used by many traveling in Oregon, Bend dominates the Central Oregon section. Redmond falls right behind Sisters in exposure.

Central Oregon Competition

While the main competition for local residents and tourists is Bend, there are a few other cities in the surrounding area currently trying to capitalize on the increase in popularity and steady growth in Central Oregon. Those cities include Sunriver, Sisters, Prineville, and La Pine. Redmond is an alternative for regional consumers in Central Oregon because individuals can still access restaurants without being in the big city of Bend. The great community of Redmond and the small-town feel is a large differentiation point for the City.

"No one from these smaller towns wants to go to Bend for the afternoon because of the large amount of traffic. These people view Bend as too "big city" for them." (Focus Group Member, Appendix B).

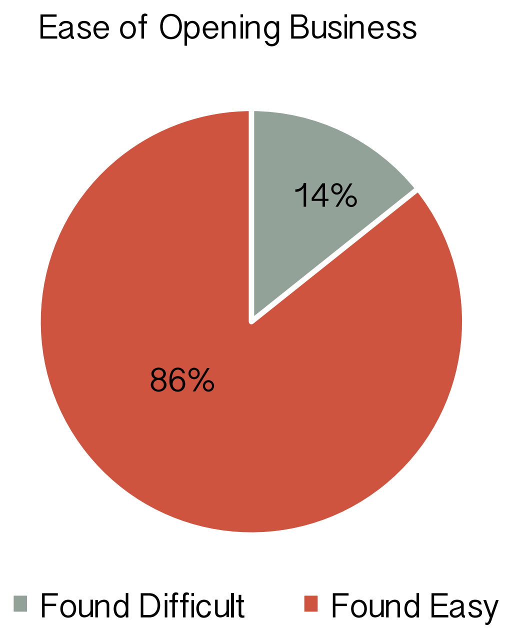
Relationship with Bend

The relationship with Bend is dynamic because Bend is a large competitor to Redmond in the food industry for tourism and Redmond residents. However, as Bend's foodie culture has increased, Redmond's restaurants have also been pressured to follow suit, which has increased the number of options in Redmond. Therefore, it is mutually beneficial that both cities support one another despite competition.

Business Is Easy to Open in Redmond

The City of Redmond
Many of the business owners reported a pleasant opening experience. This chart shows that 86% of restaurant owners we talked to thought it was easy to open a business in Redmond. The word “helpful” was used in over half of our interviews.

In terms of licensing the business owners all spoke of the ease of attaining them. From owners’ perspective there were no logistical or legal barriers to opening a business in Redmond. However, owners did have difficulty finding a reliable landlord. This shows that the City of Redmond is doing it’s job to help promote growth and help business open.



“The City was very attentive and helpful when we were getting all of our licensing. At times they were almost over eager about our opening.” (Restaurant Owner, Appendix C).

Events are Successful and Bring People Downtown, But Have Pitfalls

Successful Events

Restaurant owners cited that events were the most successful strategy to bring people downtown. (Question 6, Appendix A). Citizens too want to see more events downtown. This was also reflected in the Citizens Outreach Survey, in which 75% of respondents said that they enjoyed events downtown. These events bring the community together and increase foot traffic downtown. They reinforce the values that make being a part of a small town community so great, which in turn increases morale. Business owners highlighted the Children's Art Walk and the Halloween event as their favorites.

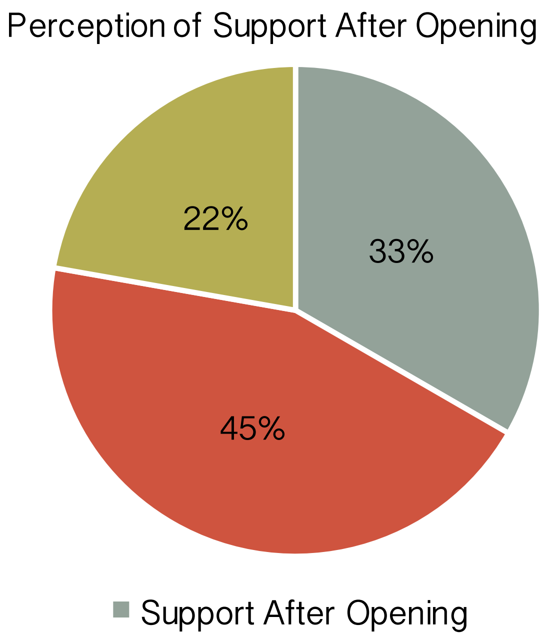
Owners Frustrations with Events

Despite strong turnout, there were many mixed opinions on the events short term and long term impacts on revenue. Business owners appreciated events and the business they bring downtown. However, the events that lacked structure frustrated business owners because they were not included in the communication or had wasted resources for minimal payoffs both on the day of the event and in upselling in weeks after participation. For example, many businesses spoke negatively of the Third Friday Stroll. One of the main reason was the lack of control over the alcohol use at family friendly events and the lack of consistency among event planning. The owners stressed the importance of communication and consistency with events so that no downtown business is left out of the loop.

"The Halloween event is an amazing event that brings the entire community together while supporting downtown businesses. I wish that more events went this way because sometimes we (business owners) get very frustrated with the events that don't go well." (Restaurant Owner, Appendix C).

Business Support After Opening Is Weak

The City, Chamber, Downtown Redmond Association
In our interviews we asked restaurant owners the open ended question "How do you feel that your business has been supported since opening?" We got responses varying about the different organizations in Redmond. Many talked about the lack of support from the City and Chamber after opening. Some business owners expressed their frustration in the associations' leadership not coming to support the downtown businesses or even in having a vibrant and effective downtown association. Many owners talked about their frustration with the cities support in terms of the business mix downtown. People commented that there was a lack of consistency in downtown business values.

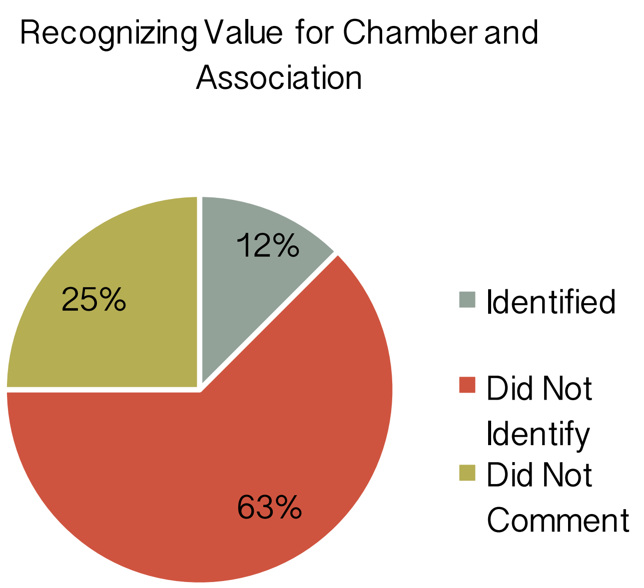


"The City wants to make it family-friendly downtown but then they allow tattoo parlors and bars to open. It doesn't make sense to me. I want to support these business' owners but it isn't something I really partake in." (Focus Group Member, Appendix B).

Unclear Value Proposition From Business Support Groups

Chamber of Commerce
Though our client is the City, in a small community it is in the best interest to use all resources efficiently. In Redmond the Chamber is a strong partner with the City and the lead on much of the important events. Nationally Chambers support business vitality. Amongst the food cluster in Redmond. However, the Chamber has many members who couldn't clearly identify the benefit of being a member. Those who weren't involved as members didn't think that they were missing out and had little interest in membership. In fact, many members could only cite banquets and minimal advertising as the value.

Downtown Redmond Association
The business owners that we spoke with felt exactly the same about the downtown association as they did with the Chamber. The same 63% thought that the value proposition was unclear for the Downtown Redmond Association. Many seemed to be unaware that it was an association, that it was something they could be involved with, or that is had palpable impact on Redmond.



"The Chamber is ineffective for small businesses but probably better for larger businesses. We have been here four years and have only had the Chamber come support our business a handful of times." (Focus Group Member, Appendix B).

Strong Foundation is Challenged by Inefficiencies and Fierce Competition

Internal Factors	Strengths (S)	• Established group of successful restaurants already in place • Variety of choices keeping up with modern trends • Strong sense of community and safe place to go and dine • Minimal competition within the immediate town • Central geographic location • Easy to do business startup assistance in city
	Weaknesses (W)	• Strained relationship between restaurants, Chamber, and Redmond Downtown Association • Lack of foot traffic and perception of limited parking • General lack of awareness what downtown holds • Struggling identity and negative feelings toward downtown • Inconsistent, inflexible, and unclear hours of business
External Factors	Opportunities (O)	• Public events draw in crowds • Travelers passing through or heading to Mt. Bachelor, Smith Rock • Targeted promotions capitalize on small town environment
	Threats (T)	• Ease of entry and exit reduce window to be successful • Disgruntled owners could decide to uproot and leave • Continued empty store fronts could discourage investment • Close proximity to booming Bend food and nightlife scene • Cheap fast food alternatives throughout city and nearby

Alternative Strategies Exist to Address These Factors

Alternative Strategies for the Food Cluster

Strength and Opportunity Strategies (SO)

- Leverage existing restaurants and Redmond's strong sense of community to develop an integrated all-encompassing downtown experience with restaurants, bars, shopping, and entertainment
- Use public events to increase the flow of people to the downtown area and allow restaurants to promote awareness of their businesses through special offerings and deals
- Add new variety options

Weakness and Opportunity Strategies (WO)

- Create sense of identity for downtown area by clearly differentiating family-friendly atmosphere during the day and well-defined nightlife by increasing clarity and consistency in hours of business operations
- Increase outdoor seating and aesthetic appeal of the downtown in order to create a vibrant space for people to spend time and increase foot traffic
- Create food themed events
- Trial coupons/promotions valid after events

Strength and Threat Strategies (ST)

- Appeal to those going to Mt. Bachelor/Smith Rock by working closely with local lodging providers and creating cozy atmosphere amongst restaurants
- Leverage existing restaurants through cross promotional efforts to promote new businesses and spur growth

Weakness and Threat Strategies (WT)

- Improve involvement of Chamber of Commerce to help business owners
- Create targeted promotional plan to regularly reach residents of Redmond, tourists, and those passing through to create awareness of the wide variety of restaurants already in the downtown area

City Comparison Analysis

ANALYZING PRICING AND RESTAURANT MIX IN MODEL CITIES

Meal Prices In Redmond are Lower than Average Prices In City Comparisons

Restaurant Pricing in Downtown Redmond
An analysis of downtown Redmond restaurants gave great insight into both the product mix and pricing mix of the area. Today the area relies on breweries and pubs, Mexican food, and cafes. Outside of those strengths, the area has exposure to breakfast places, bar and grills, and a few specialty restaurants.

Downtown Redmond lacks pizza, Indian/Thai/Cuban/Other, Italian, and a bagel/breakfast store often seen in downtowns.

The current product mix affects the pricing mix. As shown the majority of restaurants in downtown Redmond charge low prices (<$7). This is largely driven by the number of coffee shops and taco shops. Only 12.5% of restaurants charge more than $14 for an average meal.

.

Downtown Restaurant Mix	Redmond, OR
American	2
Bar and Grill	1
Tradional/Sandwiches/Burgers	1
Bar/Pub	2
Indian/Thai/Cuban/Other	-
Deli/Sandwich Shops	1
Pizza	-
Brewery/Pub	5
Brewery	2
Pub/Bar	2
Wine	1
Franchise	-
Mexican Food	4
Taco Shop	2
Traditional	2
Chinese	2
Sushi	1
Buffet	-
Traditional	1
BBQ	-
Specialty	2
Steakhouse	1
Italian	-
Bistro/Other	1
Bakery	1
Gas Stations/Convenience Store	1
Café	4
Traditional/Coffee	3
Tea	1
Breakfast	2
Waffles	1
Traditional	1
Bagel/Donuts	-
Total	26
Pricing	
High Prices (>$14)	2
% of Total	*12.5%*
Medium Prices ($7-$14)	6
% of Total	*37.5%*
Low Prices (<$7)	8
% of Total	*50.0%*
Total Prices	16

Source: 18

Baker City, OR: Similar in Restaurant Mix and Demographics

- Small overall number of downtown restaurants
- Relatively few high priced, premium locations
- Low median household income

Downtown Restaurant Mix	Baker City, OR
American	2
Bar/Pub	-
Indian/Thai/Cuban/Other	-
Deli/Sandwich Shops	-
Pizza	2
Brewery/Pub	1
Franchise	-
Mexican Food	3
Chinese	1
BBQ	1
Specialty	1
Bakery	-
Gas Stations/Convenience Store	-
Café	2
Breakfast	2
Total	15
Pricing	
High Prices (>$14)	3
% of Total	*20.0%*
Medium Prices ($7-$14)	8
% of Total	*53.3%*
Low Prices (<$7)	4
% of Total	*26.7%*
Total Prices	15
Median Age	42.8
Median Household Income	$37,243
Key Difference	Two Pizza Stores

Source: 1

Baker City, OR: Family Restaurants and Strong Events

Baker City, Oregon was chosen as a model downtown due to its size, location, and similarity to Redmond. The food cluster in Baker City is fairly similar to that of Redmond, and the downtown area is small. The key difference in restaurant mix is that Baker City has two pizza stores downtown. Neither city has a large proportion of premium restaurants downtown. Redmond has a very similar median household income and the pricing mix of restaurants in both cities is similar. Baker City's age demographic is one major difference at an average age 42.8 compared to Redmond's 34.

Events in downtown Baker City include a Halloween Pub Crawl, a St. Patrick's Day Parade, and those outlined below.

Baker City, Oregon Events
Steak and Lobster Feed
Valentine's Day Wine Tasting
Easter Egg Hunt
Halibut Feed
Steak Feed and Hotdog Dinner
Pancake Breakfast
Taste of Baker

Source: 1

Corner Brick Bar and Grill
A model restaurant is the Corner Brick Bar and Grill, a restaurant that uses specials and events to drive foot traffic.

This bar and grill serves food during lunch and dinner hours. Menu items include salad, pizza, burgers, sandwiches and beer. The restaurant does specials on every day of the week, including a pasta special on Saturday nights.

Corner Brick uses these specials and live music to attract customers. Most meals range between $8 and $14, falling in our medium price range.

Burlington, VT: Younger Demographic and Premium Offerings

- Younger target demographic
- Premium offerings
- Specialty restaurants and pizza places

Downtown Restaurant Mix	Burlington, VT
American	2
Bar/Pub	2
Indian/Thai/Cuban/Other	1
Deli/Sandwich Shops	2
Pizza	5
Brewery/Pub	3
Franchise	1
Mexican Food	3
Chinese	4
BBQ	-
Specialty	7
Bakery	-
Gas Stations/Convenience Store	-
Café	3
Breakfast	1
Total	34
Pricing	
High Prices (>$14)	10
% of Total	*32.3%*
Medium Prices ($7-$14)	14
% of Total	*45.2%*
Low Prices (<$7)	7
% of Total	*22.6%*
Total Prices	31
Median Age	27
Median Household Income	$43,323
Key Difference	7 Specialty Restaurants

Source: 5

Burlington, VT: Taking Advantage of Health Trends

Burlington, Vermont has a vibrant downtown with multiple successful restaurants that could be a model for Redmond's growth in terms of restaurant mix. Burlington also has a picturesque and historical downtown.

The downtown is built around core specialty restaurants that charge medium to high prices. Specialty restaurants were characterized as fancy Italian restaurants, steakhouses, and other premium restaurants. Burlington has seven restaurants in this category, compared to Redmond's two. Due to these restaurants, the number of high-priced restaurants is much greater than in Redmond. Over 75% of restaurants in Burlington are medium-priced or higher, a mix that is not appropriate for today's Redmond customer. However, specialty restaurants are great for downtowns because they provide stronger differentiation from restaurants around the city and generally allow owners and managers to better connect with customers.

Burlington, Vermont Events
French Conversation Lunches
Library Concert – Wine, Chocolate, Artisan Cheese
Empty Bowl Benefit

Source: 5

Burlington Flatbread
This niche restaurant serves standard and customizable flatbreads and other complementary products such as soup, salad, and drinks. In addition to dinner, this location serves flatbreads for brunch. Flatbreads average around $10 per meal, but are very high quality. The dough is 100% organic and the toppings are healthy, fresh ingredients.

A restaurant like this would fit well in downtown Redmond. This type of restaurant provides a healthy option at a reasonable price.

Santa Fe, NM: Addressing Higher End Consumers

- Priced for middle to high income demographic
- Niche specialty restaurants
- Relatively large cluster of downtown restaurants
- Builds upon established tourism draw

Downtown Restaurant Mix	Santa Fe, NM
American	8
Bar/Pub	-
Indian/Thai/Cuban/Other	2
Deli/Sandwich Shops	2
Pizza	3
Brewery/Pub	2
Franchise	1
Mexican Food	5
Chinese	2
BBQ	-
Specialty	10
Bakery	1
Gas Stations/Convenience Store	-
Café	3
Breakfast	-
Total	39
Pricing	
High Prices (>$14)	13
% of Total	*43.3%*
Medium Prices ($7-$14)	13
% of Total	*43.3%*
Low Prices (<$7)	4
% of Total	*13.3%*
Total Prices	30
Median Age	44.8
Median Household Income	$52,917
Key Difference	10 Specialty Restaurants

Source: 8

Santa Fe, NM: Strong, Specialty Niche Food Cluster

Santa Fe hosts a number of premium specialty and Mexican restaurants in its historic downtown area. Due to these restaurants, the number of high-priced restaurants is much greater than in Redmond. These restaurants rely less on volume and more on high prices to drive revenue. Similar to Burlington, Redmond's median household income is much lower than Santa Fe's, which creates uncertainty about the number of people able or willing to eat at premium restaurants.

However, the city of Santa Fe does a great job of incorporating different cultures into the restaurant mix, which is why it is an interesting model for Redmond. Moreover, many of the specialty restaurants in Santa Fe are located near each other, creating a core food cluster within the downtown food industry.

Santa Fe, New Mexico Events
Art and chocolate
Hands on workshop for making Mexican food
Art gallery tour and wine tasting
Lift ticket and pizza special

Source: 8

India Palace

The Indian palace is an ethnic restaurant that specializes in traditional Indian cuisine. Santa Fe has many ethnic and specialty restaurants which creates a very diverse and exciting downtown.

An Indian or other niche ethnic restaurant would be great for downtown Redmond, and a cluster of these businesses would be ideal.

Flagstaff, AZ: Balanced Pricing Mix

Downtown Restaurant Mix	Flagstaff, AZ
American	2
Bar/Pub	-
Indian/Thai/Cuban/Other	2
Deli/Sandwich Shops	1
Pizza	3
Brewery/Pub	3
Franchise	1
Mexican Food	1
Chinese	1
BBQ	1
Specialty	3
Bakery	-
Gas Stations/Convenience Store	-
Café	4
Breakfast	2
Total	24
Pricing	
High Prices (>$14)	7
% of Total	*31.8%*
Medium Prices ($7-$14)	9
% of Total	*40.9%*
Low Prices (<$7)	6
% of Total	*27.3%*
Total Prices	22
Median Age	26.9
Median Household Income	$49,771
Key Difference	2 Indian/Thai/Cuban

Source: 6

- Ideal model for Redmond pricing mix
- Broad range of ethnic food including Indian, Thai, and Cuban
- Young family oriented economy

Flagstaff, AZ: Attracting Consumers in All Income Brackets

Flagstaff is a representative model for the youth and family-oriented demographic of Redmond. The median age in Flagstaff is 26.9, which is slightly lower than Redmond's, but represents a trend towards a lower consumer base. The food cluster in Flagstaff is fairly similar to that of Redmond, and the downtown area is small. The key difference in restaurant mix is that Flagstaff has two ethnic restaurants downtown.

Flagstaff has a higher median household income and the pricing mix of restaurants is much more evenly distributed across the different price ranges, representing a healthy mix of restaurants. A balanced pricing mix creates a downtown that can attract consumers in all income brackets. Events in downtown include Valentine's Day Arts and Crafts and the others outlined below:

Flagstaff, Arizona Events
Valentine's Day arts and crafts
Craft Brew Dinner
Beer for 10 cents!
Ladies night

Source: 6

Fratelli Pizza

This store offers pizza for dine-in and to-go orders of customizable pizza. The restaurant also offers sides such as wings and mozzarella sticks to compliment the pizza. It has been voted Best of Flagstaff by *Arizona Daily Sun* readers for the 11th consecutive year and is recognized by the community for its success.

A voting system through Redmond's local newspaper or other online media platform would be a great idea to promote downtown restaurants.

Past Analysis and Current Efforts

EXAMINING MARKETEK STUDY AND ONLINE PRESENCE

What Did the Past Analysis on the Downtown Food Cluster Conclude?

Purpose

The Marketek study of 2006 included a comprehensive analysis of potential market support for downtown Redmond. In addition, it analyzed existing offerings, consumer behavior, and opportunities for growth. From these analyses, it provided a foundation for constructing strategies to further develop the downtown area and begin to recapture outflowing customer dollars. Lastly, it recommended business development and marketing strategies to spur growth and ensure long-term success.

Recommendations

Marketek identified a number of key guidelines as essential to a dynamic economic environment. These guidelines include: "Brand Yourself," "Cluster and Focus," "Strive to be Different," and "Get the Word Out" (Works Cited 12 Marketek 59). The study emphasized creating a market position that serves multiple markets—not just upscale shoppers, highlights locally owned and operated businesses, and is identified as a special business mix with authentic western flavor (Works Cited 12 Marketek 61).

Marketek also explained that success in downtown Redmond will only be possible with business owners that (Works Cited 12 Marketek 63):

- Provide a good quality product at a fair price
- Provide exceptional customer service
- Respond to the changing needs of both trade area customers and visitors
- Market aggressively to these target customer groups
- Offer multiple, complementary product lines
- Fill specific, unique niches
- Have focus, imagination, and a deep desire to meet the needs of the customer

Not All Recommendations Have Been Implemented

Recommendation/Opportunity	Progress Assessment
Breakfast/Lunch	✓
Deli/Yogurt/Ice Cream	✓
Steakhouse/Seafood	✓
Olive Garden-like	×
Bakery/Chocolate Shop	×
Ethnic	✓
Fine Dining	×
Other Family Dining	✓

Source: 12

Analysis

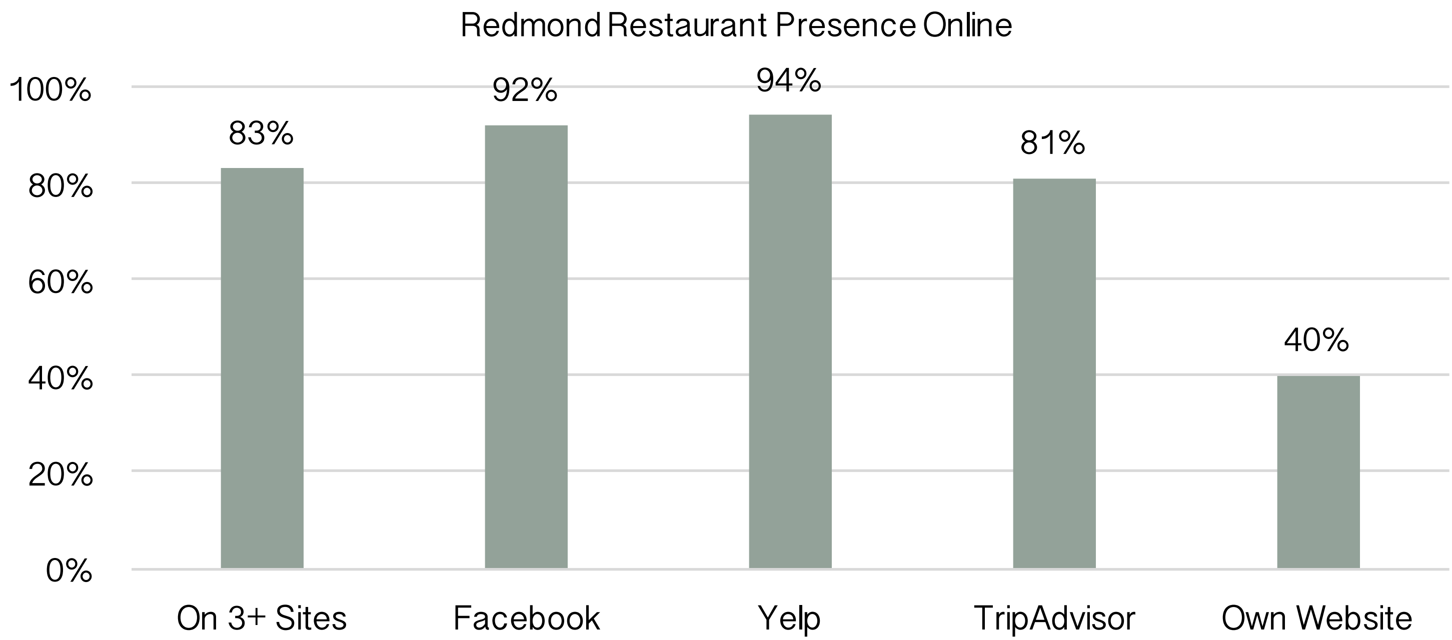
Marketek also provided specific targets for growth within the food cluster. To date, it is clear that Redmond has taken some of the necessary steps but still has work to do.

There is still a need for a mid-level Italian restaurant as well as an increase in the number of fine dining offerings. Additionally, we could not identify a significant number of bakery/chocolate shops.

Similarly, as seen in the Citizens Outreach Survey, citizens still want an increased variety of food (See Question 7, Appendix A). However, our research indicates there is a strong baseline variety. The underlying problem seems to be a lack of awareness for the existing variety. Restaurants are the main attraction in downtown which only underscores the need to grow awareness which should both grow traffic and attract newcomers.

Restaurants Downtown Have Established Presence In Marketing Online

We examined the presence on Facebook, Yelp, TripAdvisor, and a dedicated website for each downtown restaurant



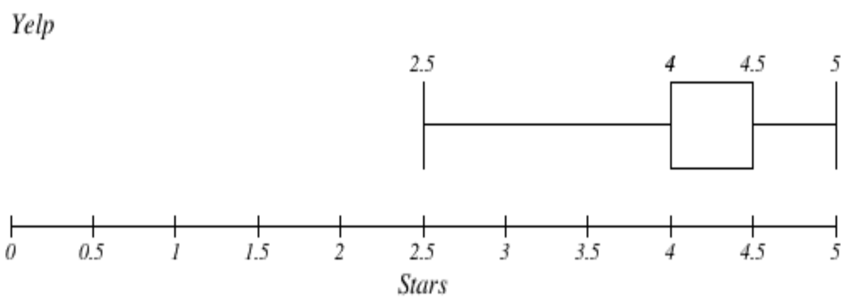
Overall, we found that the Redmond restaurants downtown were doing a good job marketing themselves online. 83% were on three or more of the online sites that we determined as the most relevant. Appendix D provides the details for this analysis.

We then wanted to analyze their scores on Yelp and TripAdvisor to see if presence on these sites were helping generate or retain business.

78% of Consumers Use Review Sites to Find Local Businesses

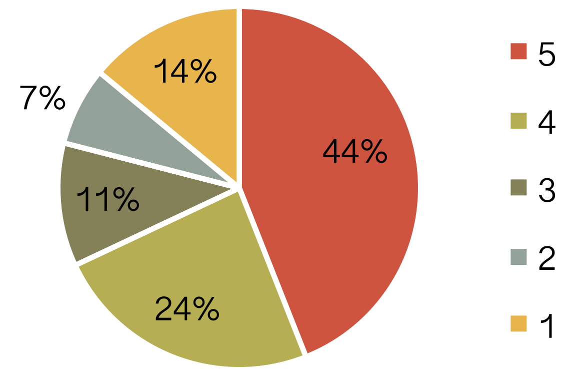
Consumers seeking restaurant information search Yelp or TripAdvisor for recommendations, reviews, menus, reservations, and hours of operation. Redmond restaurants are well represented.

Redmond Restaurant Exposure on Yelp

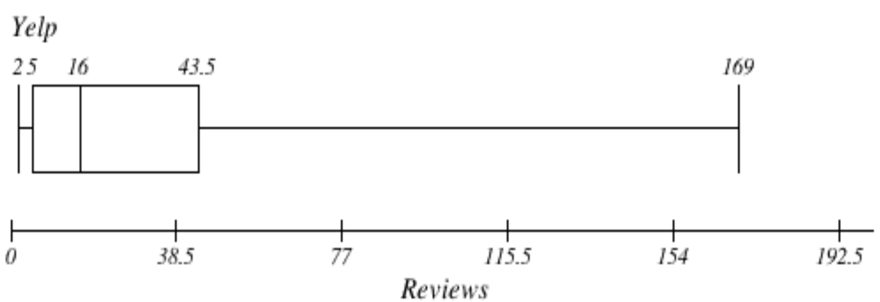


Average Stars: 4

Average Stars for Business on Yelp



Source: 18



Average Number of Reviews: 16

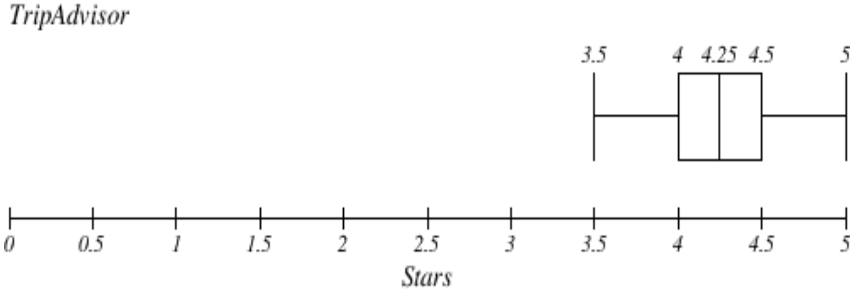
Analysis

The average rating for Redmond restaurants was 4 stars with an average of 16 reviews. On average for businesses on Yelp, 24% have 4 stars. This is, however, lower than the 44% of restaurants that receive an average of 5 stars on Yelp.

