



# DOWNTOWN LEXINGTON MASTERPLAN

*Envisioning the Future...*

Prepared by  
Ayers / Saint / Gross  
ARCHITECTS + PLANNERS



LEXINGTON DOWNTOWN DEVELOPMENT AUTHORITY

# DOWNTOWN LEXINGTON MASTERPLAN

Lexington-Fayette County, Kentucky



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The Lexington Downtown Development Authority would like to thank the following organizations and companies for their contributions toward the Downtown Master Plan:

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*Public Presentation of the masterplan concepts*



*Residents of Lexington review proposals for the masterplan*



*Sarah Lewis and Kevin Petersen review student work*



*University of Kentucky Design Studio. Dean David Mohney (far left) and Harold Tate (far right) with design students from the School of Architecture, College of Design at the University of Kentucky*



# Project Summary

This publication is a synopsis of several workshops, public meetings, and neighborhood walks