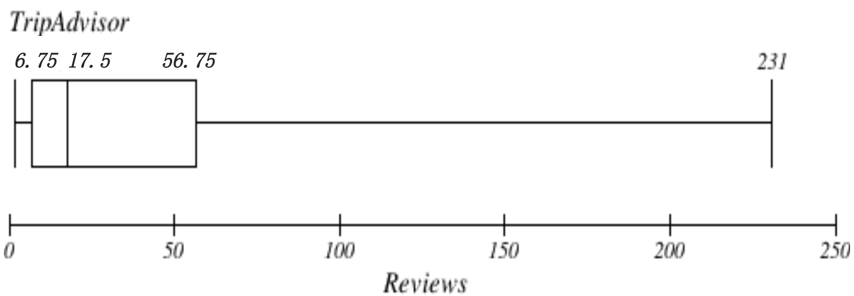
See Appendix D for detail

TripAdvisor information on Redmond's restaurants is primarily positive.

Redmond Restaurant Exposure on TripAdvisor



Average Stars: 4.25



Average Number of Reviews: 17.5

TripAdvisor Statistics	
Average TripAdvisor Review Rating	4.12 stars
Increase in average stars with 101+ reviews	3.5 to 3.9
Percent of people who read reviews to find better restaurants	64%

Source: 17

Analysis
The average restaurant ratings on TripAdvisor for Redmond is 4.25 stars. This is slightly above the average business rating of 4.12 stars. The average number of reviews was 17.5. If Redmond restaurants increased their number of reviews, they could increase their overall rating as well.

See Appendix D for detail.

Restaurants in Redmond Can Still Increase Online Presence

Overall, the online presence for the restaurants downtown is moderately strong. The average ratings on Yelp and TripAdvisor for these businesses are at or above the industry averages. However, to maximize their online presence and have the best image possible, restaurants should promote their online presence more.

They should:

- Have print media telling customers how to access them online
- Respond to all feedback online to build rapport with their customers
- Put promotions online to create buzz and activity on these sites
- Have discounts to reward customers if they write a review online or check-in at beginning at the restaurant
- Include links on Facebook page and/or website to the Yelp and TripAdvisor pages

By having a strong presence online Redmond's restaurants will be more able to attract people from out of town who may not know the area as well or attract people who do not frequent the downtown often. It also reduces the friction in finding business hours, what foods are being served, and pricing, which creates an easier search process. With an easier search process, people won't have as much frustration and therefore, will be more likely to support a business.

Strategic Recommendations and Action Plan

STEPS TO A STRONGER FOOD CLUSTER

Action Steps For Success

Action Steps to Increase Downtown Restaurant Support

Action Steps to Capitalize on the Use of Events

Action Steps to Create Awareness for the Food Cluster and the Downtown Area

Increase communication between City, Chamber of Commerce, Downtown Redmond Association, and downtown businesses to make sure all have a common vision and the support necessary to be successful

Increase foot traffic downtown by holding events to create more knowledge of what's downtown including food oriented promotions

Increase food cluster option awareness through marketing plan that uses online and social media tools to reach a wider audience

Action Steps to Increase Downtown Restaurant Support

Why?

Our primary research showed a negative connotation of the Chamber of Commerce when we discussed the help it provided to business owners. The impact this has on the City is that most business owners couldn't clearly distinguish between the City and the Chamber and therefore, if they think negatively of one, they think negatively of both. The Chamber of Commerce could be a strong resource and platform for the downtown businesses, but right now the businesses feel as if there is no incentive to join.

How?

By actively participating in the businesses, the Chamber would encourage more businesses to join. One of the comments that was repeated in our primary research was how the restaurant owners rarely saw anyone from the Chamber support their business. By building rapport with the current businesses and providing a platform for them to discuss issues and feel supported, more people would be encouraged to start a business downtown. They could also subsidize the payment for the Chamber's services for first time joiners for a month or two in order to show the value the Chamber of Commerce could add.

Another option would be for the City to help formalize the Downtown Redmond Association. As of now, business owners don't distinguish the Downtown Redmond Association as being something different than the Chamber of Commerce. The meetings are informal and the Downtown Association could use assistance establishing a distinct directive and translating that to the rest of the downtown business owners to make an impact. This may include the City providing training assistance or connecting the association with the University of Oregon through the Sustainable City Year Initiative.

It would also be helpful to streamline the associations to create clear distinctions that are communicated to the businesses. The websites need to be up to date with the current business information so that it can be used as a reliable resource by the community when looking into the downtown area.

Measures for Success

To measure the success of implementing these strategies, we suggest tracking the increase in number of businesses normally joining per year versus once they start providing more visible support. Specifically, we want to see the join rates and retention rates for the food industry downtown. Participation or attendance at sponsored events would be another measure of business owner engagement.

It would also be beneficial to start surveying quarterly the current participants how they feel the Chamber and Downtown Association are helping them. The survey could also have a place for improvement areas. By having a survey that is constantly updated with new information, the Chamber would be able to adjust for new issues that arise. It will be important, however, to take action on the results and try to make improvements so that business owners find value in continuing to participate in it.

Cost and Time

We do not believe any new positions are required. The cost for implementing this strategy would be the time required to visit all of the businesses and create that connection. It would also be the time required to help the Downtown Redmond Association establish a formalized, efficient structure that could be leveraged by the food industry and other industries. Development of an effective survey will be a one-time process, again done by a volunteer from the Chamber of Association. Analysis of survey results is an ongoing activity of both groups as well. Finally, there would staff costs to update downtown directories, chamber and association websites and maintain it.

Action Steps to Increase Downtown Restaurant Support

What	When
1. Meet with City and Downtown Redmond Association to strategically align on priorities and streamline associations to create clear distinctions between them	March 2016
2. One-on-one meeting with every single business in the Chamber owner to ask how they could best be helped	May 2016
3. Identify resources, training and support needed to energize downtown association	May 2016
4. Meet with businesses not in Chamber to address value proposition and for recruiting efforts	June 2016
5. Develop updated structure, value proposition and services of downtown association	July 2016
6. Update website to include current businesses and include a page on the website specifically for downtown	August 2016

Risk & Contingency Plan for Chamber and Downtown Association Initiative

Assumption / Risk	Alternative
There is not enough time for the current members of the Chamber to take on meeting one-on-one with all of the business owners regularly.	There needs to be an incentive and motivational drive for the Chamber and Downtown Association. People must feel pride in their community and that their actions are making an impact.
There is high turnover in the Chamber of Commerce or Downtown Association. (We are under the assumption that there is not high turnover in the Chamber currently and these goals will be carried out by those who are currently holding the position but turnover can potentially derail forward progress.)	There needs to be a solid transition strategy and documented goals so that the Chamber and Downtown Association are not “reinventing the wheel.”

Action Steps to Capitalize on the Use of Events

Why?

Based on the results of the Citizens Outreach Survey, as well as our primary research, it is clear that the events are still what the city of Redmond should be focusing on to drive traffic. Downtown events help reinforce Redmond's community values as a fun, family-friendly atmosphere, and shows why people choose to live in, and visit, the town. Events are the easiest way for downtown restaurants to get free marketing and exposure.

The issue that needs addressing is not the idea behind having events downtown, but the organization and commitment. A dominant theme of our primary research was one citing that events need to be better planned, taking care to incorporate the opinions and ideas of the business owners of the downtown area. Well planned events, taking into consideration the opinions of the business owners, will help to decrease overall frustration. This will restore confidence in the business owners, and residents, and will drive progress going forward.

Having said this, we do recognize that many business owners indicated they had not been heavily involved in the past. By addressing some of the communication issues previously outlined, we hope business owners would not only know more, but get involved more.

Events like the Halloween celebration have proven to be successful in the past, and the infrastructure for supporting events is already built out, thus a total overhaul is not necessary, but improving upon the process for event planning and support is key. For example, out of the thirty businesses taking in the Third Friday Stroll, only six of them are restaurants, which is something that can drastically improve.

When?

A few ideas for timely, effective events:

- Deschutes County Birthday Party
- Outdoor summer events using music citizens have asked for
- Promotional winter events to drive traffic during cold months and take advantage of people who are finishing up at Mt. Bachelor

Action Steps to Capitalize on the Use of Events

How?

As previously mentioned the foundation necessary to optimize event planning for downtown Redmond is already in place. By leveraging the commitment to events already in place and incorporating feedback from business owners this is a highly attainable goal. By working to understand what individual restaurant owners hope to achieve with the events, it will be much easier to align strategic initiatives, and will create an all-around better experience for the city, restaurant owners, and event attendees. A few key strategic points include:

Clear distinction between family-friendly and adult events:

- Family-friendly events can leverage promotional efforts such as “Kids Under 12 Eat Free”
- Adult events could include date-nights and a potential pub-crawl taking advantage of Redmond’s great breweries
- Adult events need to offer free, convenient child-care options to accommodate the many young families of Redmond

Heavy promotional efforts get the ball rolling:

- In order to help motivate event-goers, start things off with heavy promotional efforts such as “first 20 people here get a gift”
- As organization and collaboration with business owners improves, attendees will not require as much coaxing, and promotions can be slightly eased

Based on the Citizens Outreach Survey live-music events are the most effective type of event for building up excitement and satisfaction (Question 8 Appendix A)

- Take advantage of the restaurants that already host live music by supporting in promotion and awareness raising
- Aid in hosting outdoor music events during the summer months

Action Steps to Capitalize on the Use of Events

Measures for Success

In order to measure the success of this event revitalization and improvement effort, the city of Redmond must quantify the effect on the events themselves, as well as the improvement in overall downtown traffic as a cascading effect from the successful events.

Key Metrics:

- At least one successful event each month with no less than three restaurants explicitly involved
- Increase event attendance by 20% leading to a 10% increase in downtown foot traffic on days without events
  - In order to measure event attendance more effectively give out a wristband to each attendee and keep track of the total distributed. This system can also be used for promotional efforts
  - Measuring the overall change in foot traffic outside of events will be challenging. The city will need to rely on conducting surveys in order to compare numbers to the most current data from the Citizens Outreach Survey. Alternatively, it can encourage the use of promotions that are distributed at events, but only valid sometime in the future
- 10% increase in actual restaurant business at events

Cost

- Time and manpower spent reaching out to and communicating with business owners
- Cost of facilitating new events (volunteers may be necessary)
- Increased advertising and promotional efforts
- Shutting down streets for music festivals, block parties, or tasting events.

Action Steps to Capitalize on the Use of Events

What	When
1. Create a clear event planning process that includes business owners recommendations	June 2016
2. Organize and streamline event page and maintain it	June 2016
3. Implement new event ideas based upon recommendations	June 2016
4. Market events to surrounding cities through outreach in social media and radio ads	As events occur
5. Measure attendance, change in business on event day, change in business months into the future	July 2016 (1 month) September 2016 (3 months)

Risk & Contingency Plan for Events Initiative

Assumption / Risk	Alternative
Residents of Redmond might be reluctant to attend new events.	Use heavy promotional efforts in order to show Redmond residents major improvements in the organization and business owner engagement of the events have been made.
The lack of clarity between family-friendly and adult focused events could deter residents, and especially young families, from attending the new events.	Creating a distinction between the two types of events through clear promotional activity will help remedy this concern and offering free child-care will help young families be able to attend both types of event.
The general low levels of disposable income for most residents of Redmond makes attending events challenging.	By keeping events free, it will encourage attendance from people who cannot afford to spend. By creating more traffic it will increase the credibility of the events bringing in people who will spend, thus satisfying business owners.
Conflicting priorities between restaurant owners, or between the city and restaurant owners, might make aligning priorities when planning events challenging.	Working to show restaurant owners that their opinions and ideas are valued will go a long way for the city. Ultimately, the city must show the restaurant owners that what is good for building a thriving downtown is good for business.

Action Steps to Create Awareness for the Food Cluster and the Downtown Area

Why?

Currently the main marketing strategy for most of the businesses we talked to is word-of-mouth. While being referred by other customers builds credibility for the business, it needs to be paired with other marketing techniques in order to reach a wider range of people. One of the issues that business owners discussed is that community members do not know that their businesses are downtown. If community members in Redmond are not fully aware of their dining options, we assume that regional consumers are going to be even less aware of the dining options in downtown Redmond.

How?

We suggest that the City creates a webpage for downtown that is broken out by industry so it is easy to navigate. The most important aspect of this webpage is that it would need to be up-to-date and maintained with the correct information so that it becomes a reliable resource.

Another recommendation for increasing marketing is through the use of social media. The City needs to use social media accounts to market the downtown as a whole, as well as to market the business' marketing. For example, having links to the business' Facebook page on the website or on their downtown Facebook page. The City should also develop a Snapchat filter for the downtown so that it becomes a more attractive place for people to go and socialize. There has been some effort to develop a hashtag, but Redmond needs to create a short one that could be used on Instagram or Twitter. The City should then have an account that would constantly use these hashtags to spread awareness and attract attention about what Redmond is doing in the downtown area. It would be a way to reinforce when events are happening and potentially spotlight different businesses.

Another way to market the downtown as an attractive place to socialize would be to actively address the perception that there is no parking. The Citizen Outreach Survey demonstrates the majority of shoppers find parking at or within one black of a desired location. The City could do increase parking signage to easily show people driving through the downtown area where they could find potential spots. It could also include a map online of the different parking zones and how many spots each would hold to show the opportunities for parking prior to a customer leaving their house.

Measures for Success

Most of these efforts are the responsibility of individual business owners. However, to measure the success of the website, the City could track the click-through rate for site visitors. By tracking how many people are seeing the site, it could determine if more awareness is needed. It could also track which links within the webpage are being clicked the most to see what people are most interested in and use that information to bring new businesses downtown who could either fill the hole in an industry that is not doing as well or add to the variety of a successful industry.

The City could also track the use of its hashtag on Instagram and Twitter to see how many people are using it and how they are using it. The City could measure the increase in usage as consumers start to interact more and see how many people use it when going downtown. If the City created a food cluster specific hashtag, it would be able to track the interest in the industry, how often people are frequenting those businesses, and then measure the growth over a period of time.

Cost

The City would need to hire someone to create the webpage for the downtown and code the tracking information in a way that would be interpretable for the City. We are assuming existing staff resources is capable of these additional duties. There would be a cost associated with adding parking signs and staff would need to go through the policy in order to have that accomplished, but we are not in a position to estimate this cost.

Action Steps to Create Awareness for the Food Cluster and the Downtown Area

What	When
1. Create webpage for downtown that is broken down by industry	April 2016
2. Create snapchat filter/Instagram tag/twitter hashtag for downtown #RedmondOregon	May 2016
3. Create web information on parking. Determine need for parking signage to build awareness of open parking space	July 2016

Risk & Contingency Plan for Marketing Initiative

Assumption / Risk	Alternative
There is a lack of resources to construct and maintain a webpage on downtown industries.	Integrate business promotion into already-existing channels; City webpage, social media accounts, fliers, newspapers, etc. These aren't as effective but would still allow for business owner to convey the value.
If a business doesn't have access to a webpage, creating an online presence isn't possible.	Educate businesses on the benefits of having both a webpage and social media account(s). Provide the means for businesses to access tools to create their own webpage.
Business owners prefer to stay away from online marketing channels.	Educate business owners on the benefits of offering cooperative promotions. Not only will this augment current word-of-mouth strategies, but it will allow businesses to develop partnerships and, perhaps, a network for future business promotion.
A lack of resources for creating parking signage.	Available parking is a resource that is already available, therefore, it may prove sufficient to advertise parking. This obviously would not provide up-to-the-minute information, but would at least educate citizens on the availability of parking in areas that aren't apparent.

Adding New Eateries Long Term

As noted earlier, Redmond has a fair amount of variety for a city its size, but needs more consumer awareness. Nevertheless, citizens want more options. The City must look to support this overtime.

Adding More Restaurants

The Marketek plan in 2006 and our own survey results showed a need for more diverse restaurants in the downtown area. When comparing Redmond to other cities, Redmond was lacking fine dining, ethnic restaurants, a mid-priced Italian-style restaurant, and specialty dining. As the Redmond downtown grows it is important to continue to expand the variety of restaurants available to attract more people to the downtown area. However, first the City must establish a strong support system in order for these new businesses to be successful. By focusing on establishing that support, bringing more people downtown through events, and finding successful strategies for downtown business marketing, new restaurants will be successful and add value to the downtown.

When new restaurants are added to the downtown food cluster, it is important they continue to be local and/or family-owned businesses. This supports the local and community business focus of the City.

Other Long Term Ideas

The Citizen Outreach survey showed that citizens would also like healthy options downtown. However, we haven't studied this idea and therefore, more analysis would be needed to see if the input received is valid. We also suggest considering switching from one-way streets to two-way streets downtown. By having a one-way street going through the downtown, the storefronts are missing 50% of the visibility they could be getting from traffic. People heading north through the downtown miss all of the 6th Street storefronts. If they are not specifically looking for a restaurant on that street, they are likely to miss the opportunity to explore those options. This limits the attraction of moving your store onto that street because the owner may get more visibility by being in a different area that would create more street traffic. Changing street patterns is time-consuming and costly, but may be worth consideration.

Adding New Eateries Long Term

Street Crossing Safety

Due to the set-up of the downtown streets and where stoplights are placed, there is a tendency to not notice or stop for pedestrians and the crosswalk. Many citizens have voiced their concerns to business owners that they feel unsafe trying to get around downtown and crossing the street. Going forward, the City should take this into consideration into the signage and how people driving pass through downtown.

Redoing Business Signs

It was briefly mentioned that the City was working on the signs to the downtown to make them more appealing to people walking. In the future, this should continue to be a focus to attract people into the stores and make them easily readable.

Appendices

Appendix A. Survey Results

1.

1=Never	2=Less than a month	3=Once a month	4=2-3 times a month	5=Daily	6=2-3 times a week	7=Daily

Eat

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	3.3	3.3	3.3
	2	17	18.5	18.5	21.7
	3	24	26.1	26.1	47.8
	4	20	21.7	21.7	69.6
	5	16	17.4	17.4	87.0
	6	8	8.7	8.7	95.7
	7	4	4.3	4.3	100.0
	Total	92	100.0	100.0	

Over 50% of respondents said that they eat downtown 2-3 times a month or more.

2.

Fast_food

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid		76	84.4	84.4	84.4
	1	14	15.6	15.6	100.0
	Total	90	100.0	100.0	

Only 15% want fast food

3.

Dining

		Frequency	Percent	Valid Percent	Cumulative Percent
		36	40.0	40.0	40.0
Valid	1	54	60.0	60.0	100.0
	Total	90	100.0	100.0	

60% of people leave for dining

4.

Dining

		Frequency	Percent	Valid Percent	Cumulative Percent
	1	52	57.8	57.8	57.8
	2	13	14.4	14.4	72.2
	3	10	11.1	11.1	83.3
Valid	4	5	5.6	5.6	88.9
	5	5	5.6	5.6	94.4
	6	5	5.6	5.6	100.0
	Total	90	100.0	100.0	

Rank:

Dining
Community Events
Retail
Antiques
Personal Services
Professional Services

5.

		What is the primary reason for you to go to Downtown Redmond?							
		Work	Dining	Shopping	Community events	Night life	Leisure time	Other (Please specify)	Total
Which best describes your total household annual income?	Under 25,000	1	1	0	0	0	0	0	2
	25,000 - 39,999	3	2	0	3	0	2	3	13
	40,000 - 64,999	2	4	0	0	0	0	1	7
	65,000 - 79,999	4	5	0	1	0	0	1	11
	80,000 or above	4	9	3	0	0	0	3	19
	Prefer not to answer	4	6	0	0	0	1	0	11
	Total	18	27	3	4	0	3	8	63

6.

Events

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	4.3	4.3	4.3
	2	5	5.4	5.4	9.8
	3	16	17.4	17.4	27.2
	4	41	44.6	44.6	71.7
	5	26	28.3	28.3	100.0
	Total	92	100.0	100.0	

Almost 75% of people really like downtown Events

7. **What the people want more of**

1=strongly disagree	2=somewhat disagree	3=neutral	4=somewhat agree	5=strongly agree

Restaurants

		Frequency	Percent	Valid Percent	Cumulative Percent
	2	1	1.1	1.2	1.2
	3	10	11.1	11.8	12.9
Valid	4	35	38.9	41.2	54.1
	5	39	43.3	45.9	100.0
	Total	85	94.4	100.0	
Missing	System	5	5.6		
Total		90	100.0		

81% of people want more restaurant options

8. **Live_music**

		Frequency	Percent	Valid Percent	Cumulative Percent
		31	34.4	34.4	34.4
Valid	1	59	65.6	65.6	100.0
	Total	90	100.0	100.0	

65% of people want more live music opportunities

Appendices B: Focus Group Held 2/5 with 6 Attendees

Q: What are some problems that you have experienced or witnessed with owning a business downtown?
-A lot of people complain about the antique store and operating a business in a downtown with a lot of antique stores but I don't mind them
-Me either, usually a large group of women from Bend come down every month to go antiquing and always visit other businesses downtown as well. The city made the streets look nice but there isn't as much parking anymore. No one stops at the crosswalk where there aren't lights and it creates a dangerous environment. The speed limit not forced. With the parking as well they close 7th for a street fair and then there are no spots for anyone to park. A parking garage would be great.
-I agree a parking structure like they have in Portland would work well here.
-It is difficult to find a reliable landlord. Our landlord isn't great but some are lucky to have good ones.

Q: What has your relationship with the resources been like (the City, Chamber of Commerce, Downtown Association)?
-The Chamber brought in PR for the red ribbon and have held award banquets. Unfortunately, the advertising that they do didn't work, everyone has the mentality that each event will be a huge success but there is no follow through. The giving tree is the only time that the Chamber of Commerce actively visits the restaurants downtown. Other than a few members the Chamber is not very involved and personable.
-I am not a part of the Chamber. The City was great about helping me get the correct permits and opening my business. No one from the Chamber really reached out to me so I did a soft open. From my understanding they just hand you a red ribbon and never really come back to talk and support them. There is a $160 annual fee which I didn't see the value in.
-We get the marketing perks through the Chamber, but they are not sufficient so a lot of the time we end up doing all of own marketing. The Chamber is ineffective for small businesses but probably better for larger businesses. We have been here four years and have only had the chamber come support our business a handful of times
-Many business owners are really frustrated with the event because they don't adhere to all businesses. The 3rd Friday stroll never works and it is only everyone getting trashed, it completely ignored certain businesses. I love the children's art walk and all of the local schools

Appendices B: Focus Group Held 2/5 with 6 Attendees

Q:What would you like to see downtown?
-We would love to see an arcade, bowling alley, shopping center, spa area, kids center, a daycare area for parents to be able to stroll downtown. Everyone wants something for the whole family.

Q: Have you heard about the family center the city is working on ?
-: No...

Q: Are there any regulations or rules to owning a business downtown ?
-To open business as long as you follow a city regulations, the windows tinted on certain businesses and we can't have signs to distract drivers. It would be nice to enforce no smoking in front of business. The only way to not open a business downtown is that the landlord would have to be unwilling to rent to them.

Q: What do you think is the Identity of Redmond?
-We need to be like Bend, but we can't be Bend, not as trendy, and don't want to compete with Bend. we are mellow with many cowboys and hippies. People from La Pine, Prineville, and Sisters are a great target market because they also support the slower pace of life, where you can relax and enjoy yourself. These people come to Redmond because Bend is the "big city" and they want the small town vibes and the niceness. No one from these smaller towns wants to go to Bend for the afternoon because of the large amount of traffic. These people view Bend as too "big city" for them.
-It's the meeting place for the cities in Central Oregon and full of antiques stores.
- It is difficult The city wants to make it family-friendly downtown but then they allow tattoo parlors and bars to open. It doesn't make sense to me. I want to support these business' owners but it isn't something I really partake in. It doesn't create a consistent image for downtown.

Q: What are needs that you see in the food industry?
-We need more of a middle range price. The Brickhouse is too expensive, people are more likely to go to the mid-price range restaurants.

Restaurant #1
Q: What are your hours?
During the week we might close at 7,or we might close at midnight depending on if it is slow or not.
Q: When are you busiest?
Sometimes brunch is busy if there are events going on, it really depends on what's going on in downtown Redmond/events downtown. But by far our happy hour is the busiest (4-7PM)

Restaurant #2
Q: What made you want to open a bar downtown?
We haven't been here long. We chose to come to Redmond because Bend already has so much. Redmond doesn't have much to do and we wanted to give people here a place to go.
Q: How are you drawing people downtown?
We are starting to do line dancing on weekend, ladies nights, band on Saturday night. We really want to work together to plan nights to make it a better community. Nightlife is difficult because of the lack of transportation options. Cabs can be up to three hour waits on the weekends so many people drive drunk. We are really hoping to address this with a shuttle to take drunk people home.
Q: What is your relationship with the city been like?
I personally am not much of a fan of the city.

Restaurant #3
Q: How is operating a business in Redmond?
Oregon is a lot harder to do business in because there are high taxes and higher minimum wages. I previously owned shop in California and it was so much easier. For example, the previous owner had dirty pipes and now I am having to pay for a fog receptor to be put in. This shuts down business for a week and there is no monetary support from the city. When I renewed my business license they didn't even take the survey they were asked to complete. When they got rid of the bypass it was nice because there aren't semis coming through downtown, but now there is very little traffic.
Q: When did you open?
We opened in July and haven't seen much business. Today I have only made $25. If I would have known how bad it was I would not of opened a business here.

Note: All Restaurants names and owners names were removed to protect their anonymity.

Restaurant #4
Q: What have been the pros and cons of owning a business in Redmond?
The growth in city population has been huge for business however the biggest problem is that locals don't know they are there and would appreciate the help of the city's associations with marketing.

Q: How are you currently marketing?
We have a heavy presence on social media and throw lots of events. We would like to get city permits to close off the street for event to have a block party rodeo with outside area for alcohol.

Q: What businesses would be helpful in the downtown area?

- A Bowling alley
- No franchise "McMenamins" type businesses
- Skating rink is a good start but only works in winter
- Park is good but only works for kids
- Not opposed to more restaurants it would be a positive thing

Restaurant #5
Q: When did you open and why did you decide to make an investment downtown?
We opened in May 2014 the idea started in 2011, we opened after a 2.5 year planning process and writing a business plan and looking at locations. In the area we only looked at Redmond, specifically because of the void of breweries and in downtown as well. We saw the opportunity of both worlds when we decided to have a taproom with food carts outside.

Q: What was your relationship with the many associations in Redmond like?
The City was very attentive and helpful when we ere getting all of our licensing. At times they were almost over eager about our opening. Redmond economic development was very helpful.. The City was very excited and are very pro business especially downtown and because we were making an expensive investment. People don't know that downtown exists and the City has done a good job drawing people in town and giving them options of things to do and giving them a reason to come to Redmond. A few years ago Redmond had very few options but now the area has a lot more.

Restaurant #6
Q: What about the Chamber of Commerce?
The Chamber was more involved after the fact (opening) and there is a good relationship there. We would like to see them be more involved in promoting the community as far as social media through more up to date communication.

Q: If you had to tell someone what Redmond's identity is, what would you say?
We talk about this a lot at the Chamber and it is difficult because an identity isn't assigned, it's cultivated. Currently there is no identity other than a few cool restaurants, bars, a lot of antique shops but not even those are open late -- so it is hard to say. The taproom is popular in town and has sparked the interest, people feel that they are following bend with less success, a few years ago Redmond had very few options but now the area has a lot more.

Q: What problems has your business faced in Redmond?
The detour lowers their addressable market. We would like to see increased foot traffic by building apartments and having more business, other than food, downtown. We would really like to see more traffic around our restaurant. Many people come into downtown just for food and then leave, we would like there to be more reason for people to stay.

Q: What ways are you marketing your business?
100% word-of-mouth. We are looking to get more traffic but for now we are just using word of mouth.

Q: What is your thought on events?
The Halloween event is an amazing event that brings the entire community together while supporting downtown businesses. I wish that more events went this way because sometimes we (business owners) get very frustrated with the events that don't go well.

Appendix D: Downtown Restaurants' Online Presence

Name	Facebook? If so, amount of likes	Yelp Stars	Yelp Reviews	TripAdvisor Stars	TripAdvisor Reviews	Website?	If website, menu on website?
AK's Tea Room	727	4.5	9	4.5	18	n	
Brickhouse	127	4	55	4	112	y	y
Chan's of Redmond	86	4	20	3.5	18	y	y
Checkers Pub	729	4	2	4.5	4	y	n
Clock Tower Pub	285	3.5	14	4	9	n	
COHO Coffee Co.	1127	4.5	17	4.5	5	n	
Cornucopia Natural Foods & Deli	99	4.5	3			n	
Country Nook	60	3.5	17	5	42	n	
Cozy Cafe	122	4.5	14	4	16	n	
Cross Creek Café	15	4.5	4	4.5	4	n	
Dawg House II	3693	3.5	24	3.5	9	y	y
Diego's Spirit Kitchen	538	4.5	169	4.5	231	n	
Double J saloon	417					n	
Green Plow Coffee Roasters	1275	4	33	4	19	y	n
La Burrita Mini Market & Deli	11	4.5	3	5	4	n	
Lifeline Taphouse	0	3.5	44	4	17	y	y
Lucy's Taco Shop	135	4.5	11	4	9	n	
Mele Ohana Cafè	4					n	
Oishi	1328	4	62	4.5	83	n	
One Street Down Café	1246	4	127	4	83	y	y
Proust Coffee & Waffles	473	5	6			y	n
Red Martini, Wine Bar & Grill	1281	4.5	43	4.5	61	y	y
Regio's Café	163	5	16	4	13	n	
Sassy's Café	18	3.5	2			n	
Seventh Street Brew House	no (have one for Bend)	4	23	4	66	y	y
Smith Rock Brewing Company	1865	4	133	5	82	y	y
Sno-Cap Drive-In	101	4	15	4	17	y	y
Soup 2 Nuts 2 Go	959	4	30	4.5	23	n	
The Original Pancake House	no	4	44	4.5	44	y	y
The Patty Wagon	102	4.5	8	5	4	n	
Three Peaks Coffee	1968	5	2			n	
Tres Hermanos	140	4	3	3.5	2	n	
Tumble Inn Tavern	161	4.5	3			n	
Underdoggs Sport Bar and Grill	0	2.5	6	4	6	n	
Wild Ride Brewing Co	4271	4	51	4.5	44	y	y

Appendix E: Downtown Redmond Normalized Store Comparison

Downtown Restaurant Mix	Redmond, OR	Average Stores in other Downtowns	Normalized for Number of Stores in Redmond	Number of Stores in Redmond	More (Less)	Rounded
American	**2**	2.1	1.9	2	0.1	0
Bar/Pub	**2**	2.0	1.8	2	0.22	0
Indian/Thai/Cuban/Other		2.0	1.8	0	(1.8)	(2)
Deli/Sandwich Shops	**1**	2.0	1.8	1	(0.8)	(1)
Pizza		2.8	2.5	0	(2.5)	(3)
Brewery/Pub	**5**	2.4	2.1	5	2.9	3
Franchise		1.4	1.2	0	(1.2)	(1)
Mexican Food	**4**	1.8	1.6	4	2.4	2
Chinese	**2**	2.1	1.9	2	0.1	0
BBQ		1.0	0.9	0	(0.9)	(1)
Specialty	**2**	4.0	3.6	2	(1.6)	(2)
Bakery	**1**	1.0	0.9	1	0.11	0
Gas Stations/Convenience Store	**1**	1.0	0.9	1	0.11	0
Café	**4**	2.3	2.1	4	1.9	2
Breakfast	**2**	1.3	1.2	2	0.8	1
Total	**26**	29.2	26.0	26.0		
Pricing						
High Prices (>$14)	2	6.7	5.0	2	(3.0)	(3)
% of Total	*12.5%*	*31.4%*	*31.4%*	*12.5%*	*(18.9%)*	
Medium Prices ($7-$14)	6	9.2	7.3	6	(1.3)	(1)
% of Total	*37.5%*	*45.4%*	*45.4%*	*37.5%*	*(7.9%)*	
Low Prices (<$7)	8	4.8	3.7	8	4.3	4
% of Total	*50.0%*	*23.3%*	*23.3%*	*50.0%*	*26.7%*	
Total Prices	16	20.7	16.0	16.0		

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Works Cited

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Downtown Revitalization Clusters

Retail Cluster

March 2016

Matt Miller, Kristen Hutchinson, Anna Karvina Pidong, Will Totten, Rebecca Ruddy

Objective

The City of Redmond has been struggling to make downtown as healthy as it was before the existence of malls and big-box stores. Our project aims to address two main issues for revitalizing the retail sector of downtown: (1) defining a target retail mix and (2) engaging business owners.

Research Process

We performed both primary and secondary research to understand what makes a successful downtown in terms of retail mix and business owner engagement. We used a population of ten cities to identify an ideal retail mix and interviewed other Chamber of Commerce entities to learn about their downtown-supporting organizations and how they engaged business owners. We then spoke with business owners and visitors in downtown Redmond to gain their perspective on the current and ideal retail mix and support for downtown business owners.

Analysis and Findings

Downtown Redmond has an “unhealthy” retail mix in comparison to other downtowns. Both the mix and density of retail could be improved. Additionally, the stakeholders in downtown do not have a unified vision which makes it difficult for the city to engage with associations and individuals to effectively mobilize business owners to improve the downtown. The need for an improved retail mix was also corroborated by a separate project team that looked at the desired retail mix from the perspective of current Redmond citizens.

Recommendations and Next Steps

In order to improve the retail sector in downtown, the City of Redmond should aim to attract retailers in four sectors: Outdoor Gear and Equipment Rentals, Stationery, Men’s Apparel and Shoes, and Hardware. To engage business owners, we recommend that the City of Redmond help invigorate the Downtown Redmond Association, forge an even stronger partnership with the Chamber of Commerce and actively communicate a unified vision for downtown stakeholders.

Introduction

PROJECT ISSUE, APPROACH AND SCOPE

Downtown retail matters to the development of communities

Human behavior dictates that people prefer to purchase goods and services from the closest location that offers that good or service *(Cilurso)*

Source: http://www.visitredmondoregon.com

Downtown retail is an integral part of a thriving community

- *Generates tax revenues* – Dense downtowns provide greater tax yields than big-box stores. Healthy cities focus on keeping existing retailers and creating an environment that is attractive to new local entrepreneurs
- *Provides employment* – Jobs for local residents provide economic health
- *Provides access to a variety of goods and services* – Wide range of retailers and personal relationships between consumers and business owners strengthen community and generate traffic
- *Brings community members together* – Creates an identity and conducive for community events

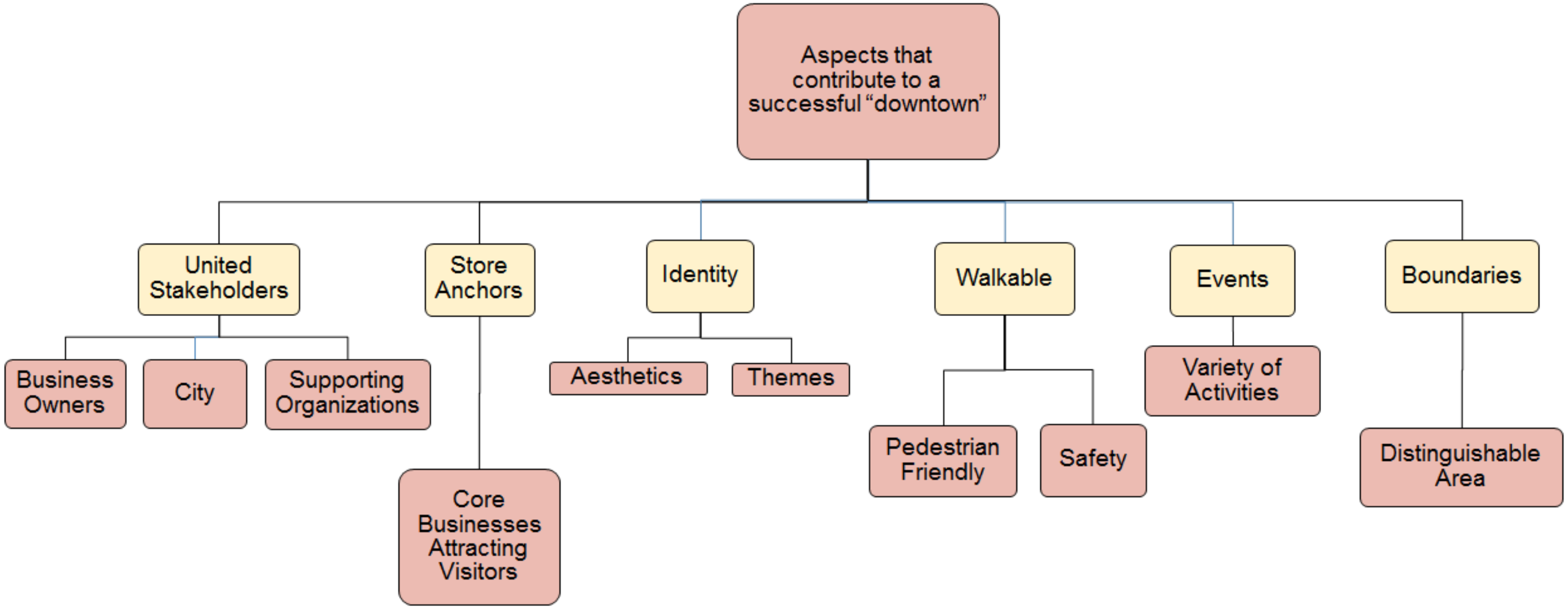
Key considerations for Redmond's downtown future

- Understand how retail fits into the overall quality of life for a community
- Understand why retailers choose particular locations and what factors local officials may be able to influence

We used secondary research to determine aspects that contribute to a successful downtown

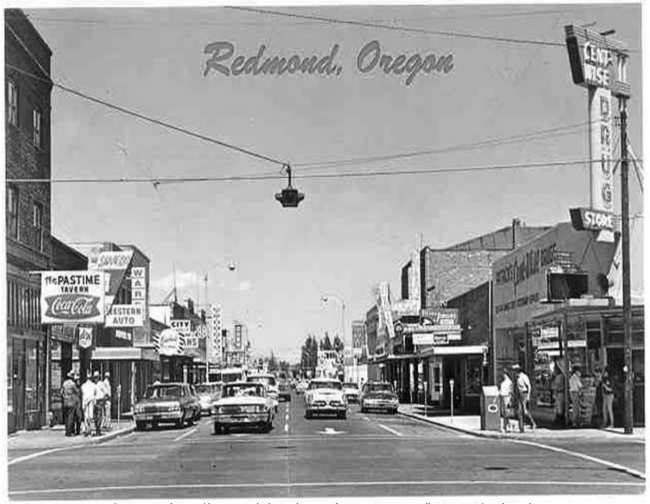
We began by looking at published studies on healthy downtowns, downtown revitalization programs, and the role of downtown-supporting organizations of cities such as Sherwood, Portland and Eugene, Oregon. This helped us create an overall model of the components that make a successful downtown.

We found that a successful downtown contains interrelated elements that stem out of "experience", as illustrated below:



Downtown Redmond

- Now characterized by small, locally owned stores because of the movement of retailers to regional malls
- Rerouting Highway 97 was beneficial since it removed heavy traffic, but also detrimental due to the lack of exposure from passing traffic
- Store vacancies are prevalent in downtown signaling property owners are not actually engaged
- The financial crisis lowered demand and disposable income of consumers which led to store closures
- "Vicious circle": Lack of foot traffic stems from stores being too highly specialized which in turn limits attractiveness to new firms
- Growth from surrounding downtowns has diverted consumers' spending from Redmond to the other cities such as Bend
- Proximity of big box stores such as Walmart, Fred Meyer, and Lowe's creates strong rivalry on price, selection and convenience



Source: http://www.visitredmondoregon.com/images/uploads/1045124_627805523896432_2105237732_n.jpg

In 1943, the city was selected for a military training air base and was growing at 11% per year

Source: http://www.visitredmondoregon.com/images/uploads/902842_597006836976301_936354286_o.jpg

In 1928, the city was thriving and the downtown was lined with commercial storefronts

Specific issues contributing to difficulties in the downtown retail sector

Downtown Redmond still struggles to be as healthy as it was before the existence of malls and big-box stores. Below are some overarching issues that we considered when framing the scope of our project. The issues in bold are the ones we found most relevant.

Lack of retail variety

Vacant storefronts are not aesthetically pleasing.

Competing values of family friendly versus entertaining nightlife.

Stakeholders lack united vision for downtown

Relationship between the City, Chamber of Commerce and downtown business owners.

Individualized, but not collective, efforts amongst retail groups.

Citizens do not actively visit downtown

Perceived parking issues as a deterrent

Downtown boundaries are not clear.

Our resulting project scope consisted of two main focal points

Retail Mix Analysis and Recommendations

Identify what a successful retail mix looks like in Redmond by answering the following questions:

- What is the current retail mix for downtown Redmond?
- What is the retail mix of downtowns similar to Redmond?
- Are there any gaps in downtown Redmond's retail mix?
- What types of retail stores does downtown Redmond need?
- What will make a downtown retailer successful?

Engaging Business Owners

Identify what a healthy support system for downtown businesses looks like by answering the following questions:

- How do retail business owners in downtown perceive the Chamber of Commerce and Redmond Downtown Association?
- What are the challenges for downtown retail businesses?
- How can downtown businesses in Redmond feel supported?
- What can Redmond learn from the supporting structures for downtown businesses in other cities?

Researched retail mix and density using comparable cities

Research Goal for Retail Mix Analysis and Recommendations
Identify the retail mix and density of retail stores in Redmond and other downtowns similar to Redmond.

- Identify downtowns based on city population or other qualitative attributes similar to Redmond.
- Inventory of the mix/density of retail stores in Redmond and other downtowns using information presented on downtown websites, information from downtown associations, and Google Maps.*
- Calculate the average number of stores for each retail type in other downtowns.
- Highlight areas where Redmond numbers are significantly different than the average of other downtowns.

Initial Findings from Retail Mix Analysis
Redmond is lacking Outdoor Gear/Apparel, Home Decor and Kitchen Supplies stores.

Current Redmond Business Input
We surveyed 13 current retail business owners in downtown Redmond about what stores they think are needed, wanted, or not needed in order to build not only a stronger downtown, but also improve or complement their own business.

Refined Conclusion
Redmond retail owners find that Redmond is lacking Outdoor Gear and Equipment Rental, Men's Apparel, Shoes, Stationery, and Hardware store.

*The accuracy of our retail mix densities may be affected by limitations in these sites.

To research effective downtown-supporting organizations, we looked at two cities

Research Goal for Engaging Business Owners
Understand the role that downtown-supporting organizations have in the success of a downtown since they provide assistance in attracting and retaining current and new businesses.

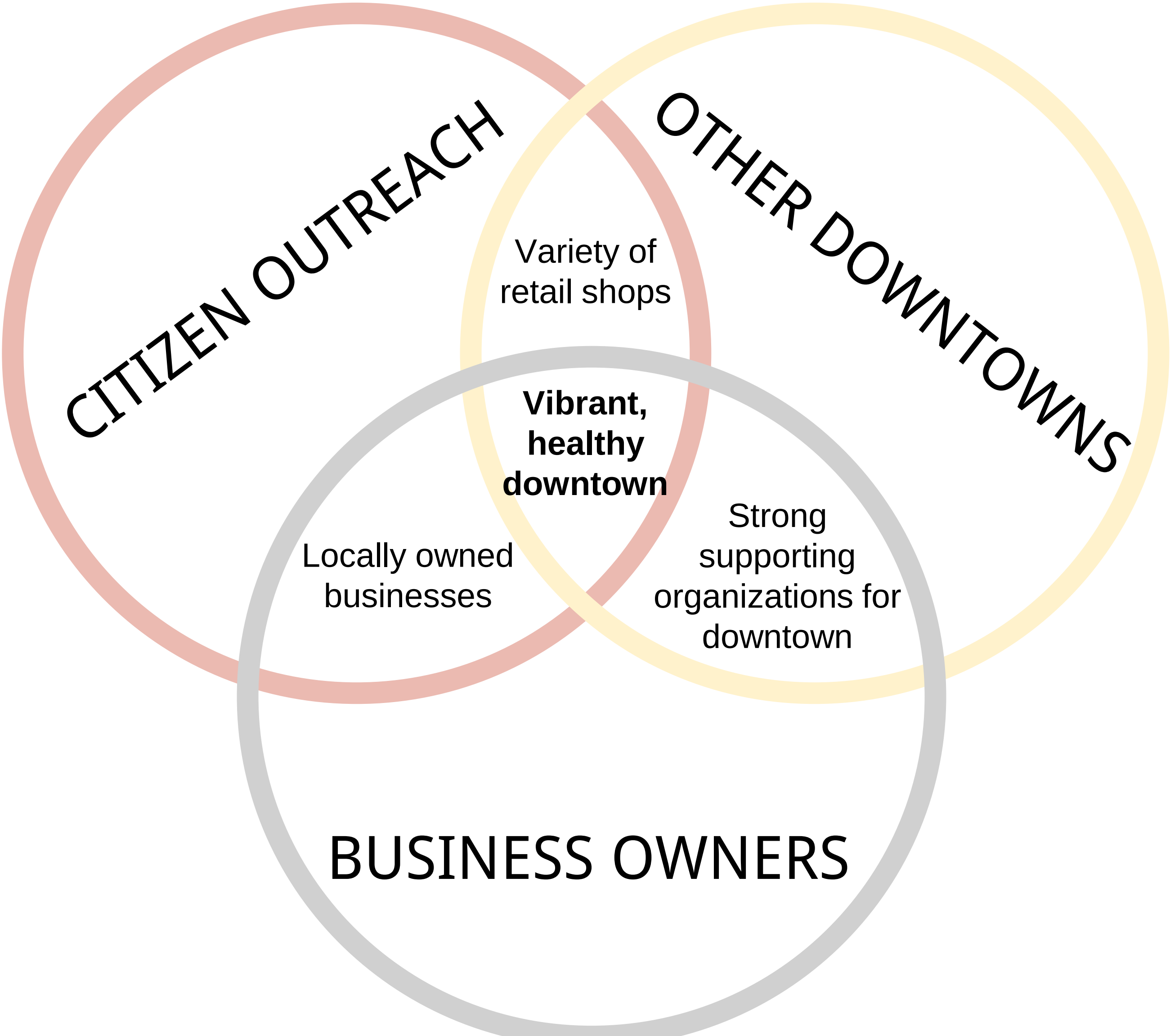
- Read research studies about downtown-supporting organizations of other cities.
- Interviewed Eugene Chamber of Commerce and Sherwood Chamber of Commerce to see how they structure their downtown-supporting organizations. We noted any particular procedures or structures that are impactful and gained a sense of who initiates changes or improvements in downtown.
- Learned about the current structure of the Redmond Downtown Association (RDA).

Initial Findings for Engaging Business Owners
Some disconnect exists between downtown business owners, the City of Redmond and the Chamber of Commerce. While they all have similar goals, linkages are not perceived to be as strong or systematic as cities we spoke to.

Current Business Owner Input
We spoke with 13 current retail business owners in downtown Redmond about their relationship with the Chamber of Commerce and the Redmond Downtown Association, particularly about whether they felt supported or challenged by these downtown-supporting organizations.

Refined Conclusion
Chamber of Commerce and Redmond Downtown Association memberships are not perceived as valuable by retail business owners in downtown. Time also prevents downtown retail owners from being fully invested in making downtown a unified community. A coalition of organized and unified business owners is needed, especially if future growth is desired.

Our research reinforces the hypothesis that Redmond lacks retail variety and needs stronger supporting organizations



Secondary Research

LESSONS FOR CREATING A SUCCESSFUL DOWNTOWN

Successful downtowns have a variety of retail stores and strong downtown-supporting organizations

In this section, we share some of our findings about what makes a successful retail sector downtown. This success is measured based on recognition, foot traffic, and growth from downtown revitalization programs of other cities. We identified the following successful downtowns with similarities in size, demographic, and/or culture to Redmond:

1. **Baker City, Oregon**
2. **Sherwood, Oregon**
3. Nevada City, California
4. Issaquah, Washington
5. Somerville, New Jersey
6. **Fort Collins, Colorado**
7. St. George, Utah
8. Santa Fe, New Mexico
9. Flagstaff, Arizona
10. **Eugene, Oregon***

Retail Mix Analysis and Recommendations
On the following pages are profiles of a few cities used to create our target retail mix (bolded above). To identify this target retail mix, we took an average of the retail mix and density of the nine cities above (excluding Eugene, Oregon) and compared it to Redmond's retail mix and density. Appendix A provides details on all cities included.

Engaging Business Owners
The cities that are underlined are those who responded to our inquiries about their downtown-supporting organizations. We interviewed the Eugene Chamber of Commerce and the Sherwood Chamber of Commerce to understand their role in supporting and creating a strong downtown space.

*Although Eugene, Oregon is not necessarily acknowledged as a successful downtown, we included it in our research because of its proximity to our campus and the strong downtown-supporting organizations present. We did not inventory the retail mix/density because its size is so different from Redmond. We were able to meet with the Chamber of Commerce to see how it has been involved in a revitalized downtown.

Baker City, Oregon has a similar small town feel to Redmond

Source: http://traveloregon.com/content/uploads/2011/12/01_bakercity_town.jpg

Snow dusted streets of Downtown Baker City

Location
Baker City, OR is located in Northeastern Oregon near Pendleton, OR.

Demographics
Population: 9,769
Median Age: 42.8 years
Median Household Income: $37,259

Membership Organizations
Chamber of Commerce
Historic Baker City

Baker City is a small tight-knit city located in Eastern Oregon. The city is known for its charming and eclectic historic downtown district which boasts the famous Grand Geiser Hotel and Barley Brew Pub. The city was founded after being a former stop along the Oregon Trail and is home to an abundance of outdoor recreation opportunities and unique dining experiences.

Similar to Redmond, Baker City is located far from a large metropolitan area, and has a very local feel. This makes Baker City a good choice to compare to Redmond.

Sherwood, Oregon has recently completed a successful downtown revitalization

Source:
www.sherwoodoregon.gov/sites/default/files/imageattachments/engineering/page/340/railroad_st_1.jpg

Source: http://s3.amazonaws.com/movotoblog/2014/02/safest-oregon/images/1.jpg

Downtown Sherwood, Oregon

Location
Sherwood is located 25 minutes southwest of Portland, OR.

Demographics
Population: 18,884
Median Age: 34.3 years
Median Household Income: $77,205

Membership Organizations
Chamber of Commerce
Main Street Organization, funded by the City of Sherwood

Sherwood's Main Street area was recently revitalized. Main Street is now a major draw in Sherwood, praised for its historical significance. Each year, various large events draw many people, including a vintage car show, various festivals and art shows. Sherwood was recently named one of the top five cities to live in, according to *Time Magazine's* yearly ratings.

With similar demographics to Redmond and a recent successful renovation of their Main Street, Sherwood provides a good comparison point for Redmond.

Fort Collins, Colorado has shown strong development of its downtown

Location
Fort Collins, CO is located in Northeast Colorado approximately 65 miles north of Denver.

Demographics
Population: 152,061
Median Age: 30.2 years
Median Household Income: $56,464

Membership Organizations
Chamber of Commerce
Downtown Business Association

The fourth most populous city in Colorado, Fort Collins has a thriving downtown area, and is home to Colorado State University. The Downtown Business Association puts on over 100 events and activities each year for the citizens of the city, as well as putting on large scale festivals. The city has been ranked as one of the best cities to live in multiple times by various publications.

Although much larger in size, Fort Collins has similar demographics to Redmond in terms of being a city with a younger average age. Additionally, Fort Collins is known for its architecturally significant hub called ‘Old Town’. Looking at how the city has been able to grow their downtown, Fort Collins can provide great insight for Redmond’s retail mix.

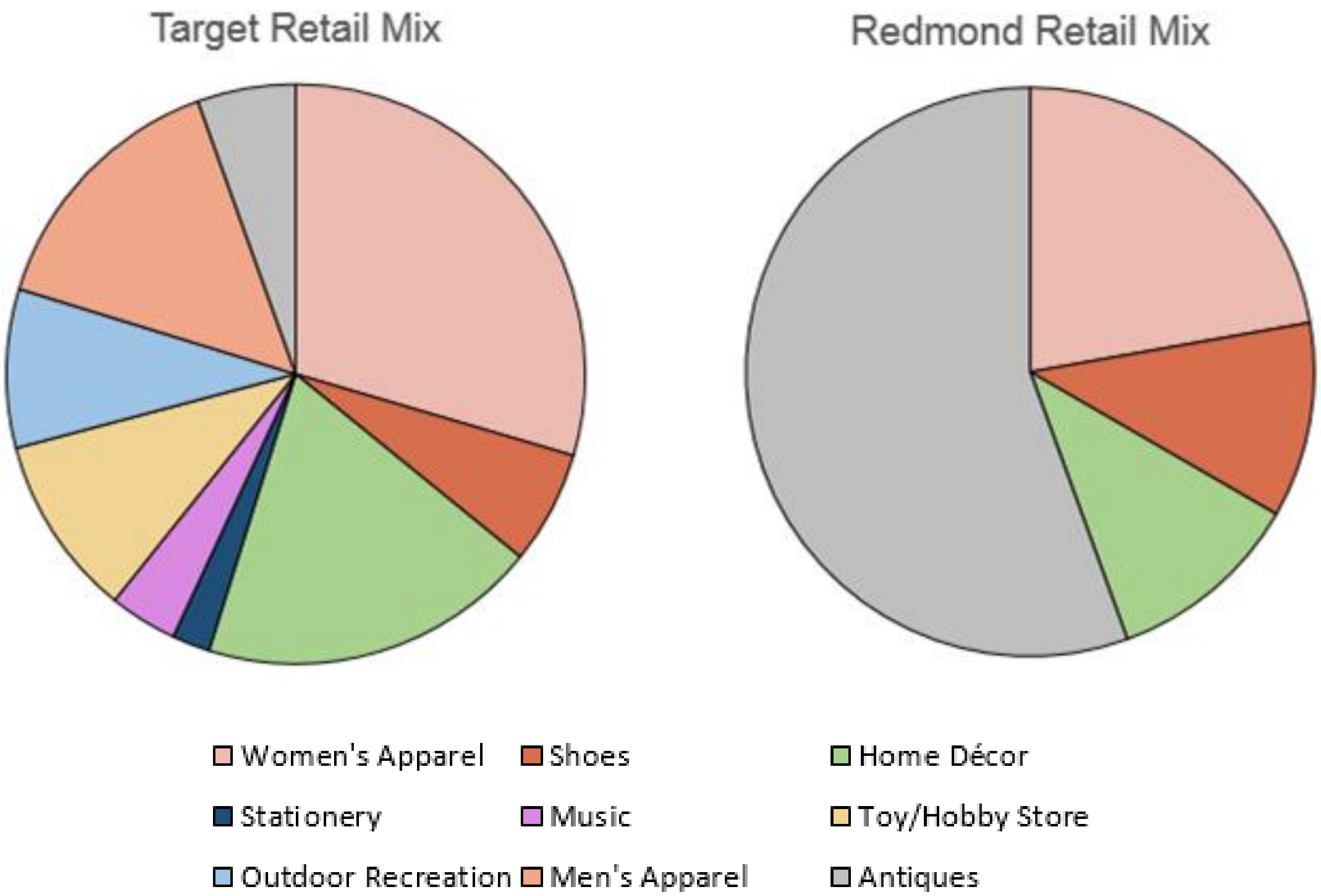
Source: https://s3-us-west-2.amazonaws.com/newscasticassets/images/5275a7e5-7e60-4465-a31e-6daa3a5d89b9-Downtown_Fort_Collins_Colorado.jpg

Source: http://duhocinec.com/assets/uploads/du-hoc-my/colorado-state/du-hoc-my-csu021.jpg

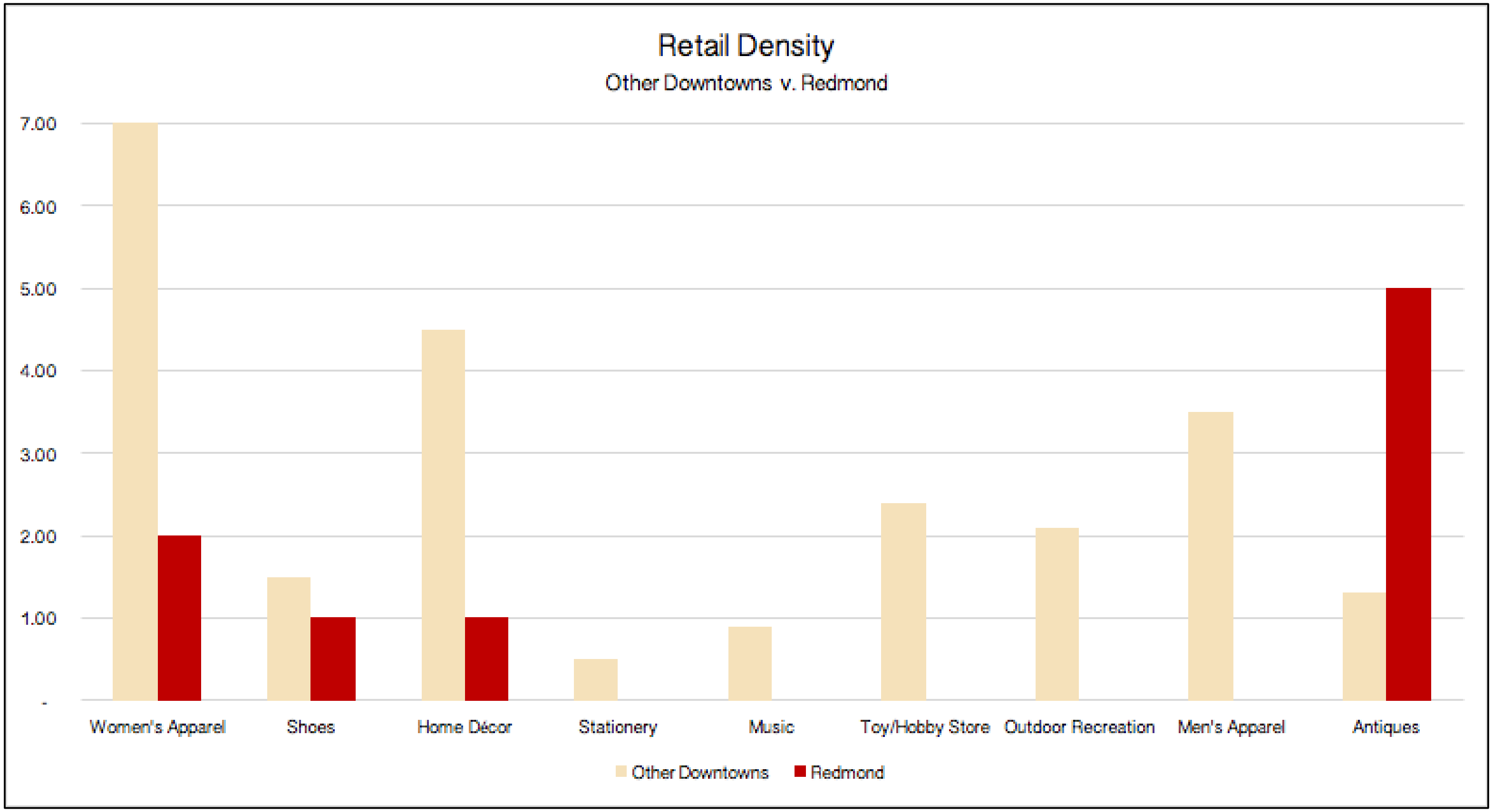
Downtown Fort Collins, CO

Compared to the average, there are notable gaps in Redmond's retail mix

While there is no *ideal* retail mix that is guaranteed to be successful in every downtown, it is clear that Redmond is lacking a healthy mix of retail stores in downtown relative to the data we collected on successful downtowns' retail mix.



A comparison of the retail density in other downtowns shows notable gaps in Redmond's retail mix



Redmond's store variety only represents four of the major retail areas in other downtowns.

*Eugene, OR not included in this data chart. Full data can be found in Appendix A.
**Data on other downtowns are averaged between 10 data sets

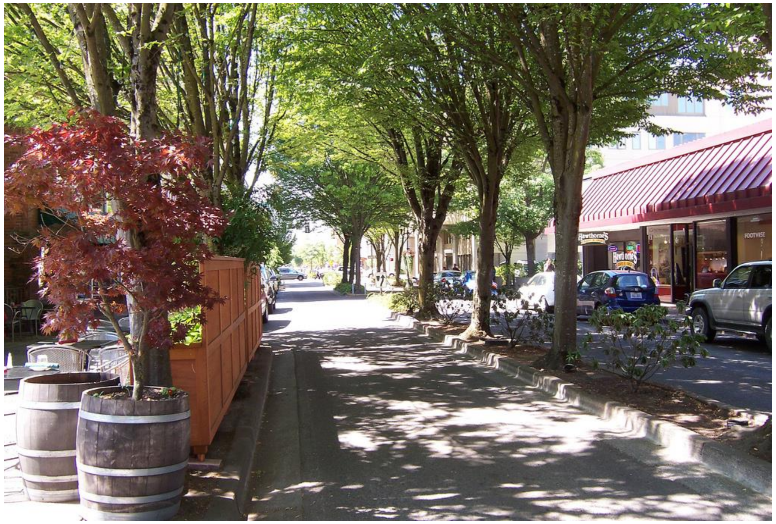
Location
Eugene is located approximately 100 miles south of Portland, OR.

Demographics
Population: 159,190
Median Age: 35 years old
Median Household Income: $45,573

Membership Organizations
Chamber of Commerce
Downtown Eugene Inc. (DEI)

Eugene is a relatively large city situated in the Willamette Valley and is home to the University of Oregon. Downtown Eugene is considered very unique, due to the activities in downtown as well as the people who visit. Some iconic locations include the famous Voodoo Doughnuts and the Hult Center for Performing Arts, which attracts many well-known performers.

Eugene's demographics and size are different from Redmond's, but we include it in our research because we spoke extensively with the Chamber of Commerce and Downtown Eugene, Inc. We saw these downtown-supporting organizations as a potential model for Redmond.



Source: http://farm4.static.flickr.com/3465/3838964684_572e82b6c5_b.jpg

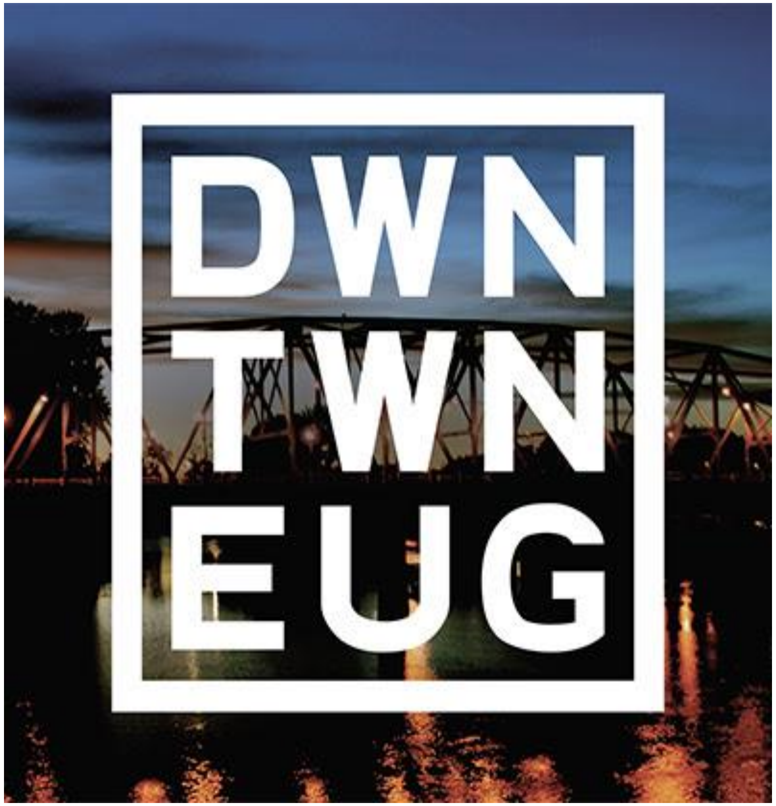
Source: https://reporting1blog.files.wordpress.com/2014/06/barn-light.jpg

Street view of Downtown Eugene

The Eugene Chamber of Commerce has an established network of downtown-supporting organizations

Eugene Chamber of Commerce
We spoke with David Hauser and Megan Richter at the Eugene Chamber of Commerce to understand how they have approached downtown revitalization, particularly since the Chamber has achieved some success in attracting retailers downtown. Our key takeaways from that interview include:

- It has been pursuing public-private partnerships to bring more residents downtown. By creating a public infrastructure, it hopes to bring enough demand for private businesses, including retailers, downtown.
- The Chamber of Commerce has been contracted to also operate Downtown Eugene Incorporated (DEI), similar to a Downtown Association.
- Membership to Chamber of Commerce and DEI are seen as an investment for downtown optimization rather than individual growth for businesses.
- DEI is a required membership for property owners within an established boundary. 60% of the funds used to run DEI come from the fees from these property owners.
- Merchants meet bimonthly for Downtown Eugene Merchant's meetings to plan events for downtown. These meetings are initiated by downtown merchants with a liaison from DEI who attends. The Downtown Merchant's Association is currently pursuing formalization under DEI.



Source: https://plus.google.com/100431520241288646823/posts

Downtown Eugene Inc's logo emphasizes its efforts in becoming a formalized and active organization

The Sherwood Chamber of Commerce is a good model of a city-funded downtown-supporting organization

Source: https://i.ytimg.com/vi/Uik8aLufAfI/maxresdefault.jpg

Aerial shot of Main Street during Cruisin' Sherwood Classic Car Show

Sherwood Chamber of Commerce
We spoke with Lana Painter Cole at the Sherwood Chamber of Commerce to get her perspective on what has made the downtown so successful over the past few years. A couple key takeaways include:

- Sherwood has a very active Main Street Organization, however a majority of downtown businesses are not members.
- The City of Sherwood funds the Main Street Organization, which allows it to make improvements to downtown despite its small size.
- High profile events include the Cruisin' Sherwood Classic Car Show and the Robin Hood Festival. These events have been around for more than 20 years and are a staple of Sherwood and the Main Street area.
- Having events that are not dependent on business owner contribution allows for businesses to decide how and if they will participate.
- The City provides façade grants to downtown businesses to improve storefronts and create a consistent look throughout downtown
- There are a couple of anchor stores, including restaurants and flower shops. These stores are not chains. They are local businesses that have served the Main Street area for more than 30 years.

Primary Research

THE CITIZENS' VIEWPOINT

Redmond citizens want more retail variety, while Redmond business owners want a more unified downtown

Retail Mix Analysis and Recommendations
The separate Citizen Outreach Team surveyed 89 Redmond residents to gain some insight on their thoughts of downtown and how to improve it. Retail was a significant area of improvement for downtown.

Our team surveyed 13 business owners in downtown Redmond to understand their viewpoint of running a business downtown. A majority found that foot traffic and visibility in downtown was a draw for bringing their businesses there. However, they also recognized the lack of variety downtown and shared their thoughts on other stores that would be needed to both improve their own businesses as well as build a stronger downtown overall.

Engaging Business Owners
We also asked the same 13 business owners to share their thoughts on the benefits and challenges of being downtown, value in membership with the Chamber of Commerce and Redmond Downtown Association, parking, and downtown boundaries.

Source: http://www.redmondschools.org/files/2013/06/Downtown.jpg

Residents who rarely shop in downtown would visit more often if there was a larger variety of stores

		Which of the following would make you go to Downtown Redmond more?			
		A larger variety of stores	Other	A larger diversity of restaurants	Better parking options
How often do you shop in Downtown Redmond?	Other	6	5	5	5
	Less than once a month	**13**	11	9	5
	Once a month	2	3	1	4
	Total	21	19	15	14

The Citizen Outreach Team surveyed Redmond residents to gain some insight on their thoughts of downtown and how to improve it. Variety of retail was a significant area highlighted as an important factor related to improving the state of downtown.

Based on the cross-tabulation above, we see that most respondents who visit downtown less than once a month would be willing to visit downtown more often if there was a larger variety of stores.*

*Full details can be found in the Citizen Outreach Report

Redmond residents want to see more high-end retail stores

		How often do you shop in Downtown Redmond?							
		Never	Less than once a month	Once a month	2-3 times a month	Once a week	2-3 times a week	Daily	Total
Downtown Redmond needs more high-end retail locations	Strongly Disagree	2	1	1	0	0	1	0	5
	Somewhat Disagree	1	7	2	2	1	2	0	15
	Neutral	2	6	**9**	5	2	1	0	25
	Somewhat Agree	1	**9**	**8**	4	2	0	0	24
	Strongly Agree	2	**6**	**5**	1	3	1	0	18
	Total	8	29	25	12	8	5	0	87
Downtown Redmond needs more discount retail locations	Strongly Disagree	2	5	4	2	3	1	0	17
	Somewhat Disagree	2	**10**	3	4	2	3	0	24
	Neutral	1	2	4	3	3	0	0	13
	Somewhat Agree	1	4	**10**	1	0	1	0	17
	Strongly Agree	2	8	4	2	0	0	0	16
	Total	8	29	25	12	8	5	0	87

Redmond residents who currently do not come downtown often but would if there was more retail options have a tension between having high-end and discount retail stores.

This could mean that the community wishes to have local, higher-end (specialty) items but also at lower prices, rather than strict discount or high end stores. This will be an important aspect that new retailers need to be aware of if they move downtown.

Redmond's downtown merchants are also looking for a better store mix

We spoke with 13 retail business owners in downtown Redmond and asked for their opinions about what types of stores they already had, needed, or would be helpful to have. See Appendix B for results.

Already Have in Downtown

Need in Downtown

Helpful to Have in Downtown

Common phrases heard from downtown business owners

*This word cloud was generated using wordle.net software and is not weighted by frequency. The word list was created using words and phrases mentioned during 1-on-1 interviews with downtown business owners.

Downtown merchants identified barriers to future development

Parking remains an issue

Many business owners still see parking as an issue downtown. For many owners and employees, finding spaces near their business can be difficult, and owners perceive that this also harms foot traffic as many potential customers want to park near their final destination. The Citizen Outreach team confirmed parking as an issue with residents, but not nearly to the intensity of owners themselves.

Confusion on downtown boundaries

Business owners located outside the traditional downtown are confused about the boundaries of what is considered downtown. For some, they consider themselves within downtown, however the Redmond Downtown Association does not include them. Other business owners who are multiple blocks from the center of downtown thought that downtown was on the block nearest them. The Redmond Downtown Association and some business owners currently do not have a consistent view of where downtown begins and ends.

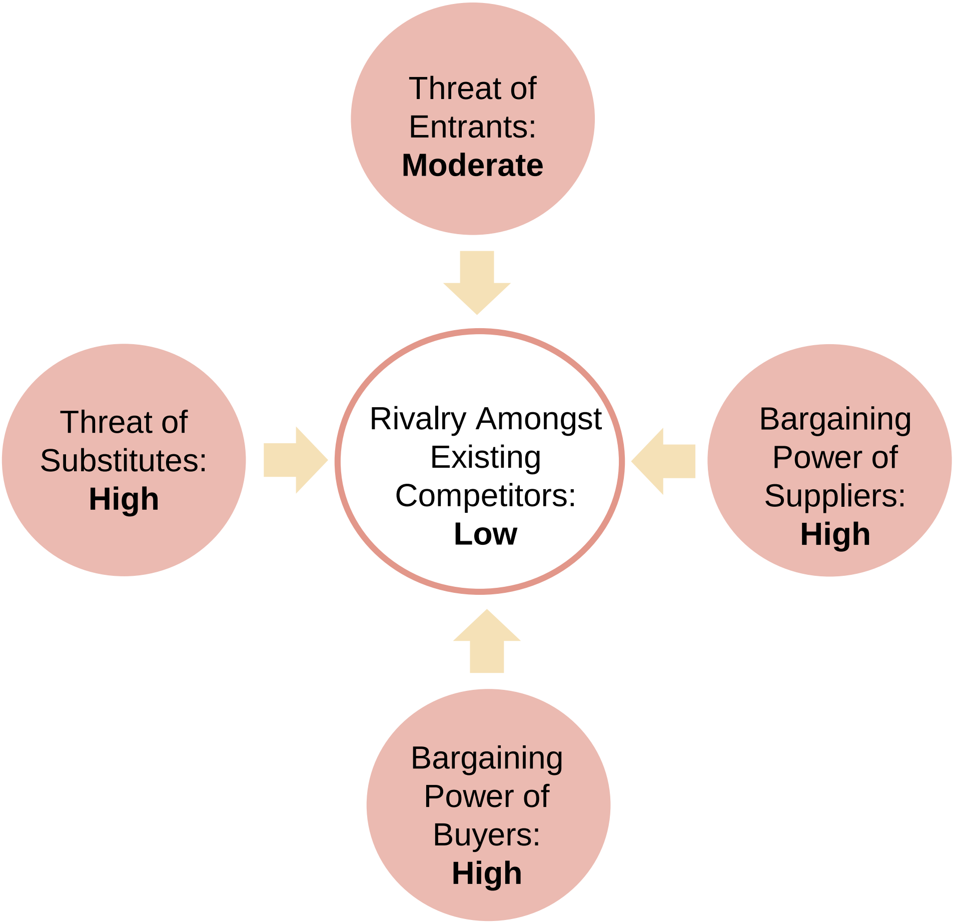
Little value provided from Chamber of Commerce membership

Downtown business owners that we spoke with find little value in membership with the Chamber of Commerce. For many, the annual fee is not worth what they were receiving in terms of assistance and benefits from their membership.

Analysis

IMPLICATIONS FOR REDMOND

Attractive qualities of Redmond's downtown for potential retailers involves five factors



Threat of New Entrants
- Vacancies will attract businesses
- Low rent (relative to Bend) attracts merchants
- Lack of tourists and foot traffic downtown deters entrants
- Access to capital needed to renovate spaces

Bargaining Power of Suppliers
- Property owners not motivated to rent storefronts thus leaving them empty
- Cost of renting property is higher than keeping it vacant (per owners)

Bargaining Power of Buyers
- Residents want to maintain local feel and therefore support boutique/locally owned businesses
- Strong influence on pricing from small town relationships
- Population with lower disposable income

Threat of Substitutes
- Chain stores in surrounding area of Redmond
- Driving to nearby cities for retail shopping
- Online retailers such as Amazon

Rivalry Among Competitors
- Few retailers downtown in same industry reduces rivalry
- Cooperation on events increases community feel

There are opportunities for growth and improvement in the retail mix

Unhealthy mix of retailers

Based on the data presented in Appendix A, Redmond's downtown is lacking retail sectors that contribute to a successful and healthy downtown. Compared to the other nine downtowns from which we collected data, Redmond lacked Apparel, Hardware, Home Décor, Sporting Goods, Music, and Toy/Hobby Stores. The survey given to business owners primarily identified a need for Men's and Women's Apparel, Shoes, Music/CDs, Stationery/Office Supplies, and Hardware.

Tension of Identity

There is a tension in downtown to be identified as family-friendly but also as a place that attracts adults. This tension is amplified by the lack of a unified vision between business owners, the Chamber of Commerce, and the Redmond Downtown Association. These disconnects reverberate into the atmosphere of downtown and can be perceived as an unattractive environment for new businesses to move to.

Location

Being situated in Central Oregon, Redmond is surrounded by the outdoors. Though not identified by business owners, Redmond residents voiced desire in the outreach survey, and therefore, we see an opportunity for small Outdoor Gear and Rental shops to do well in downtown. Mt. Bachelor is located less than an hour away, parks such as Smith Rock surround the city, and finally the beloved Dry Canyon with its long trails and famous rock wall attracts avid outdoorsmen from all around. The outdoor equipment rental store could include bike, ski/snowboard, snowshoe and rock climbing equipment rental. REI is already present in Bend, but other specialty stores such as Orvis could also do well in downtown Redmond to serve the population who enjoy fishing, hunting, and other outdoor activities.

Together, these gaps provide ample opportunity for growth in downtown Redmond which would be feasible by the availability of storefronts. We identified Outdoor Gear and Equipment Rentals, Stationery/Office Supplies, Men's Apparel and Shoes, and Hardware as being most beneficial to bring to downtown Redmond.

Local Above All

There is an agreement among business owners and residents alike that Redmond's local businesses and small town feel are a core value. To keep local businesses downtown and to attract new entrepreneurs, there needs to be focus on improving relationships between business owners, the Chamber and the Downtown Business Association. Improving relationships will directly contribute to the strength of the downtown community. A strong downtown community will enhance and solidify Redmond's unique identity that will attract tourists and reflect residents' values.

Exclusivity in Downtown

Our interviews with downtown business owners indicated that there is a strong sense of exclusivity amongst business owners in downtown Redmond. The downtown boundaries are unclear which has led to business owners being excluded from benefits and opportunities to be involved in downtown-supporting organizations such as the Redmond Downtown Association. This lack of clarity and sense of exclusivity inhibits the creation of a downtown community where businesses support and rely on one another.

Lack of Engagement

Exclusivity has led to a lack of involvement in downtown organizations such as the Chamber of Commerce and the Redmond Downtown Association. Of the sample of 13 business owners we surveyed, only 30% were completely satisfied with their relationship with the Chamber. Business owners are unwilling to pay the Chamber of Commerce membership fee of $175 annually because of a general sentiment that the cost outweighs the benefits. Nine out of the thirteen business owners we surveyed felt that the benefits they were looking for from the Chamber of Commerce such as advertising and business promotion were not met.

Some business owners voiced their desire to get involved but are unable to because they cannot make the meeting times. Either the meeting times are inconvenient for them or they are unable to make time for it because of the demands from running their own shops. Furthermore, business owners felt discouraged because their input and suggestions did not seem to make much of a difference in the decisions of the City. Overall, there is low morale between stakeholders in downtown Redmond which leads to low motivation in implementing change to improve the health of downtown.

Recommendations

INCREASING RETAIL MIX AND ENGAGING BUSINESS OWNERS

Our recommendations for Redmond include attracting retailers and formalizing the RDA

To **diversity the retail mix**, the City of Redmond can attract retailers in four particular industries:

- Outdoor Gear and Equipment Rentals
- Stationery
- Men’s Apparel and Shoes
- Hardware

To **engage business owners**, the City of Redmond can strengthen support groups for downtown by:

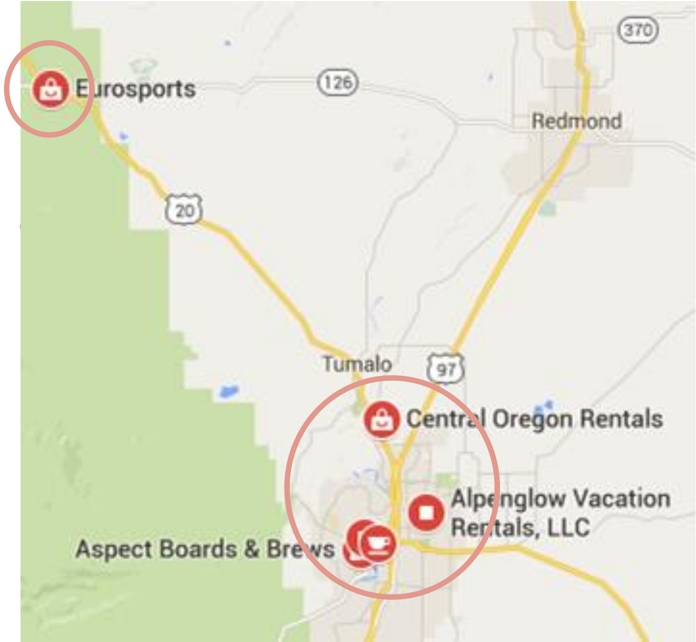
- Formalizing and funding the Redmond Downtown Association
- Actively communicating a united vision for downtown

Source: http://www.visitredmondoregon.com/Welcome

Outdoor Gear Shops and Equipment Rentals
Currently, in Redmond there are no outdoor gear shops or equipment rental stores for outdoor activities. We suggest a shop or numerous shops that could offer options such as bike rental, general outdoor equipment rental, and ski/snowboard rental as well as fishing gear or hunting apparel. Redmond's proximity to the dry canyon's climbing attraction, Mt. Bachelor and other outdoor activities such as fishing and hunting would make it the perfect location for these types of outdoor retailers.

We understand that Redmond has had downtown outdoor gear stores close down in the past. Having some Bend outdoor gear/equipment rental stores open up a second location in Redmond may help to keep these businesses sustainable. Furthermore, we believe specialty outdoor stores would do better in Redmond because they can offer more unique products than the REI in Bend or the big box stores in the area.

If Redmond did have these stores, it would be a high likelihood that tourists and residents alike would shop there. Redmond's location is very similar to Ft. Collins, Colorado in that there are many outdoor attractions nearby. Fort Collins has six outdoor equipment retailers/rental shops located within downtown.



Source: Google Maps screenshot when searching equipment rental stores in Bend and Redmond.

The large circle represents the Bend area while the smaller circle represents an area closer to Mt. Bachelor. Redmond is located in the upper right-hand corner. The red circles indicated where ski/snowboard rental shops are located around the area.

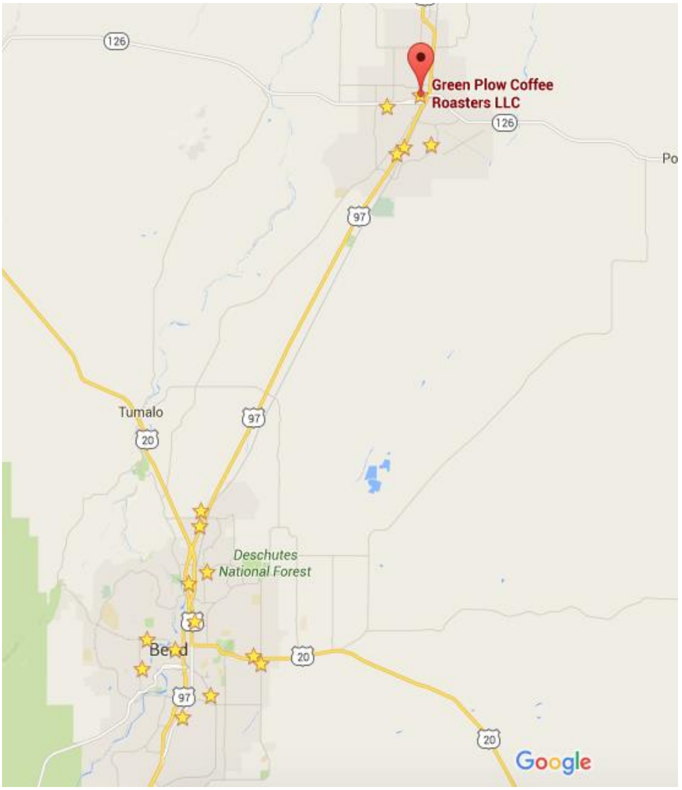
Stationery and office supplies stores support citizens and downtown businesses

Stationery and Office Supplies
A few business owners identified a need for office supplies, stationery and cards. Owners described a need for more specialty products than what could be found at big box retailers. The owner of the book store, Herringbone Books, mentioned that many of her customers ask for products such as these at her store. She tries to fill the demand but her focus is primarily books.

Currently there are no office supply stores located in downtown. Most office supplies are big box stores such as OfficeMax and Office Depot (located in Bend) or mailing/courier services such as Fedex. Dollar Tree and WalMart also provide office supplies for low prices.

Research
Although our research did not yield that other downtowns have office supplies and stationery stores as an integral part of their retail mix, the interviews we conducted with business owners reveals a desire to see these stores in Redmond.

Source: Google Maps screenshot when searching office supply stores in Redmond and Bend.



Most office supply stores are located in Bend. Print services provide the bulk of office supplies to the Redmond area.

Source: Photo taken by Rebecca Ruddy.

Herringbone Books is located right in the middle of downtown. The owner recently purchased the business

Men’s apparel and shoe stores complement existing women’s stores

Men's Apparel and Shoes
There are very few locations in downtown Redmond that offer a good selection for men’s clothing. One person that we interviewed identified a need for men's formalwear. The only location where men can buy or rent suits is at Men’s Wearhouse in Bend. A few men’s casualwear stores are dispersed around Redmond but the majority are in Bend. There are no men’s casualwear downtown.

There are also currently no shoe stores located in downtown Redmond for men or women. Through our research, we saw that many people identified this as a need that was not satisfied.

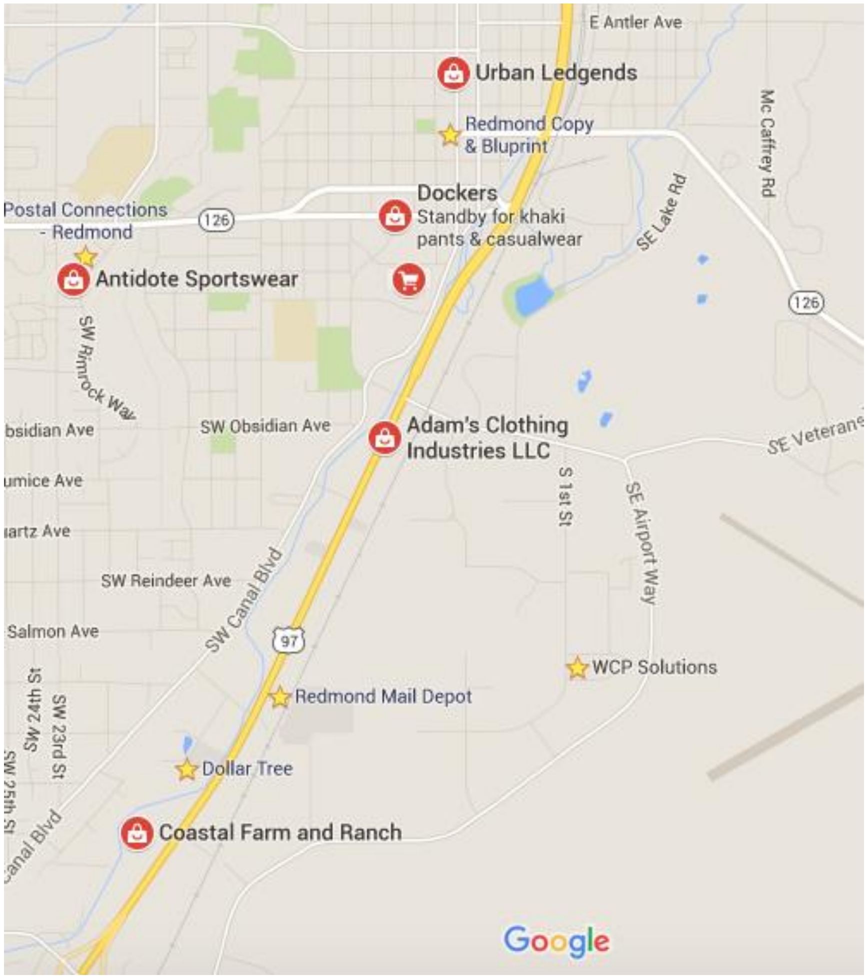
Research
According to our research of other small towns men’s apparel, women’s apparel and shoes generally account for 50% of the retail mix. In Redmond the categories currently account for 33% of the retail mix so there is definitely room to increase the options in this category.

Source: Google Maps screenshot when searching Men’s Wearhouse in Bend.

The only place where men can buy and rent formal wear is the Men’s Wearhouse located in Bend.

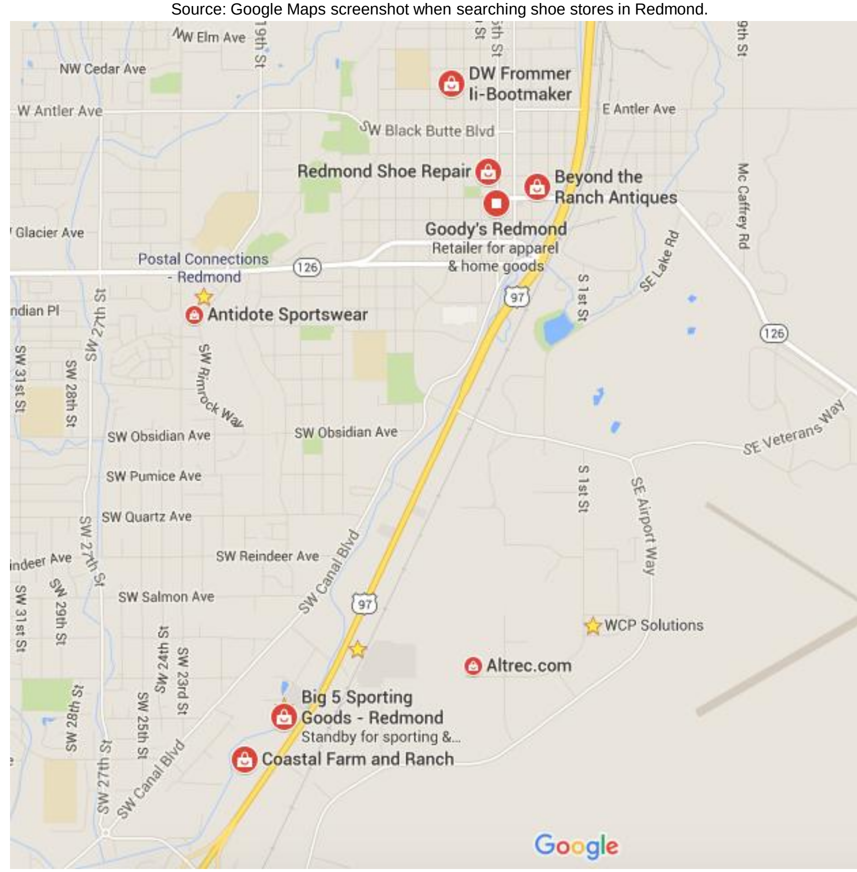
Stores selling men's casualwear and shoes are dispersed around Redmond, but none are located in downtown

There are some men's casualwear located in Redmond, however, they are located primarily away from the downtown area.



Source: Google Maps screenshot when searching casual men's wear stores in Redmond.

Source: Google Maps screenshot when searching shoe stores in Redmond.



A mix of big-box shoe stores, locally owned shoe shops and shoe repair services are around Redmond, but none in downtown.

Local hardware stores generate regular traffic

Local Hardware Store
Many downtown business owners expressed a desire to see the return of a local hardware store in the downtown area. Cent-Wise closed after the highway was rerouted out of the downtown corridor. Lowe's and Home Depot are both currently located in Redmond a few miles from downtown, but many business owners and residents would like to see a local option return to the downtown area. If a hardware store is present in downtown it could attract people who may be running errands to the other local businesses around the store.

Research
When we researched the retail mix of other downtowns we found that on average other cities had an average of one hardware store in their downtown retail mix.

Source: https://www.flickr.com/photos/elijahgarcia/18580608271

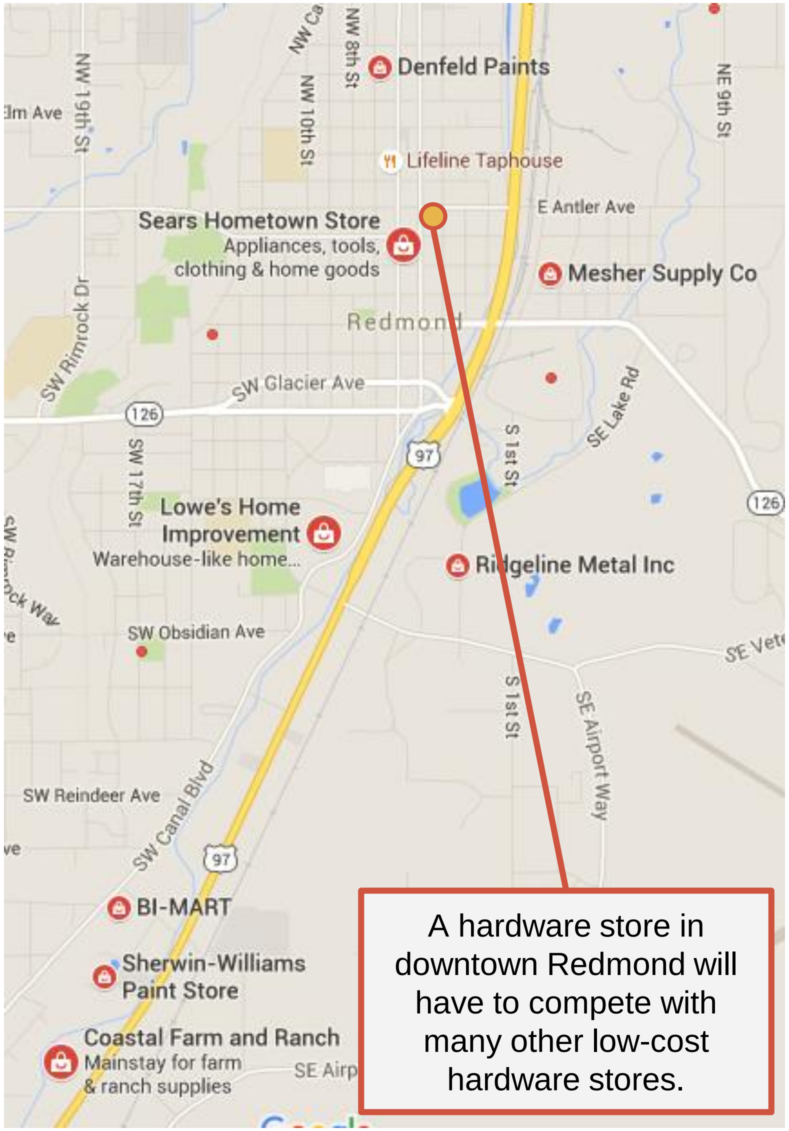
Pictured is the old Cent-Wise sports and hardware store that used to be open in downtown. It shut down in 2012 after the highway was re-routed out of downtown.

A hardware store in downtown could face serious competition

While business owners wanted a new hardware store in downtown Redmond and reminisced about the closing of Cent-Wise, we found serious risks and competitive threats to this idea.

- There are many big-box substitutes for hardware stores in the local area that may be less expensive than a small local hardware store.
- The Sears sells exclusively hardware items and it is located steps away from the central downtown area.
- The last hardware store suffered after the highway was rerouted out of downtown despite its strong relationships in the community. A new hardware store may face similar difficulties.

A hardware store may not do well financially downtown. Cent-Wise served as a beloved hub and gathering place for many years but it still went out of business. A more productive alternative to opening a hardware store downtown would be to attract other businesses that could be a "local hub." Small retail stores may not be the best option to be a local hub as big-box stores now provide a majority of what people need.



Source: Google Maps screenshot when searching hardware stores in Redmond.

Filling vacant spaces is a priority

Currently, there are numerous vacant storefronts along the main downtown corridor. These storefronts are visually unappealing and drive down values of surrounding property. While the goal is to ultimately fill the vacancies, storefronts should at least be aesthetically improved in the short-term to make downtown look more inviting.

Short-term Solutions
Painting the windows of current vacancies will improve the look and could be used as another opportunity to engage citizens, such as a Window Painting Contest. Additionally, providing a stipend to property owners specifically for improving their façades will solve this problem but also help to create a more unified and branded look of downtown.

Long-term Solutions
Buy-in from property owners will be essential to the downtown revitalization efforts long-term. Currently it seems that property owners are not involved and really have no incentive to be involved. Three initiatives will persuade the passive property owners to become more involved:

- Direct communication of the long-term downtown vision
- Providing tax incentives for property owners who fill their spaces and keep them filled
- Convincing citizens to visit downtown and shop there

These initiatives should get the property owners on the same page and bought into the vision as well as creating demand for shopping downtown. Increased demand downtown and thriving businesses will also raise the property values, furthering incentivizing owners to be involved.

Source: Photo taken by Will Totten.

Sources: http://ogden_images.s3.amazonaws.com/www.fortdodgeragbrai.com/images/2015/05/window_paint_art.jpg

Source: Photo taken by Will Totten.

Current business owners expressed that they moved to downtown on their own accord because they wanted the foot traffic and visibility. However, not all business owners may not be so inclined to move downtown without economic incentives. The City of Redmond will benefit from pursuing further research on possible incentives to attract retailers. The list below are our suggestions (albeit limited by time and knowledge to fully explore them in more detail):

Waiving electric and water hookup charges for new business owners
The City of Redmond controls the electric and water plant and therefore may have some ability to subsidize the first few months of utility bills. This will bring some economic incentives for new business owners to consider moving businesses downtown.

Providing tax incentives or other financial motives to attract certain stores downtown
The tension between downtown's identity as being family-friendly as well as sustaining enough activities for adults can at least be mitigated if the City can provide tax incentives or other financial motivations for certain family friendly businesses to move downtown. Further research can be done by the City to evaluate feasibility of some financial incentives.

Source: https://s-media-cache-ak0.pinimg.com/originals/f8/f9/f8/f8f9f896042d4bf6e5cabb6e39e5e55d.jpg

Many people believe there is a parking issue in downtown

Parking in downtown Redmond is more of a perception problem rather than an actual lack of parking availability. There are many empty lots around the periphery of downtown that with proper repurposing could easily solve this perceived problem.

Designated employee parking
Many of the parking spaces in front of downtown businesses are being used by the store's employees. By designating separate employee lots, this will free up spaces in front of businesses for actual customers.

Time limits on downtown spaces
By installing time limited spaces for downtown parking, particularly on 6th Street, customers will be forced to leave the spaces, leading to increased turnover. Currently someone could park their car on 6th Street all day long without penalty.

Leasing Lots
Instead of building a parking garage, the City could lease large lots from businesses around downtown and designate them as downtown parking lots with certain time limits. There seems to be an abundance of these lots that are currently going unused in favor of parking along 6th Street.

Parking Meters
An alternative to time limited spaces would be parking meters. These meters would not only help to force turnover but could also provide additional revenue to the City as well.

Source: http://www.pensacolaparking.com/images/signs/2-hr.jpg

Source: Photo taken by Will Totten.

Source: http://d2rormqr1qwzpz.cloudfront.net/photos/2013/01/28/44235-meter2.jpg

Creating business owner engagement through a stronger downtown association

Town Hall meetings to begin bridging gaps in business owner relationships
One of the main issues that we identified was the disconnect between the City of Redmond, existing pro-business organizations, and the downtown business owners. To begin to break down these barriers and clear up confusion we suggest holding a town hall style meeting for all downtown business owners at a few separate times to ensure everyone has the opportunity to participate. At this meeting city representatives can pitch the idea for strengthening the downtown association, work on inclusion with all business owners, and demonstrate how Chamber and Association involvement is complementary.

Eugene's Downtown Eugene Inc. as an example of a formal business association
In Eugene the Chamber of Commerce helps run a formal downtown business association called Downtown Eugene Inc. The Eugene City Chamber of Commerce controls the assets for this organization and members, who are downtown business owners, pay dues quarterly. We suggest implementing a similar structure. Dues that members pay go towards things such as revitalization, security measures and other issues that downtown business owners deem important according to issues brought up at the monthly meetings. Membership of this organization is mandatory in Eugene, however this may be a difficult aspect to implement in Redmond right away.

Source: http://www.visitredmondoregon.com/images/slides/welcome1.jpg

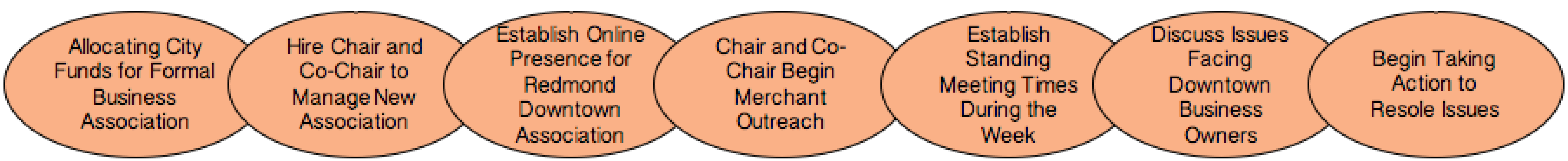
Implementing a new structure and improving funding for the Redmond Downtown Association

How to improve the Redmond Downtown Association

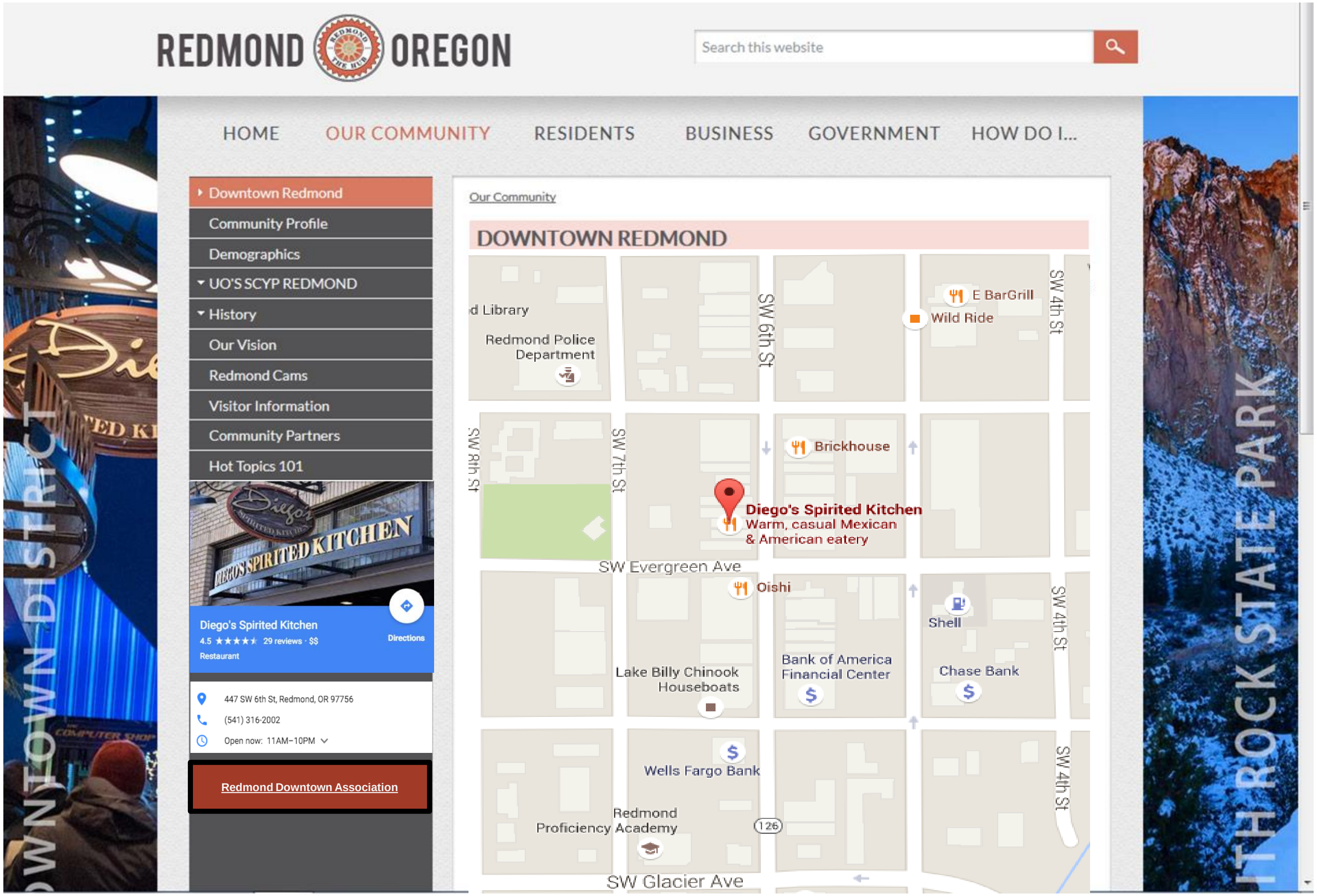
Redmond's independent spirit may make it difficult to require membership in a new organization especially if dues are also required. We suggest that the City of Redmond take on the responsibility of providing the starting capital necessary to create a formal association. We are unsure whether Redmond's city charter will allow it to fund an organization like RDA, however, we have found in our research that cities like Sherwood actively fund their version of a downtown association.

Currently, the Redmond Downtown Association is a volunteer organization but we suggest creating hired positions such as a chair or co-chairs for the Redmond Downtown Association to work on merchant engagement and control the funds provided by the city. The hired chair(s) will also be responsible for setting up meetings where downtown business owners can discuss issues that are important to them and decide where to allocate funds to which projects are most important to them. Eventually, as the Association becomes more concrete, the funds available to the Association can stop being provided by the City and could eventually come from member dues paid by downtown business owners.

Establishing an online presence is also an important step in formalizing and legitimizing the Redmond Downtown Association. This will allow access to information of meetings, who to contact, and current ways to get involved. In the initial stages of formalization, this could be housed on the City and/or Chamber of Commerce websites.



The downtown website can be improved to display more information about downtown retailers



The Redmond website could include a new Downtown directory section that will include a link to the Downtown Redmond Association landing page, a map, store names, pictures and store hours that will make downtown businesses more accessible and allow businesses to gain more visibility.

The City of Redmond can help downtown businesses market themselves online

The City of Redmond could also help equip downtown businesses to take care of their online and social media presence. The City of Redmond could partner with the Chamber of Commerce and the Redmond Downtown Association to host marketing workshops for business owners by bringing in a marketing consultant quarterly. There needs to be active outreach to business owners to bring them to these workshops.

Such marketing workshops could include, but not limited to the following content:

- Listing business location and hours on Google Maps
- Monitoring and responding to positive and negative reviews online
- Utilizing Facebook to interact with current customers as well as attract new ones
- Creating a geo-filter for downtown Redmond on Snapchat

Implementation

ACTION PLAN AND MEASURING SUCCESS

Action plan to implement recommendations

Priority	Steps	Description
1	Hold town hall meeting	A town hall meeting held with the City, Chamber, and downtown business owners in order to get everyone on the same page with the downtown vision and allow business owners to share their concerns with the City (something we believe they are currently not or are uncomfortable doing).
2	Formalize Downtown Association	Coordinate and support the downtown business owners in the establishment of a formal downtown association (501c3) then allocate a certain amount of City funds to the association as seed money.
3	Allocate funds to research downtown-supporting organizations	City of Redmond provides grant opportunities to Chamber of Commerce and Redmond Downtown Association to continue identifying areas where members see lack of value and to improve their respective structures.
4	Define the Downtown	Officially define the parameters of the Redmond Downtown area and then clearly communicate the decision consistently to all stakeholders.
5	Increase Property Owner Outreach	Communicate the downtown vision to property owners and determine their reasons for low engagement.
6	Incentivize entrepreneurs	City improvements to incentivize entrepreneurs to locate to downtown.
7	Create a Marketing Plan	Collaborate with the Redmond Downtown Association to develop an annual marketing campaign (events, advertising packages, etc.).
8	Re-evaluate Downtown Parking	Decide on a new parking initiative and implement, either more spaces or more publicity of what exists.
9	Execute Store Outreach	Research prospective anchor stores that meet predetermined criteria, then provide incentives for these businesses to relocate to Redmond.
10	Improve Store Façades	Establish uniform storefront façade requirements and provide stipends to property owners for improvement costs.

Implementation is associated with multiple risks

Change of value proposition
It is possible the RDA and Chamber will improve their value proposition to existing business owners just by taking time to talk, assess their own structure, and establish clear priorities. Similarly, perhaps the city could help the RDA with training and infrastructure support rather than taking it over formally.

Implications on current businesses
After speaking with various business owners, we noticed that not all would be interested in having an overarching organization that can directly impact their businesses. Many existing businesses like to operate in their own ways, and added supervision could infringe on these ways of operating. These business owners would then possibly be de-incentivized to act in accordance with the actions of the RDA, causing a lack of continuity among downtown businesses. This is a risk that must be addressed, as a careful balance needs to be struck as the RDA works with business owners in order to ensure that every business is happy with their level of involvement.

Outside retailers not adapting to the Redmond "local" feel
New retailers may have difficulty getting grounded in Redmond if they do not understand the local culture. Relationships and word of mouth are important aspects of a thriving business, however, it must be understood that these relationships can also create costs. "Redmond pricing" was a common theme that we heard when talking with local businesses. Prices in Redmond tend to be lower than normal to accommodate the value-driven demographic of the area. New retailers who do not understand this or do not have the financial capability to lower prices may have difficulty staying in business.

In summary, pursuing more retail business, creating a vision and developing the RDA will revitalize downtown

From our research and interviewing the residents and downtown business owners, we believe that Redmond can revitalize its downtown retail sector through our recommendations.

Redmond residents want to see more retail stores
Excluding food and consumer services, Redmond residents would like to see a greater number and more variety of retail stores in downtown Redmond. There is enough demand to pursue Men's Apparel and Outdoor Gear and Rentals and perhaps stationery.

Formalizing the Redmond Downtown Association will unify businesses
Attracting retailers will also become easier once the Redmond Downtown Association is working more effectively on its own, and with the Chamber of Commerce. With enough funding and manpower to unify the efforts of downtown retailers, Redmond Downtown can become an attractive community for new businesses. Developing a shared vision amongst the businesses will take time and money, but the return on this investment will outweigh the costs. Furthermore, Redmond is a city that thrives on personal relationships. A formal Downtown Association will leverage the strengths of relationships in Redmond and a unified effort to make downtown a better place will have untold potential to revitalize downtown.

Measuring success is multifaceted

	Objectives	Measures	Targets	Initiatives
Internal Processes	• Fill vacant storefronts in coordination with retail mix	• Vacancy rate	• Lower vacancy rate by 40% within 2 years	• Façade renovation matching program • Tax and fee waivers for new business and property owners
	• Attract retailers in new categories	• Number of new retailers who operate for more than 2 years	• Add retailers in 4 new categories and retain them for 2 or more years	• Create a team to attract Oregon businesses within new categories looking to expand • Incentivize new business owners opening downtown
Customer	• Maintain active communication with business owners	• Business communication TBD by City	• Business communication TBD by City	• Formalize RDA • Designate a Council member to act as liaison to RDA
	• Develop parking in downtown	• Percentage increase in new public parking	• 50% increase in parking availability (# of spots) first year	• Reallocate private parking lots
Learning & Growth	• Continually increase customer traffic in downtown	• Customers visiting downtown on annual basis	• Continued growth, rate TBD by City	• Coordinate with RDA on events and outreach
	• Fund RDA	• Dollars allocated to RDA	• Funding TBD by City and RDA	• Incorporate RDA into City budget for coming year
	• Analyze vacancy rate and retail mix	• Vacancy rate and number of new and retained retailers	• Analysis complete after 2 years	• Compile team to create analysis

Appendices

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Appendix A: Inventory of retail stores in comparable downtowns

	Redmond, OR	Baker City, OR	Issaquah, WA	Nevada City, CA	Sherwood, OR	Somerville, NJ	Burlington, VT	Ft. Collins, CO	St. George, UT	Santa Fe, NM	Flagstaff, AZ	Average Stores in other Downtowns	Number of Stores in Redmond
Apparel													
Men's Apparel	0	0	0	1	0	6	14	6	3	2	3	3.50	0
Women's Apparel	2	0	2	1	0	11	28	11	2	10	5	7.00	2
Kid's Apparel	0	0	0	0	0	0	6	1	2	0	0	0.90	0
Apparel for entire family	1	1	1	3	0	3	0	3	1	4	1	1.70	1
Shoes	1	0	0	0	0	0	9	2	0	2	2	1.50	1
Accessories	2	1	1	5	0	1	27	4	0	5	1	4.50	2
Jewelry	1	1	0	0	0	1	0	4	4	19	2	3.10	1
Building Mtrl & Garden Supply													0
Hardware	0	4	0	0	0	3	0	1	0	0	0	0.80	0
Garden Supplies	0	0	0	0	0	0	0	0	1	0	0	0.10	0
Home Furniture, Furnishings, Equipment													0
Arts & Crafts	0	1	1	7	1	1	1	1	2	0	0	1.50	0
Home Decor	1	1	7	4	0	4	6	5	0	15	3	4.50	1
Kitchen Supplies	0	0	1	0	0	0	3	1	0	2	0	0.70	0
Antiques	5	3	0	0	1	3	0	1	4	1	0	1.30	5
Furniture	0	2	0	0	0	2	0	2	0	4	0	1.00	0
General Merch Stores													0
Convenience Stores	3	2	0	0	1	2	0	0	0	0	0	0.50	3
Pharmacy & Drug Stores	0	1	0	0	0	1	0	3	0	0	0	0.50	0
Gifts & Souvenirs	3	2	1	3	0	2	0	5	1	3	4	2.10	3
Liquor Stores	0	0	0	0	0	2	0	1	0	0	0	0.30	0

Appendix A1: Continued inventory of retail stores

	Redmond, OR	Baker City, OR	Issaquah, WA	Nevada City, CA	Sherwood, OR	Somerville, NJ	Burlington, VT	Ft. Collins, CO	St. George, UT	Santa Fe, NM	Flagstaff, AZ	Average Stores in other Downtowns	Number of Stores in Redmond
Miscellaneous Retail Stores													0
Books	2	2	0	0	0	0	2	1	0	1	3	0.90	2
Stationery	0	2	0	1	0	0	0	1	0	1	0	0.50	0
Music	0	1	2	0	0	3	2	0	0	0	1	0.90	0
Hobby/Toy/Game Stores	0	2	2	3	0	5	5	2	1	3	1	2.40	0
Flower Shops	2	1	0	0	2	1	0	2	0	0	3	0.90	2
Tech/Computer	0	4	0	0	0	1	0	0	0	1	0	0.60	0
Gas Stations		1										1.00	0
Outdoor/Recreation													0
Sporting Goods	0	1	3	0	0	0	2	5	0	2	5	1.80	0
Bicycle Shop	0	0	0	0	0	0	0	1	1	0	1	0.30	0
Consumer Service													0
Smoke Shops	0	1	0	0	0	5	0	0	0	0	1	0.70	0
Tattoos	1	0	0	0	0	0	0	3	0	0	4	0.70	1
Barbers	0	0	1	0	1	4	1	2	0	0	3	1.20	0
Salons	4	6	4	0	3	20	10	5	1	0	11	6.00	4
TOTAL STORES	28	40	26	28	9	81	116	73	23	75	54	53.4	28

Appendix A2: Sources for city inventories

Sources St. George, UT:
http://stgeorgedowntown.com/
Team analysis using Google maps

Sources Fort Collins, CO:
http://downtownfortcollins.com/?/shopping
Team Analysis using Google Maps

Sources Somerville, NJ:
http://www.downtownsomerville.com/visit/shopping/
Team analysis using google maps

Sources for Sante Fe, NM:
http://santafe.org/Visiting_Santa_Fe/Shopping/Clothing/index.html
Team analysis using google maps

Sources For Flagstaff, AZ:
http://www.flagstaffarizona.org/things-to-do/shopping/
Team analysis using Google maps

Sources for Baker City, OR:
http://historicbakercity.com/
Team analysis using Google Maps

Sources for Sherwood, OR:
http://redtri.com/portland/a-charming-old-town-just-30-minutes-away/
Team Analysis using Google Maps

Sources for Issaquah, WA:
http://downtownissaquah.com/shop-issaquah/
Team analysis using Google Maps

Sources for Nevada City, CA:
http://www.downtownnevadacity.com/
Team analysis using Google Maps

Appendix B: Results for survey of downtown merchant's list of stores in downtown

	Have Already	Need This In Downtown	Helpful to Have	Do Not Want
Men's Apparel	1	4	1	
Women's Apparel	4	3		
Kid's Apparel	2	2	2	
Outdoor Apparel/Gear	1	2	2	1
Shoes	1	5	2	
Hardware	1	3	2	1
Arts & Crafts	2	1		
Kitchen, Linens & Towels	1	2		1
Garden Supplies	2	3	1	
Books	4	1		
Music/CDs		4	1	
Stationery/Office Supplies	1	4	1	

Downtown Revitalization Clusters

Lodging Cluster

March 2016

Colin Dunn, Omeed Ghaffari, Jack Miller, Jenna Salazar, Kennedy Salveter

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Objective

The purpose of our downtown analysis was to determine if the current lodging and hotel offerings are meeting market demand. Downtown Redmond has seen significant growth due to tourism, attractiveness of Bend, and an improved economy. This has led us to believe that there could be an unmet lodging need which, if filled, could put tourism dollars into Redmond's local economy.

No Unmet Demand Today

An in-depth analysis of the national and local level reveals that the industry in Redmond needs to be more attractive for economic growth before additional lodging is needed. Primary and secondary research from the local businesses indicate that location, demand, and clientele impact the overall success of the current hotels. The high amount of rivalry and substitute services in the industry already drive down overall occupancy rates. Unless there is a significant new driver of demand, e.g. a multi-sports complex, it is unlikely more conventional hotel rooms are needed in Redmond over the next 2-4 years.

A New Niche Direction

Within the overall lodging industry, however, there may be an attractive opportunity for downtown redevelopment via a historic / boutique hotel. This section of the industry continues to see growth and there are precedents of these developments helping anchor downtown revitalization.

Executive Summary (Cont'd)

Financial Projections

Substantial renovations and improvements of the historic hotel would be needed to make it a popular boutique hotel in Redmond. Several factors were considered to determine the viability of this project:

- $8,800,000 is an estimate of the required investment to repurpose the property into an 48 room hotel
- A suggested average nightly rate of $180 would be needed to ensure economic feasibility, a rate quite high for Redmond
- Achieving an minimum occupancy rate of 65% is key to project success
- An owner/operator will provide the best return on the investment over the long-run

Recommendation

Based on our research, renovating the historic hotel property would grow the appeal of the downtown area and have a positive economic impact. If supporting the development of a boutique hotel is a high priority for the City of Redmond and economic development, creating a benefit plan to entice an experienced developer is the next step. The benefit package plan can encourage more interest in the property through tax incentives, refundable loan program, and grants. In addition, a clear partnership with the current property owners is key to selling and revitalizing the property.

Source: Redmond.OR.US

Project Scope

The Objective and Process of the Project

Objective: Determine if Additional Lodging Would Benefit Downtown

"A robust city center is essential for economic development and attracting businesses, for long-term community health and sustainability"

– Redmond Urban Renewal Agency

Objectives	Action Plan
• Determine whether Redmond's hotel and lodging industry is satisfying consumer demand.	• Research secondary sources for quantitative data on occupancy rates and revenue per room.
• Consider the different reasons travelers visit and stay in Redmond to determine which hotel offerings are most desired.	• Gather primary data from hotel operations and developers' on the city and its hotel needs.
• Drive growth of foot traffic in Redmond's downtown area by establishing a hotel in the area.	• Propose further investment in additional hotels in the area, specifically what type of market segments are most attractive if feasibility exists.

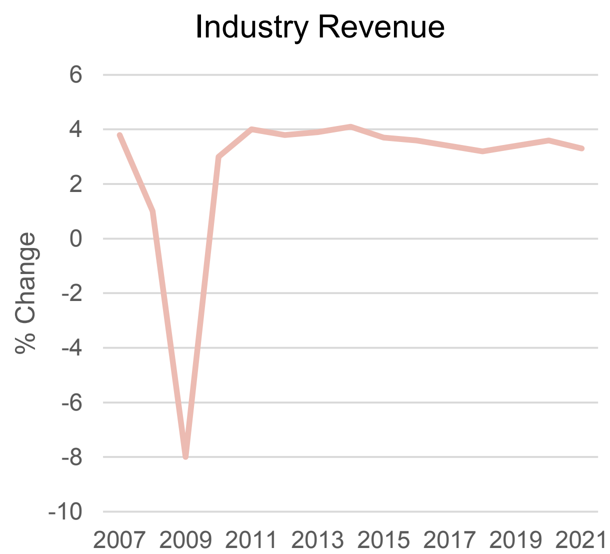
Industry Analysis

Assessment of the Hotel Market and Level of Attractiveness

National Hotel Industry Serves as Baseline for Redmond Market

Industry over the past 5 years:

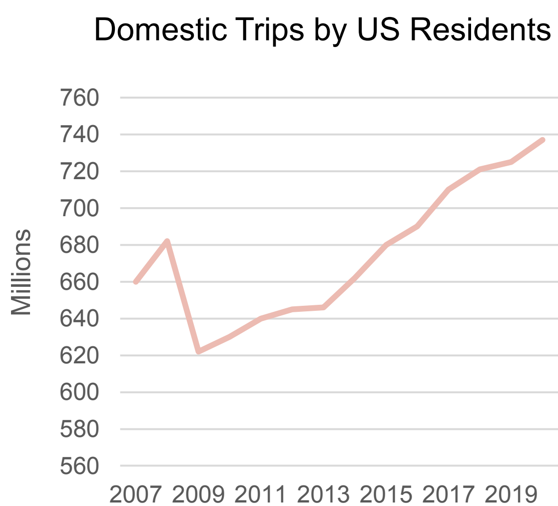
- The hotel industry has experienced significant growth of 3.7% due to high spending in travel, businesses, and leisure rebounding from the recession in 2008-2009.
- Demand for hotels continues to exceed supply in certain markets, leading to more revenue and higher room rates.



Source: IBIS World

Trends for the future:

- More consumer spending for domestic trips as economy grows and employment rates increase
- Stronger interest in alternative lodging (Airbnb, rentals, etc.) and boutique hotels (5.6% growth over the past 5 years)



Source: IBISWorld

Hotel Industry Includes Luxury, Superior, Standard, and Economy Segments

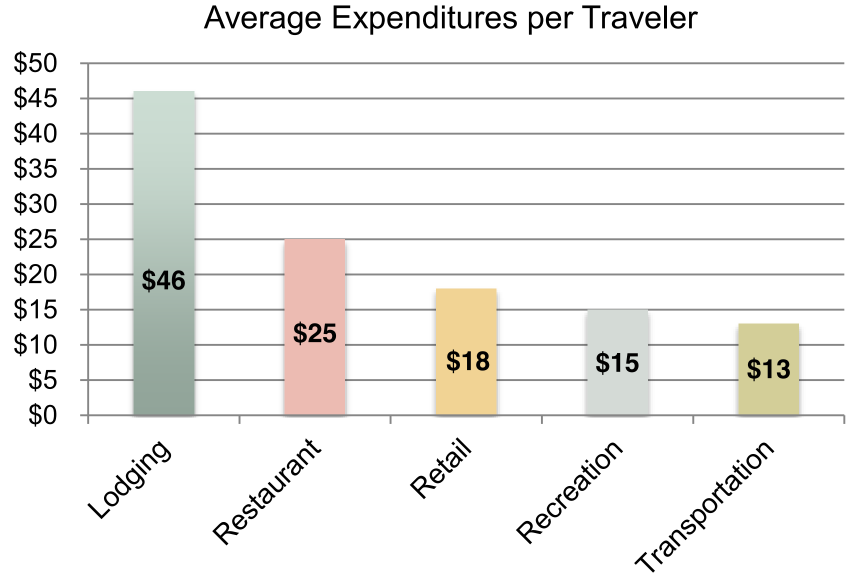
The standard of hotels determines target consumers and positioning. Most standard and economy hotels operate as part of a chain, with luxury and superior hotels split between high-end chains (Four Seasons, Ritz-Carlton, etc.) and boutique hotels.

Luxury	Superior
• 24 hour staff, doorman and concierge	• 18 hour reception staff
• Minibar and room service	• Breakfast buffet
• Internet, safe, and laundry service	• Internet access and terminal
• High quality bedding and furniture	• Furniture with chair and couch
• Personal care products available	• Cosmetic products available
Standard	**Economy**
• 14 hour reception service	• Minimal reception service
• Hair dryer and bath essentials	• Soap and body wash in bathroom
• Extra pillow and bedding	• Daily room cleaning
• Telephone and internet access	• Available telephone for public
• Beverages in hotel lobby	• Beverages in hotel lobby

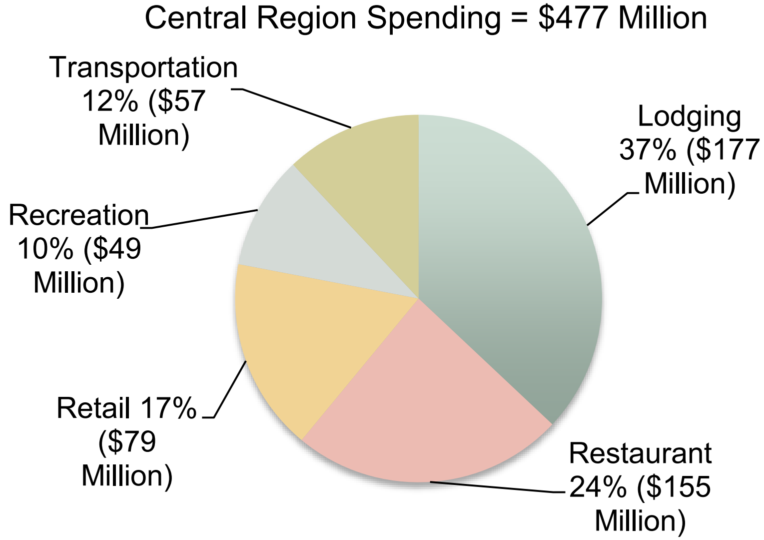
Lodging Represents A Large Share of Central Oregon Consumer Expenditures

- Consumer spending in Central Oregon has more than 60% spent on lodging and restaurant businesses. In Central Oregon, they serve as complementary goods, so consumers will collectively spend more money on the combination in an economy driven by tourism.

- Average expenditures per traveler explain where tourists spend their money when traveling to Oregon.



Source: Industry Travel Oregon

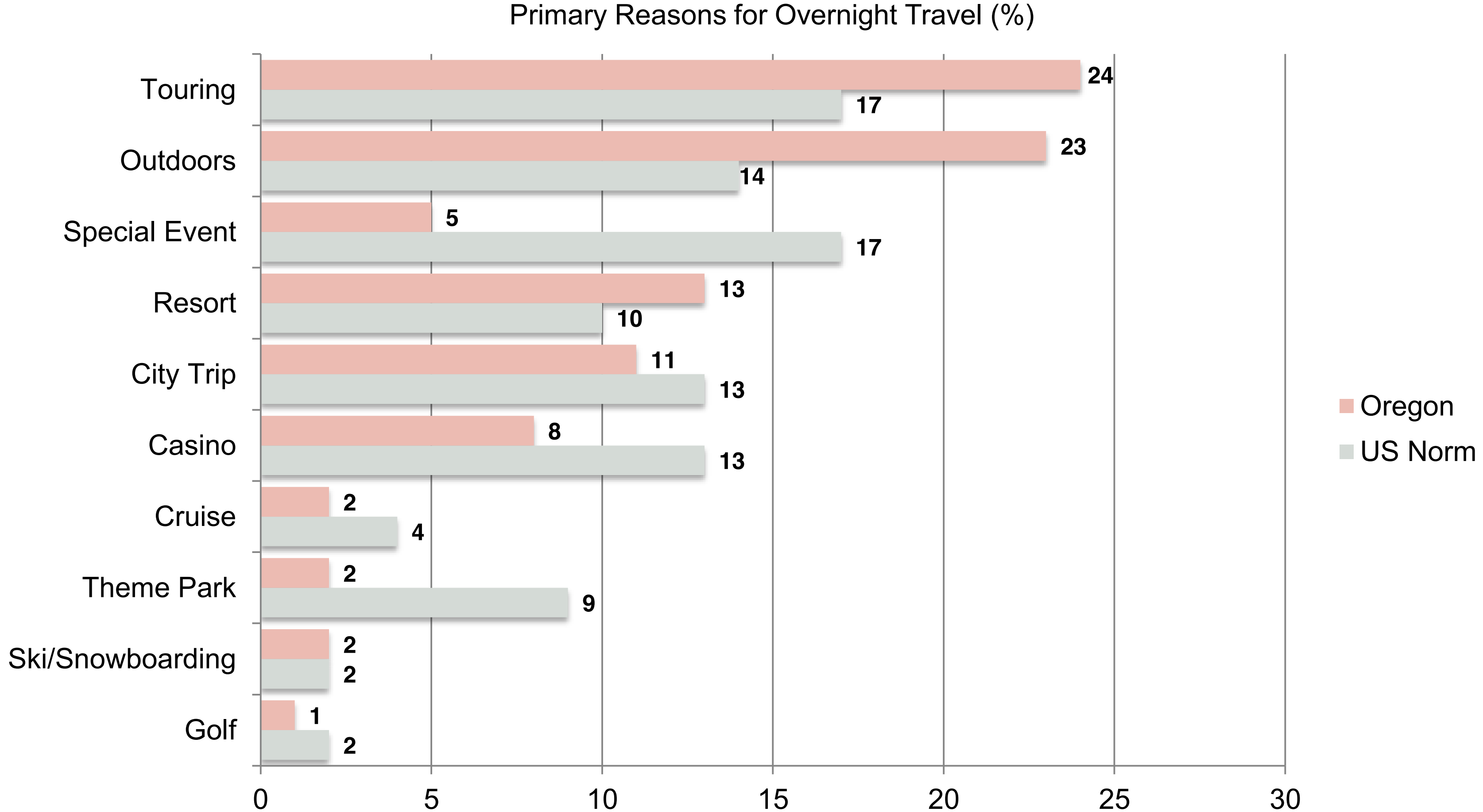


Source: Industry Travel Oregon

Appendix A further breaks down traveler spending

Consumers Come to Redmond for an Outdoor Experience

The main draws to Oregon are for outdoor adventuring and touring, making Redmond a prime area for attraction because of its close proximity to many outdoor activities. This means that the local lodging market will need to cater to a demographic that enjoys the outdoors.

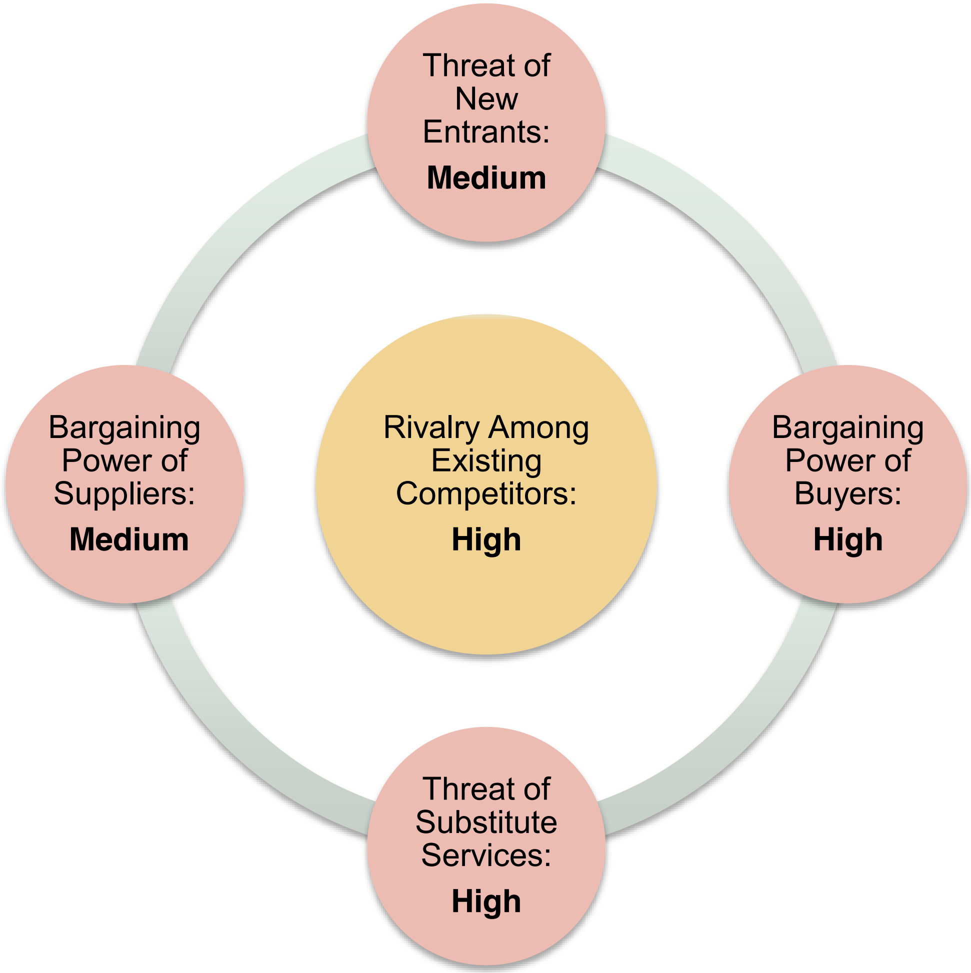


Source: Industry Travel Oregon

Redmond Hotel Industry Already Well-Positioned For Future Growth

Strengths	**Weaknesses**
• High barriers to entry (capital costs, brand recognition, and separation of ownership/management) • Highway 97 brings easy visibility to travelers • Close proximity to outdoor activities that are seeing growth in popularity	• Inactive downtown presence • Dependent on the success of surrounding businesses • Low occupancy rates (62%) • Demand highly variable by season (Mostly successful in summer season)
Opportunities	**Threats**
• Near airport (only airport in Central Oregon) • Growing regional population should translate into greater lodging demand • Certain segments in the hotel industry not fully addressed	• Locally established competitors (all hotels on Highway-97) • Airbnb growing in market share • Bend's popularity distracts from Redmond's value • Well known resorts in surrounding areas attract higher wealth individuals with services, amenities, and established referrals

Intense Rivalry Dampens Profitability of Existing Redmond Hotels



Rivalry Amongst Firms: High

- Redmond’s current lodging landscape is composed of 70% motels and 30% hotels.
- The high internal competition levels are due primarily to price and rates, location, low demand, and high supply.
- Occupancy averages 62%, reinforcing price competition to gain incremental customer reservations.
- The source of this competition stems from the lack of a healthy demand.
- Current firms are competing for small shares of the market.
- New investments have been made in surrounding areas such as Bend and Sunriver as well as resorts like Black Butte and Pronghorn.

Bargaining Power of Customers Also Contributes to Lower Profits

Bargaining Power of Customers: High

- Overall, consumer spending in the hotel and motel industry has increased dramatically over the past 5 years at a rate of 3.7% (IBISWorld US).
- Although the amount of spending has increased, Redmond's lack of demand creates an issue with high customer bargaining power.
- Throughout 8 months of the year, the hotels are forced to drop prices to attract more customers during the off season.
- A distinct demand problem affects the success of hotels because of consumer's price sensitivity during holiday seasons and ability to access substitute services at comparable or lower prices.

Bargaining Power of Suppliers: Medium

- The two primary inputs that affect the hotel industry in Redmond are materials and labor.
- Materials such as furniture, room suppliers, bedding, and food have low supplier power because the hotels have a large number of competitors to choose from.
- Labor in hotels require workers to maintain the front desk, concierge, room cleaning, and other functions.
- Assuming workers are in high supply due to main demographics in the area, the supplier power is low.

Substitute Services are the Biggest Threat to Hotels in Redmond

Threat of New Entrants: Medium

- The three main factors for new entrants in the hotel industry relate to high capital costs, brand recognition, and separation of ownership and management. These continue to be strong barriers.
- Although the overall industry may face high barriers to entry, our analysis indicates the Redmond hotels are below industry average.
- The low cost of property in Redmond represents the lack of demand in the city. In Redmond the costs of land equates to an average of $65.80/square foot whereas in Bend, the costs equates to an average of $315.80/square foot.
- Redmond's hotels are made up of a mix of franchise and local brands, which are in turn split between privately owned and owned by property management companies.

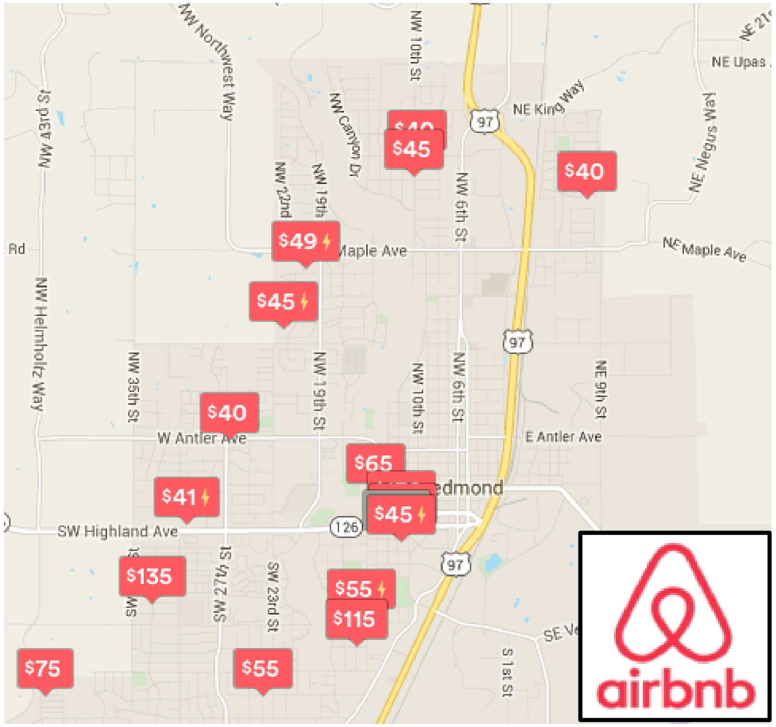
Threat of Substitute Services: High

- Due to the increase in alternative lodging throughout the United States such as timeshares, Airbnb, VRBO, RV parks, and bed and breakfast, substitute services impact the overall hotel industry attractiveness negatively.
- The main factors contributing to the success of substitute services are due to the ease of substitution, perception of product differentiation, and change in quality levels.
- People of all types- businessmen, tourists, truckers, etc.- visit Redmond for different purposes
- The substitute services easily tailor to different needs by providing unique features that would not be found in a traditional hotel. For example Airbnb offers full homes with a kitchen, backyard, and living room while traditional hotels offer basic features like a bed, TV, and bathroom.

Among Substitutes, Hotel Operators View Airbnb as Significant Threat

- Airbnb has 17-48 property listings in Redmond for a 2 person bedroom or house at any given time.
- The property available to rent is priced from $35-$150 per night.
- These properties provide a unique experience for customers to see Redmond.
- The number of property listings impact the hotel industry because more consumers have started to switch to other lodging opportunities that provide lower costs, customized amenities, and/or personalized services.
- Airbnb does not have to comply with regulatory hurdles as much as certified hotel establishments due to tax codes and compliance standards.

Airbnb Listings in Redmond



Source: Google Maps, Airbnb listings, February 11, 2016

Hotel Owners' Raised Common Key Issues About Redmond's Attractiveness

Primary Research Methods:

- Phone interviews with multiple businesses in Central Oregon to determine the key assets, incentives, and barriers that they believe exist in operating and developing lodging projects

Name	Title	Company
Richard Boyles	Owner	Sycan Development
Chris Otto	Development Team	University of Oregon, former lodging manager
Jim Pliska	Owner	Comfort Inn, Eugene
Paul Haggerty	General Manager	Comfort Inn, Redmond
5 Other	General Managers	Hotels in Redmond

Key Findings:

- Redmond needs to be a destination to drive more customers downtown.
- The clientele at most Redmond hotels are varied, making it difficult to properly market to specific segments, thus not differentiating properties.
- Overall profitability depends on demand (occupancy rates), room prices, and revenue per room. In Redmond, many of these factors are uncertain / unfavorable to date.

Appendix B provides additional details on individuals interviewed

Multiple Competitors Offer Similar Prices and Services for Today

The hotel industry in Redmond is skewed towards economy and standard offerings, with low rack rates and minimal amenities.

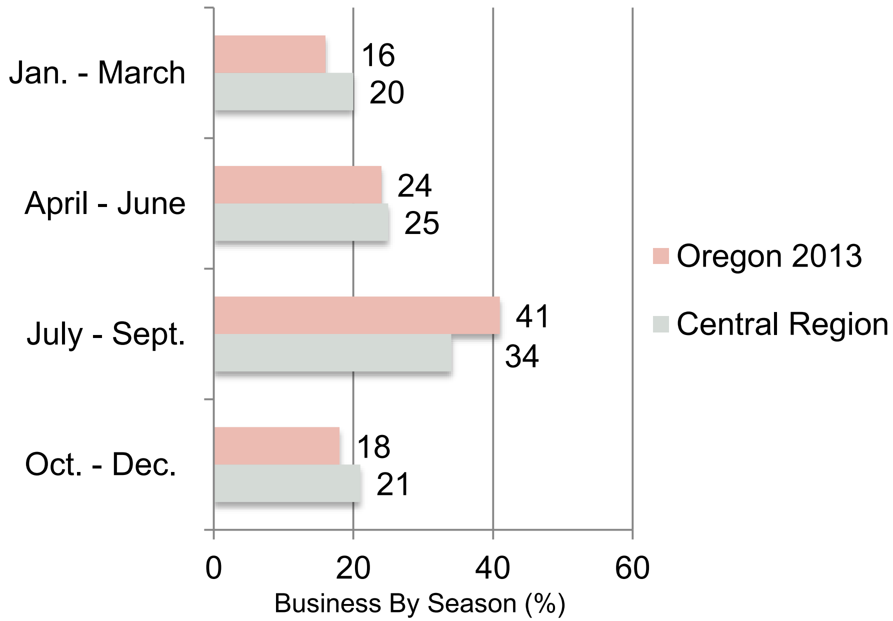
Company Name	Sales Volume	# of Rooms	Room Rate
Best Western Plus-Rama Inn	$1,517,000	74	$85-$159
City Center Motel	$189,000	14	$35-$60
Comfort Suites-Redmond Airport	$2,845,000	92	$99-$189
Greenway Motel	$94,000	35	$45-$55
The Lodge At Eagle Crest	$52,174,000	100 + cabins	Unavailable
Hub Motel	$189,000	29	$35 & up
Motel 6	$758,000	83	$49.99 & up
Redmond Inn	Unavailable	45	$39-$120
Sleep Inn	$1,422,000	72	$75 & up
Super 8-Redmond	$948,000	85	$61.99-$73.99
Village Squire Motel	$284,000	24	$45-$80

Source: Reference USA, See Appendix C for additional detail

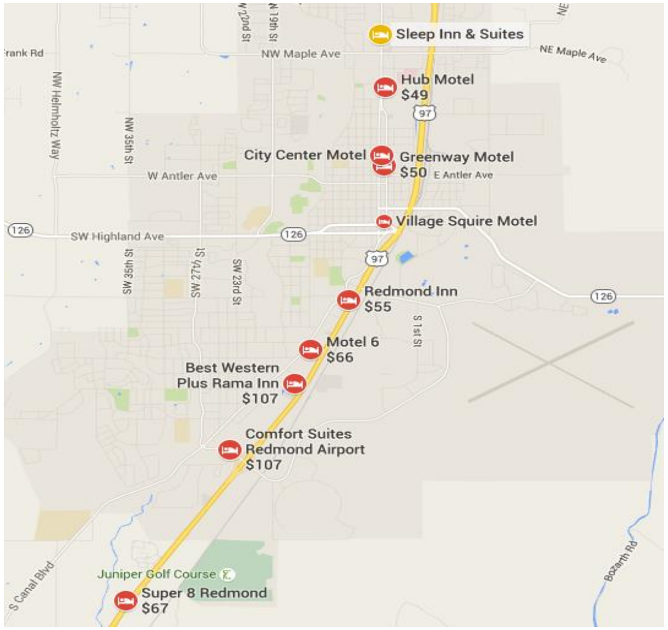
Excess Room Supply Decreases Attractiveness of New Entrants in the Market

<u>Current Redmond Hotels:</u>

- With over 11 hotels and 650 beds in the Redmond area, the supply of hotels exceeds current demand.
- During the year, the hotels reach a high occupancy rates during the 4 months of summer, while the rest of the year struggle to maintain acceptable occupancy rates.
- The average occupancy rate is 62%, down from 2012 when the occupancy rate was 65%.



Source: Industry Travel Oregon



Source: Google Maps

Redmond Market is Unattractive for Building More Full / Partial Service Hotels

Based on our primary and secondary research, all indications are that the current industry is saturated, and therefore there is no need for another stand alone, full service hotel to be developed in or near Redmond without a significant new source of demand.

Currently at 62% Occupancy Rate

(60-65% Needed to even consider as a worthy investment)

Majority of Properties Struggle 8 Months Out of the Year

(2 lodges forced to exclusively operate in the summer to maintain profitability)

Demand fulfilled:
No need for additional select & full service hotels in Redmond

This poses the question: What direction should Redmond take with the lodging and hotel industry?

Questions to consider:

- Should we focus on shifting the demand curve?
- Should we market the downtown area to new channels of lodging?
- Should we focus on improving the current hotels in Redmond?

Similar Downtowns Have Differentiated Themselves Through Special Events

Creswell, Oregon

Source: Oregon Live

The hotel industry in the city of Creswell primarily relies on overflow occupancy from events in Eugene. Since Creswell is on I-5 and a short drive from Eugene, many are willing to lodge in Creswell at either a cheaper price point or out of necessity. **Events like the Olympic Trials, Oregon football games, and events at Matthew Knight Arena drive occupancy in Creswell** lodging primarily because there is not a significant demand driver, besides arguably the golf course, in Creswell. Similarly, Bend and the local airport drive a significant portion of the lodging demand for Redmond.

Ashland, Oregon

Source: Flickr

The hotel industry in Ashland is similar to Redmond because it has cyclical seasonal demand for lodging. While Redmond has high occupancy rates primarily in the summer months due to the surrounding scenery, **Ashland drives its revenue through the Oregon Shakespeare Festival every year**. The season is technically February through early November, but the majority of theatre space is used between late May and early October. Ashland doesn't operate as a bedding city for Medford as much as Creswell does for events in Eugene.

Decision Point

Three Options For Remainder of Project Duration

Three Options Were Identified for Further Analysis

Hotel Industry Analysis → Redmond Market → Recommendation → ~~New Hotel~~

- After determining that the demand for traditional hotels and lodging is satisfied by current supply, we used the remainder of our project time to identify demand trends that could drive downtown foot traffic.

- Several factors could materially affect the demand for downtown foot traffic, including both new infrastructure and product offerings, and focusing existing market demand.

Recommendation:

- Sports Complex Demand
- Airbnb Marketing Campaign
- Boutique Hotel Feasibility

A Sports Complex Would Increase Demand for New Lodging in Redmond

Case Study: Sports Complex – Medford, Oregon

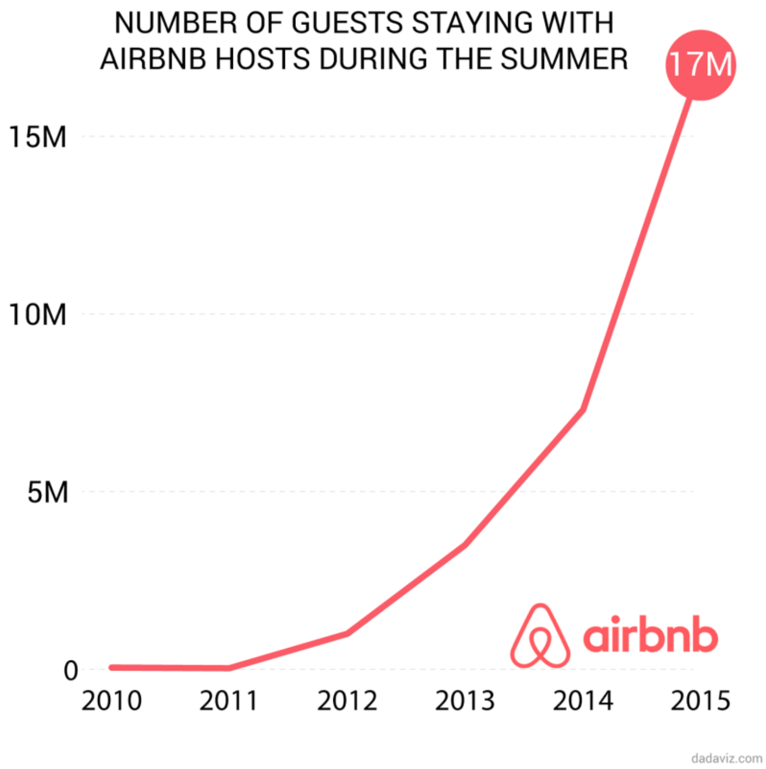
Looking at the U.S. Cellular Community Park in Medford, Oregon, it is clear that a sports complex has significant economic impact. In 2015, the park brought in over $11 million to Medford's economy. The positive benefits are not only felt by the sports complex individually, but also felt by local restaurants, lodging, and retail stores. This complex has facilities to support softball, baseball, and soccer tournaments as well as football games. These complexes primarily bring younger, active families into town for the events mentioned above.

Source: Medford Parks and Rec

- After communicating with other student groups focusing on the feasibility of a regional multi-sports complex, at the Deschutes Fair and Expo grounds, preliminary indications suggest that a facility of this magnitude would have a positive influence on the demand for lodging in Redmond.

- Should Redmond develop a sports complex, incoming traffic should directly benefit Redmond's lodging and retail markets.

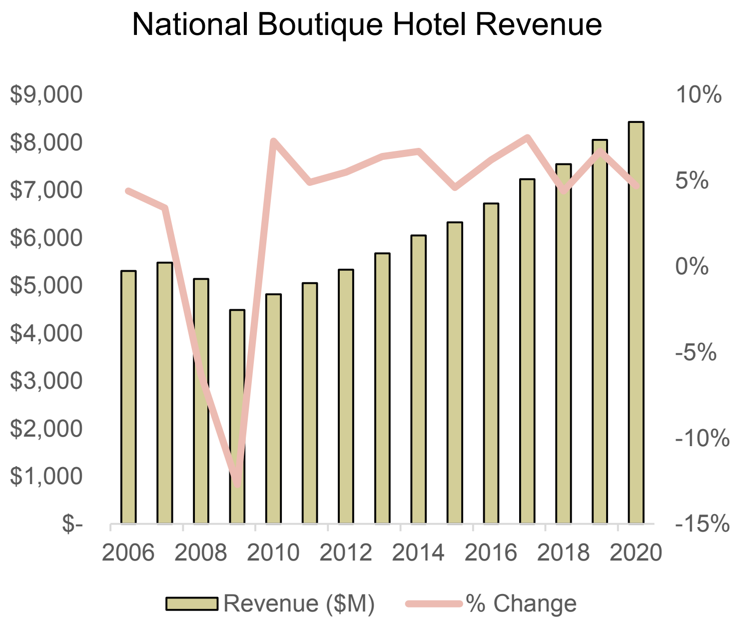
Partnering With Local Airbnb Operators Could Drive Downtown Foot Traffic



Source: Business Insider

- As noted, there is a growing Airbnb presence in Redmond.
- Although Airbnb takes demand away from traditional hotels, guests are in Redmond and spending monies in Central Oregon.
- Working with Airbnb owners to market downtown Redmond would not only directly benefit retailers and the downtown scene, primarily the new breweries and restaurants, but also increase the marketability of local Airbnb properties, driving traffic to Redmond.
- The Downtown Business Association may wish to speak with the Airbnb location managers in the area about their clientele and create a marketing plan to ensure that guests know about downtown attractions to experience in Redmond.

Our Team Focused on Redmond's Support For a Boutique Hotel



Source: IBIS World

- Although the Redmond lodging market overall is saturated, we noticed through our research that there may be an attractive opportunity to develop a boutique hotel in the historic hotel property in the middle of downtown.
- We identified several markets in which boutique hotels have thrived in Oregon including Ashland, Dundee, Eugene, and Bend. These markets have specific demand drivers and attractions similar to Redmond's.
- We considered whether existing antique shoppers, climbers, business travelers, and other groups could support a boutique hotel .
- We also contacted the current owners to discuss their ideas about the space.

Appendix D further explains the growth of boutiques compared to the hotel industry as a whole

New Direction: Boutique Hotels

Exploring Opportunity for a Boutique Hotel in Redmond

Boutique Hotels, Small, Urban, Stylish

Source: en.hrs.com

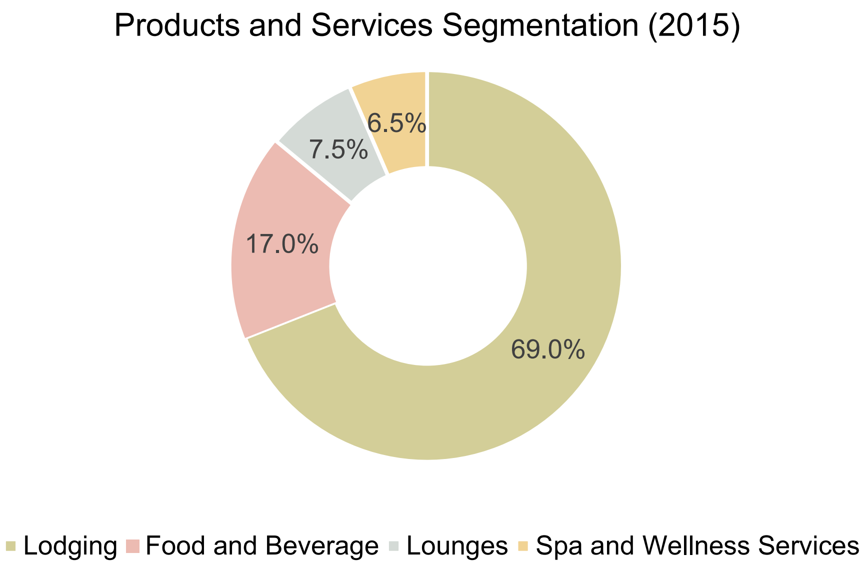
Source: Trip Advisor

- Boutique hotels offer luxury and intimate lodging experiences, typically in urban environments.
- Ranging from 30-120 rooms, they encompass local aspect of their service areas into their design, service, and brand offerings.
- The boutique niche has grown three times as fast as total hotel growth year over year since 2010.
- Personalized experiences and welcoming staff differentiate the value provided to boutique property customers relative to chain hotels in the region.
- Frequently owned and operated by one party, boutique hotels aim to drive return visits through relationship development.
- These factors, as well as the higher quality amenities, allow boutiques to command a price premium per room.

Successful Boutique Hotels Offer Additional Amenities

Offering extra amenities is not only a key differentiator for boutique hotels, it is also increasingly a key driver of revenue and income.

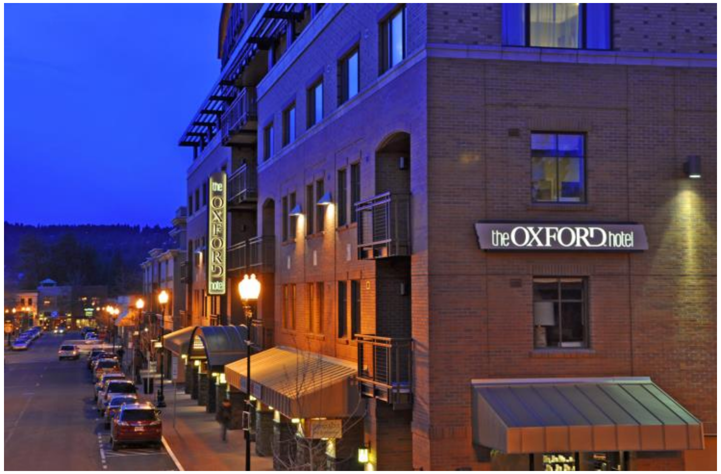
- Almost a third of revenue stems from providing extra services that enhance the boutique hotel's appeal.
- This means that a bar or restaurant inside or partnered with the hotel is an opportunity to enhance earnings that should not be overlooked.
- In fact, two successful boutique hotel operators we interviewed made it abundantly clear that they would not develop a boutique hotel in the absence of an on-site local restaurant.



Source: IBIS World

Case Study: The Oxford Hotel Offers Locally Oriented Amenities

Source: VisitBend.com



Source: KindredNW.com

- Located between the Old Mill District and the historic Old Bend district, The Oxford Hotel offers premium service to customers as well as a centralized location.
- The Oxford hotel incorporates local Bend products such as soaps, chocolates, foods, spirits, brews, and leisure products into their amenity packages to emphasize the connection to the unique Bend experience.
- Paired with 10 Below Restaurant, lodgers can experience high class, locavore dining without having to leave the premises.
- The Oxford Hotel is a short walk from the luxury shopping center in the Old Mill District as well as local entertainment and bars.
- The Oxford Hotel markets itself primarily through word of mouth and online reviews from satisfied customers. They have also received publicity making it onto TripAdvisor's list of Top 5 Boutique Hotels.
- The 59 rooms at The Oxford command an average room rate ranging from $249-$459, placing it among the most expensive hotels in Bend.

Case Study: Inn at Red Hills Offers Centralized Location in Wine Country

Source: InnAtRedHills.com

Source: InnAtRedHills.com

- Located within ten minutes of many wineries in the Willamette Valley, the Inn at Red Hills offers a unique opportunity to stay in the heart of Oregon wine country.

- Multiple tasting rooms on the premise provide an experience to sample fine wines without venturing far, and the post-recession demand for wine tasting keeps growing stronger.

- With increased interest in wine tasting spurring more travelers to spend time at Inn at Red Hills, the prospects for boutique hotels in wine country are bright.

- Inn at Red Hills offers its 20 rooms priced between $209-$319 depending on the day and season.

Case Study: Armstrong Hotel Leverages History

Historic hotel renovation can provide a platform for successful boutique marketing strategies, as historic hotels often offer unique architecture or the proximity to historically significant events.

Source: theArmstrongHotel.com

- Built in 1923, the building is a Historic Landmark in Fort Collins, Colorado. After going through multiple renovations and remodels, it is now a showpiece for the town and attracts guests from all over the world.
- The Armstrong offers a wide array of amenities that can be accessed without lodgers leaving the property. These include a spa, café, lounge, and restaurant.
- The Armstrong is located in central Fort Collins, in the Old Town District, as well as near popular local attractions including breweries, fine restaurants, river rafting, and biking.
- The Armstrong charges between $169-$479 for its 45 unique guestrooms.

Boutiques often have unique and often quirky gimmicks to differentiate themselves form other hotels, such as hotel pets and mascots, specialty products, and locally sourced ingredients. One example of this strategy that the Armstrong Hotel employs is its hotel pet, Oreo the Cat.

Development of a Boutique Hotel Merits Further Consideration

Although boutique hotels require large financial investments and a strong market differentiation to be successful, the demand for these type of hotels is growing and Redmond has the capability to incentivize investment to build a boutique hotel.

Strengths	**Weaknesses**
• Downtown location established • City Council has already put in place programs to encourage downtown development • Growing population and interest in Redmond • Location near airport (only airport in Central Oregon)	• Inactive downtown presence • City Council lacking financial resources • Struggling (complementary) businesses in the downtown area – lacking “pull” factors • Would require significant reconstruction
Opportunities	**Threats**
• Owner selling historic hotel • Redmond lacking a nicer hotel in the downtown area (addressable niche) • 20% tax credit for historic rehabilitation • Oregon property tax freeze (10 years)	• Locally established competitors (all hotels on highway-97) • Airbnb growth in market share • Bend’s popularity distracts from Redmond’s value

Historic Redmond Hotel Shows Promise

Source: Redmond.OR.US

Local Trends

- Central Oregon seeing explosive growth
- Redmond specifically has seen a drastic increase in population percentage of Deschutes County, increasing from 12% in 2000 to 17% in 2014
- Spill over demand from Bend exists

Location Advantages

- Prime location in center of downtown near city parks, antique shops, restaurants, and brewery
- Within 2 miles of Roberts Field, the Redmond Airport
- Within three blocks of the intersection of Highway 97 and Highway 126

Building Advantages

- Already operated as a hotel
- Recently remodeled retail space on first floor
- Currently for sale and the city has interest in facilitating its development
- Tallest building in Redmond

A Boutique Hotel Would Drive Traffic Downtown

- Evening population and foot traffic would increase due to the location of the proposed boutique site. The hotel is in the middle of downtown and near the majority of the new restaurants and breweries. Additionally, the hotel is a short walk to the multitude of antique and specialty shops that Redmond hosts. This prime location affords local businesses ample opportunity to take advantage of the new foot traffic that a downtown hotel would provide.

Hermiston Case Study

While not a boutique hotel, economic development impacts are well known. For example, Holiday Inn Express is coming to downtown Hermiston in Summer of 2016. The city estimated that this $5MM investment in the hotel will add an estimated $75,000/year in consumer spending to Hermiston's economy outside of the hotel. The majority of these dollars will go toward restaurants and retail shops located downtown in the area surrounding the hotel. Hermiston has been investing in urban development over last few years and expects to redesign a section of Highway 395 similar to Redmond and Highway 97

- After this hotel gets on its feet, there will be sizable and sustainable increased property taxes, and opportunities to include this revenue stream into municipal bonds. Assuming the ten year historical tax freeze happens at the state and county level, the municipal bond revenues could be realized much sooner.

- Although this does not directly influence Redmond, Deschutes County will benefit from increased transient room taxes. This could incent Deschutes County to assist the new Redmond boutique hotel to develop a sustainable business in order to have access to the future revenue streams.

Yet Historic Redmond Hotel Has Risks

Source: Redmond.OR.US

Volatile Demand Drivers

- Small target market of higher income individuals staying in Central Oregon find Bend or resorts
- Insufficient occupancy rates among Redmond hotels
- Winter demand significantly lower than demand during the warmer months

Location Disadvantages

- Downtown area is in a development stage resulting in several empty store fronts in the area
- Lack of parking could make the hotel less accessible to some high value customers
- Nightlife undeveloped

Building Disadvantages

- Renovation of this hotel into a boutique, by city estimates, would cost around $7.1MM
- Based on professional insight, owner/operator as one party is necessary for success of an establishment in this market

Primary Research Reveals Investor Concerns

- Boutique hotels require a higher than industry average room rate, which necessitates a certain level of socioeconomics that Redmond may not be able to provide. A rate in the area of $180 or more per night may be required to sustain profitability.

- Redmond does not have a primary driver for visitors outside of Smith Rock, therefore a successful boutique will need to create a value proposition to drive traffic into the downtown area.

- Even with lower relative rates to comparable Bend hotels, the intangible aspect of location, vibe, and experience may outweigh the price savings of staying in Redmond.

- The growth that Bend has seen is not correlating to the same rate of growth for Redmond, which raises uneasiness among property investors as to why this is the case.

- A hotel that has only 48 rooms may not bring in enough revenue to constitute having a large staff to support its operations, therefore an owner/operator focused on service would be the most viable option for profitable operations .

Financial Projections

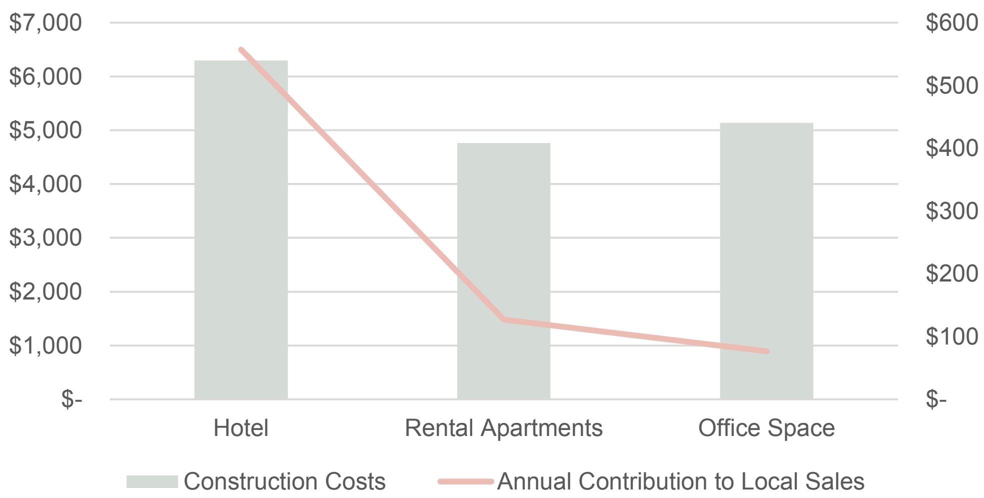
Determining Financial Feasibility Through Cost and Scenario Analysis

Converting The New Redmond Hotel to Boutique Has Been Previously Explored

Background

- In 2012, the city of Redmond retained Johnson Reid, a consultancy specializing in real estate development and land use, to evaluate redevelopment opportunities for Redmond's historic hotel.
- After analyzing the attractiveness of transforming the New Redmond Hotel into either apartments, offices, or a boutique hotel, Johnson Reid found the investment profile for a boutique hotel most attractive.
- Johnson Reid estimated that in order to transform the current property into a "boutique hotel below a four or five star urban property, but of a higher quality found in a typical suburban model" an investment of roughly $7.1mm would be required.
- Since the 2012 Johnson Reid report, $800k was spent on renovating the bottom floor of the historic hotel for retail / dining use.

Potential Impact of Hotel vs. Other Previously Explored Options

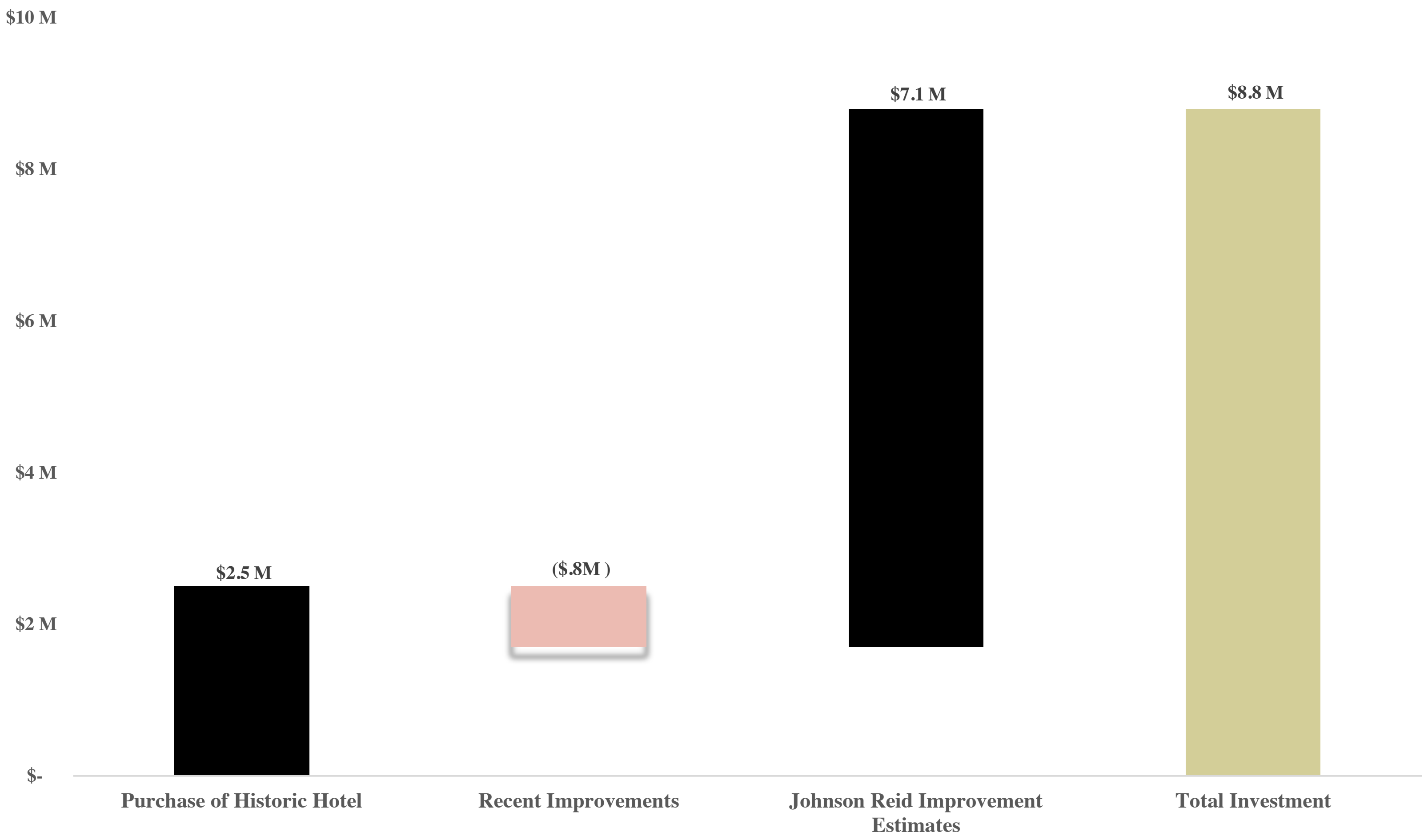


Source: Johnson Reid

Per dollar of development cost, hotel contribution to downtown market far exceeds other potential uses

Boutique Hotel Development Necessitates Significant Capital Expenditures

Assuming that the $800,000 spent on recent renovations overlap with Johnson Reid's estimated $7,100,000 required investment, a total investment of $8,800,000 investment would be required to repurpose the property into a boutique hotel.



What is an Appropriate Price Point Given Required Capital Investment?

- In the course of our due diligence, we repeatedly heard that in order to recoup costs and make operating a hotel financially feasible, the rack rate should include roughly $1 per $1,000 of development costs spent on each room. This is critical in evaluating whether or not the price that a potential boutique hotel in Redmond would have to charge is feasible.
- Johnson Reid estimated in 2012 that historic hotel should aim to charge rack rate of $140-$160 per night.
- We scanned environment / conducted research to ascertain whether or not such a rate was still reasonable and came to the conclusion that an average rack rate of $160-$180 would be appropriate.

Example

Total Development Costs	$10,000,000
Number of Rooms	200
Investment Per Room	$50,000
Suggested Avg. Nightly Rate	$50

$$\text{Investment Per Room: } \frac{\text{Total Development Costs}}{\text{Number of Rooms}}$$

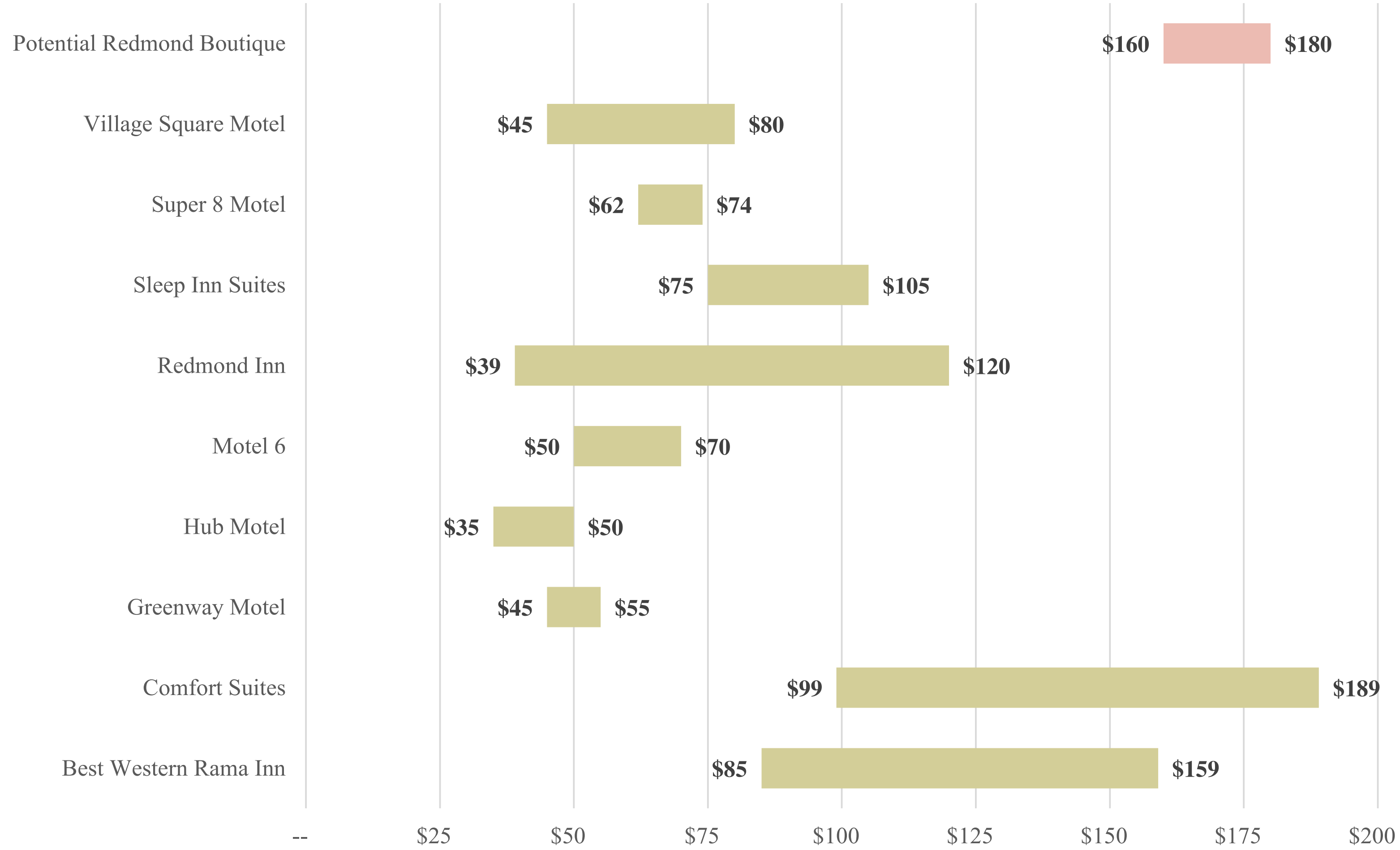
$$\text{Appropriate Nightly Rate: } \frac{\text{Investment Per Room}}{1000}$$

Potential Historic / Boutique Redmond Hotel

Existing Property	$2,500,000
Additional Development	$6,300,000
Total Development Costs	**$8,800,000**
Number of Rooms	48
Investment Per Room	$183,333
Suggested Avg. Nightly Rate	**$180**

Estimated Rate for Boutique Hotel is at Top End of Redmond Market

A potential boutique should seek to capture share in the smaller higher-end Redmond lodging market, especially since the estimated rack rate is materially above market average.

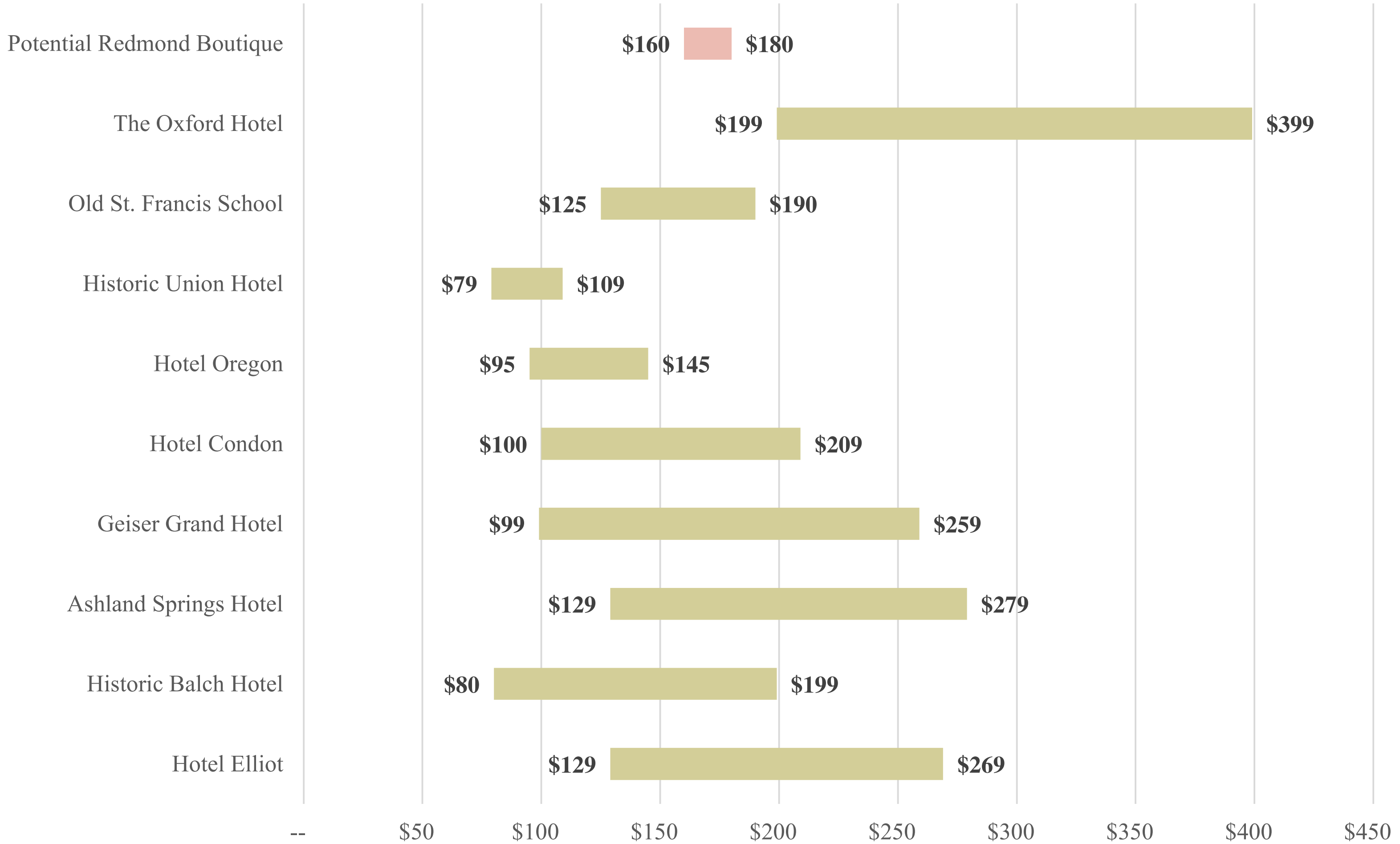


Source: Highest & Best Use Assessment of Redevelopment Options for the New Redmond Hotel, Johnson Reid, October 24th, 2012

See Appendix C for additional detail

Estimated Rate Falls In-Line With Boutique / Historic Hotel Competition

The potential Redmond boutique hotel offers a reasonable rate compared to regional peers—and would still be viewed as a discount to Bend.



Source: Highest & Best Use Assessment of Redevelopment Options for the New Redmond Hotel, Johnson Reid, October 24th, 2012

Appendix E displays further peer group data from boutique hotels

At the Average Redmond Occupancy Rate, A New Boutique Offers Average Returns

Estimated P&L	
Yearly Revenue	$1,931,580
Total Operating Expenses	$1,255,527
% of Revenue	*65.00%*
Interest Expense	$315,000
% of Revenue	*16.31%*
Property Taxes	$88,264
% of Revenue	*4.57 %*
Transient Room Tax	$173,842
% of Revenue	*9.00%*
Net Profit	$108,247
% of Revenue	*5.12%*

Assumptions	
Occupancy Rate	60%
Rooms	48
Nightly Rack Rate	$180
Nightly Revenue	$5,390

Appendix F describes tax rate assumptions, interest expense assumes loan of $6.3M

At Historic / Boutique Occupancy Rates, Case For Investment More Compelling

Boutique hotels tend to have higher returns since occupancy rates are higher than market average:

Estimated P&L	
Yearly Revenue	$2,253,510
Total Operating Expenses	$1,464,782
% of Revenue	*65.00%*
Interest Expense	$315,000
% of Revenue	*16.31%*
Property Taxes	$88,264
% of Revenue	*4.57 %*
Transient Room Tax	$202,816
% of Revenue	*9.00%*
Net Profit	$182,649
% of Revenue	*8.11%*

Assumptions	
Occupancy Rate	70%
Rooms	48
Nightly Rack Rate	$180
Nightly Revenue	$6,174

Appendix F describes tax rate assumptions, interest expense assumes loan of $6.3M

Determining Relative Importance of Occupancy & Rack Rate

Analysis reveals that achieving at least average local occupancy rates is key to project success, with pricing a secondary concern.

Net Profit Sensitivity (Net Profit / Revenue)

Occupancy Rate	Average Rack Rate $ 160	$ 165	$ 170	$ 175	$ 180
70%	5.9%	6.5%	7.1%	7.6%	8.1%
65%	4.3%	5.0%	5.6%	6.2%	6.7%
60%	2.5%	3.2%	3.9%	4.5%	5.1%
55%	0.4%	1.2%	1.9%	2.6%	3.2%
50%	(2.2%)	(1.3%)	(0.5%)	0.2%	0.9%

Appendix G shows returns on revised remodel estimates

New Redmond Hotel – Viability Gap Exists

While a hotel is financially viable, investors still say project returns are not lucrative enough to justify selecting Redmond over more developed markets.

- Viability gap can be defined as the necessary subsidization of development costs to incent private investment. Currently, Redmond's risk-reward profile is sub-optimal compared to other markets – offering lower returns and heightened risk.
- It is our opinion that without a third party providing meaningful development incentives, the New Redmond hotel will have difficulty attracting interest from experienced hotel operators.

Net Margin (Net Profit / Revenue)

Occupancy Rate	Average Rack Rate $ 160	$ 165	$ 170	$ 175	$ 180
70%	5.9%	6.5%	7.1%	7.6%	8.1%
65%	4.3%	5.0%	5.6%	6.2%	6.7%
60%	2.5%	3.2%	3.9%	4.5%	5.1%
55%	0.4%	1.2%	1.9%	2.6%	3.2%
50%	(2.2%)	(1.3%)	(0.5%)	0.2%	0.9%

Experienced Hotel Operators Are Often Targeting Returns in the Mid-Teens

Conclusion and Action Plan

Steps to Take for the Future

Hotel Developers Are Not Viewing Redmond as an Investment Opportunity

The city of Redmond will need to incentivize developers if the goal is to remodel the historic hotel into a boutique hotel.

- Redmond struggles to differentiate and market itself to high-end travelers. Moreover, the socioeconomics of the travelers staying in Redmond may not have the capacity to support a high-end boutique.
- Redmond's current lodging market is still growing, but has yet to become solid and consistently well performing, leaving a high risk for future development.
- The current full and select service hotel market is operating at occupancy rates that are not worthy of further investment exploration. Therefore, adding more rooms to the supply is a risky endeavor, even if the hotel is serving a niche.
- The high initial capital investment required to get the current building up and operating deters many potential developers.
- There is also the need for an experienced owner/operator to run the boutique and oversee its operations in order to avoid excessive administration and management costs.

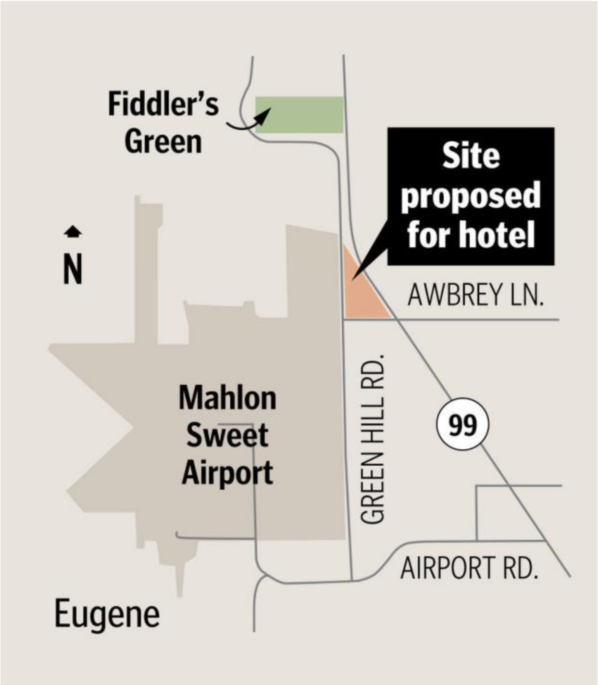
Redmond is Not Alone in Struggling to Attract Large Capital Investments

- Similarly situated about 15 miles from the nearest larger city, the Eugene Airport is opening up bids for a hotel developer to build a hotel. The property has been on the market for this project since 2007. In 2013 Eugene was hoping to lock in an investor, but it never formally issued a building request.

- The Eugene Airport continues to see growth in passengers, like the Redmond Airport, with a record passenger number of 909,121 compared to 892,873 in 2014 and 880,257 in 2013.

- Although there have been difficulties finding a developer for this site, hotel growth in Eugene has been strong. A 120-person hotel in downtown and a 130-person hotel in the Oakway Center will both open in the next 6-18 months. Two other hotel plans have been filed, totaling over another 120 additional rooms to the Eugene market. All of these combined would increase the hotel room inventory by around 25%.

- This situation parallels Redmond and Bend because developers are developing closer to the big city in Bend instead of building near the airport. The developments are taking place in areas where there are more certain levels of demand, not speculating on future growth.



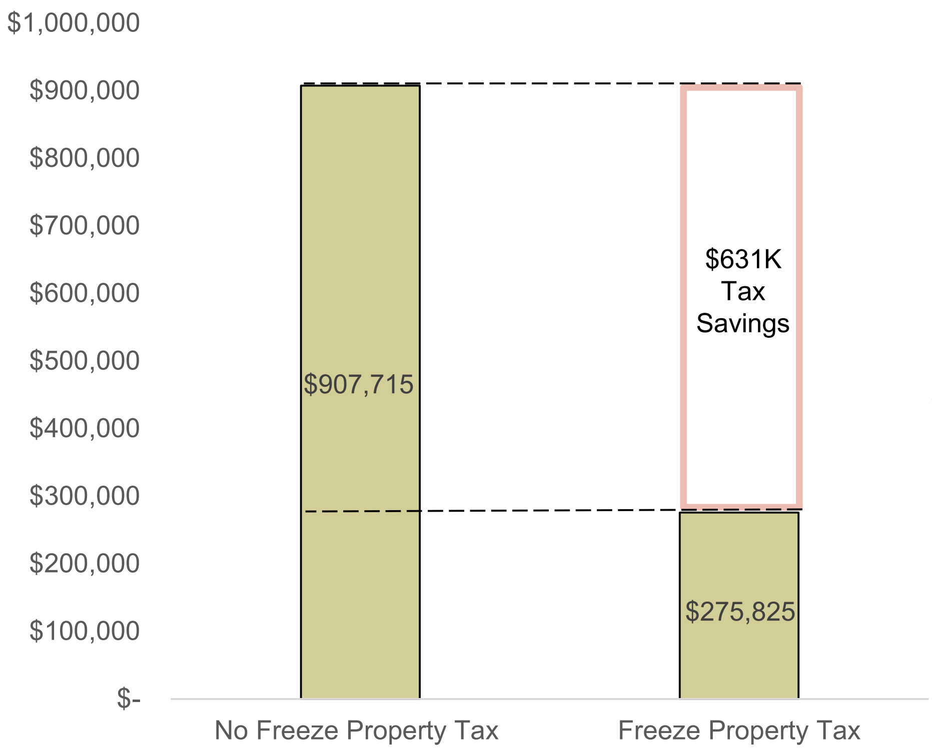
Source: Tom Penix / The Register-Guard, February 14th, 2016

Redmond Has Several Options to Incent Development of Boutique Hotel

1. State-Level Tax Freeze / Benefits For Historic Properties
2. U.S Government Tax Credit For Historic Properties
3. Revisit Successful Jumpstart Loan Program
4. Subsidize Development Costs With Redevelopment Opportunity Fund

Tax and Loan Incentive Programs Offer Incentives for Redevelopment

Tax Savings From Qualifying for Oregon Historic Renovation Tax Incentive



Source: Hotel Cluster Estimates

- The State of Oregon offers a special tax incentive to encourage the restoration of historic properties. This consists of a property tax freeze on the assessed value of the property prior to significant renovation valid for 10 years from the date of assessment. This tax incentive is a great option to decrease the financial risks of investing in this renovation, given the estimated capital expenditures of over $7.1MM.

- The U.S. Government also has a tax incentive in place that provides a 20% tax credit to any rehabilitation to a historical structure. This tax credit can be taken the year the building is put into service. There are strict guidelines for the building to qualify for this program as well as holding period restrictions.

Appendix F shows tax rate is consistent with assumptions

Redmond Specific Incentives May Increase Investor Interest

BUDGET SUMMARY

Downtown Urban Renewal Development Fund	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Budget	FY 2015/16 Budget
Current Resources				
Interfund Transfers	970,000	13,504,103	488,983	828,638
Other	44,444	78,958	75,900	70,900
TOTAL CURRENT RESOURCES	1,014,444	13,583,061	564,883	899,538
Beginning Fund Balances				
General	2,086,985	2,232,632	14,600,000	14,200,000
TOTAL BEGINNING FUND BALANCES	2,086,985	2,232,632	14,600,000	14,200,000
TOTAL RESOURCES	3,101,429	15,815,694	15,164,883	15,099,538
Expenditures by Activity				
Project Administration	513,688	367,219	350,169	376,199
Property Assistance Program	57,848	111,616	600,000	600,000
City Hall	-	-	1,500,000	1,500,000
Housing Development Opportunity Fund	70,584	23,682	2,000,000	2,000,000
Circulation Study	-	-	135,000	135,000
Highway 97 Reroute Beautification	-	34,504	531,000	531,000
Wayfinding	9,677	-	25,000	25,000
Business Development Services	-	-	25,000	45,000
Alternative Mobility Project	5,000	7,576	1,750,000	1,750,000
Business/Medical Park Development	4,250	46,492	1,350,000	1,360,000
Industrial Opportunity Fund	112,500	153	600,000	600,000
Redevelopment Opportunity Fund	5,363	25,328	4,500,000	4,500,000
Circulation Improvements	29,573	(0)	520,000	520,000
Public Open Space	43,726	76,202	778,714	642,339
Public Parking	16,588	-	500,000	515,000
Truck Bypass Reroute	-	4,076	-	-
TOTAL EXPENDITURES BY ACTIVITY	868,796	696,848	15,164,883	15,099,538
Expenditures by Appropriation				
Materials & Services	729,908	542,586	3,110,169	3,196,199
Capital Outlay	138,888	154,261	12,054,714	11,903,339
TOTAL EXPENDITURES BY APPROPRIATION	868,796	696,848	15,164,883	15,099,538
NET FUND TOTAL	2,232,632	15,118,846	-	-

Source: Redmond Budget Fiscal 15/16

- Redmond's JumpStart loan program offers one forgivable loan dollar for every four dollars invested, up to $500,000 in forgivable loan dollars. This is a program that warrants revisiting to incent investors in revitalizing the historic hotel.

- The City of Redmond budget for 2015-2016, has a line item dedicating $4.5 million to redevelopment. A portion of these funds could be effectively used towards rehabilitation of the historic hotel structure.

- Although these incentives sound very favorable to investment in Redmond, it is unclear how and if the historic hotel is eligible and if these programs can overlap.

Action Plan: Create a Benefit Package

Action	Who	When
Determine priority for property's role in downtown development	Redmond City Council	Immediately
Approach owners of hotel about intent to sell to experienced hotel owners using a benefit package	Redmond Economic Development / Urban Renewal Program Coordinator (REDUPC)	Within 1-2 Weeks
Develop benefit package, including requirement for boutique, art deco hotel development	REDUPC, Tax Attorney, Accountant, Real Estate Broker	Next 6-8 Weeks
Present benefit package to owners of historic hotel property and educate on package stipulations	REDUPC	Next 1-2 Weeks
Approach established boutique hotel owner / operators about investment	Current Owners of Downtown Historic Hotel	Next 6-18 Months
Ensure renovation plan to fit Redmond's art deco theme	REDUPC, New Owners	After Sale of Property

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Appendices

Additional Information and References

Appendix A: Breakdown of Traveler Spending by Purchases

Visitor Spending by Type of Traveler Accommodation ($ in Millions)

	Central Oregon	Oregon
Hotel, Motel, B&B	$ 472	$ 4511
Campgrounds, Private/Public	$ 48	$ 445
Private Home	$ 104	$ 1866
Vacation Home	$ 46	$ 180
Day Travel / Other	$ 77	$ 2046
Total Spending	**$ 747**	**$ 9047**

Visitor Spending by Commodities Purchased ($ in Millions)

	Central Oregon	Oregon
Accommodations	$ 180	$ 1806
Food & Beverage Services	$ 181	$ 2179
Food Stores	$ 61	$ 676
Air/Ground Transportation	$ 165	$ 2336
Recreation	$ 79	$ 980
Shopping	$ 81	$ 1071
Total Spending	**$ 747**	**$ 9047**

Source: Central Oregon Visitors Association, 2014 Economic Impact Report

Appendix B: Breakdown of Interviews of Hotel Industry

Name	Title	Company
Richard Boyles	Owner	Sycan Development
Brian Obie	Owner	Inn at the 5th
Jim Pliska	Owner	Comfort Inn in Creswell and other properties in Eugene
Chris Otto	Development Team	University of Oregon
Brad Evert	Owner	Historic Hotel
Chuck Arnold	Econ Development	City of Redmond
Samuel Johnson	General Manager	Oxford Hotel
Dawn Toombs	General Manager	Comfort Suites Redmond Airport
Kay Katyal	Owner	Timber Crest Inn at La Pine
Clifford Reynolds	General Manager	Quality Inn
Juan De Nova	Associate	Redmond Inn
Doug Edlund	General Manager	Squire Inn
Bailey Harris	General Manager	Inn at Red Hills
Mike Armstrong	General Manager	The Armstrong Hotel

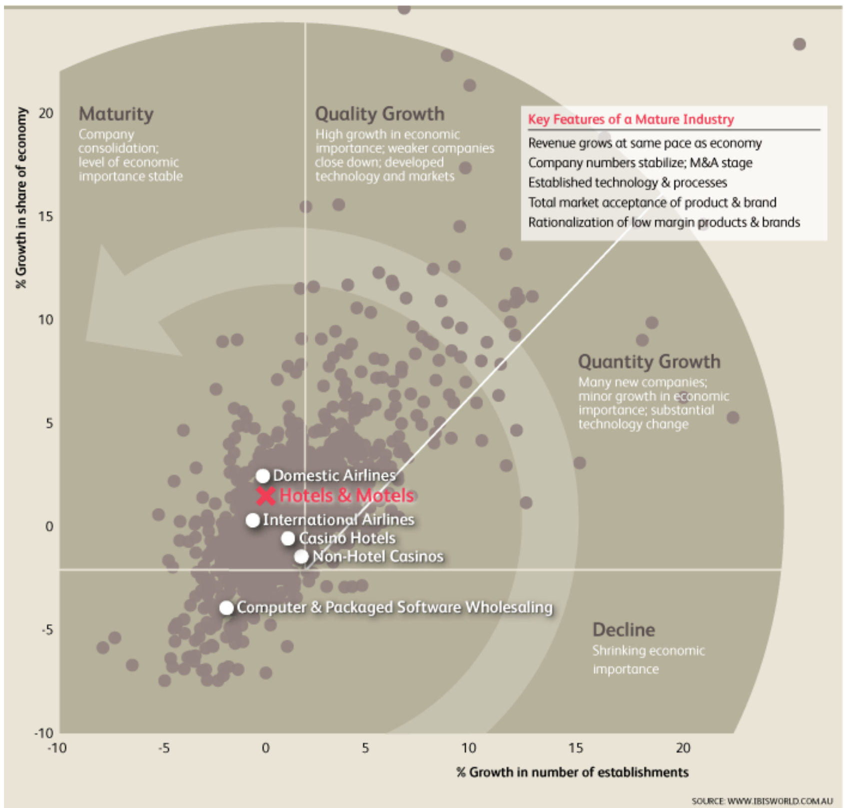
Appendix C: Peer Set Operating Data - Redmond

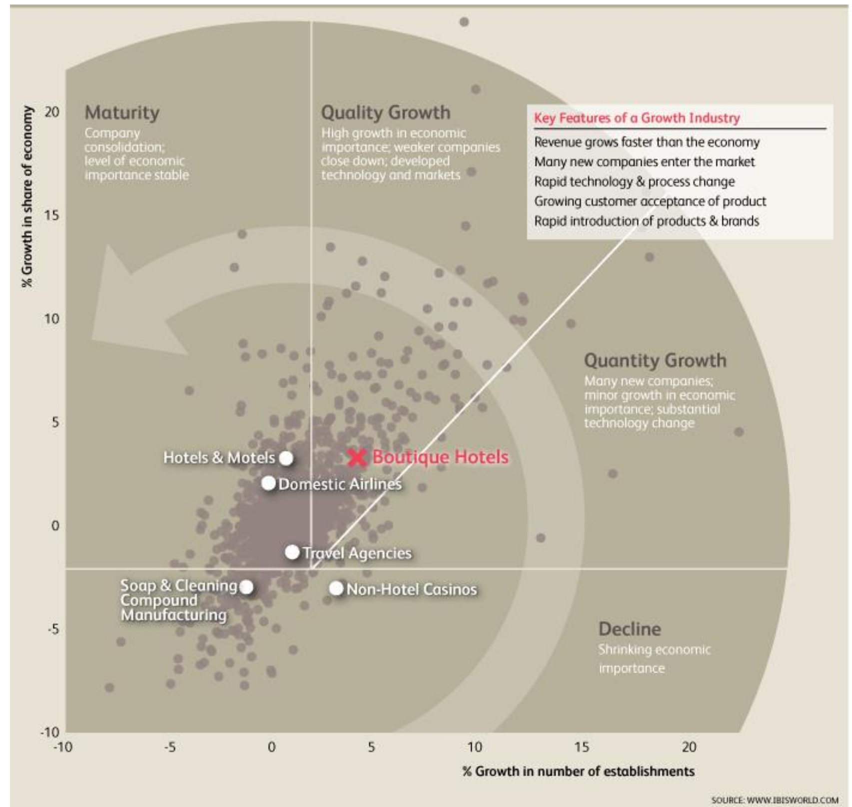
Redmond

Name	Low	Price Range Difference	High	# of Rooms	Avg. Occupancy
Best Western Rama Inn	$85	$74	$159	74	65%
Comfort Suites	$99	$90	$189	92	70%
Greenway Motel	$45	$10	$55	35	
Hub Motel	$35	$15	$50	30	
Motel 6	$50	$20	$70	83	45%
Redmond Inn	$39	$81	$120	46	55%
Sleep Inn Suites	$75	$30	$105	72	68%
Super 8 Motel	$62	$12	$74	85	
Village Square Motel	$45	$35	$80	24	35%
Potential Redmond Boutique	$160	$20	$180	49	
Average	**$70**		**$108**	**59**	**56%**

Source: Highest & Best Use Assessment of Redevelopment Options for the New Redmond Hotel, Johnson Reid, October 24th, 2012

Appendix D: Hotel vs. Boutique Industries State of Growth





Source: IBIS World

Appendix E: Peer Set Operating Data - Boutique Hotel

Historic / Boutique

Name	Low	Difference	High	# of Rooms	Avg. Occupancy
Hotel Elliot	$129	$140	$269	34	63%
Historic Balch Hotel	$80	$119	$199	19	60%
Ashland Springs Hotel	$129	$150	$279	70	70%
Geiser Grand Hotel	$99	$160	$259	30	
Hotel Condon	$100	$109	$209	18	
Hotel Oregon	$95	$50	$145	42	75%
Historic Union Hotel	$79	$30	$109	16	
Old St. Francis School	$125	$65	$190	19	90%
The Oxford Hotel	$199	$200	$399	59	60%
Potential Redmond Boutique	$160	$20	$180	49	
Average	**$120**	**$104**	**$224**	**35.6**	**70%**

Source: Highest & Best Use Assessment of Redevelopment Options for the New Redmond Hotel, Johnson Reid, October 24th, 2012

Appendix F: Tax Freeze Assumptions

($ Millions)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year6	Year 7	Year8	Year9	Year 10	Totals
No Value Freeze												
Estimated Property Value	$2,500,000	$8,800,000	$8,800,000	$8,800,000	$8,800,000	$8,800,000	$8,800,000	$8,800,000	$8,800,000	$8,800,000	$8,800,000	
Tax Rate	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	
Total Property Tax	$25,075	$88,264	$88,264	$88,264	$88,264	$88,264	$88,264	$88,264	$88,264	$88,264	$88,264	$907,715
Value Freeze												
Estimated Property Value Freeze	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	$2,500,000	
Tax Rate	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	1.003%	
Total Property Tax	$25,075	$25,075	$25,075	$25,075	$25,075	$25,075	$25,075	$25,075	$25,075	$25,075	$25,075	$275,825
Total Tax Savings	$0	$63,189	$63,189	$63,189	$63,189	$63,189	$63,189	$63,189	$63,189	$63,189	$63,189	$631,890
Discount Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Discounted Cash Flows	0	$60,180	$57,314	$54,585	$51,986	$49,510	$47,153	$44,907	$42,769	$40,732	$38,793	**$487,929**
Assume Cost of Debt	5%											

Appendix G: Profit Sensitivity – Revised / Updated Construction Costs

At a revised rate of $120 - $140 per night and total development costs of ~$6,000,000, the New Redmond Hotel project offers high single digit returns.

Net Profit Sensitivity (Net Profit / Revenue)

Occupancy Rate	Average Rack Rate $ 120	$ 125	$ 130	$ 135	$ 140
70%	6.8%	7.6%	8.3%	8.9%	9.6%
65%	5.3%	6.2%	6.9%	7.6%	8.3%
60%	3.6%	4.5%	5.3%	6.1%	6.8%
55%	1.6%	2.6%	3.5%	4.3%	5.1%
50%	(0.9%)	0.2%	1.2%	2.1%	3.0%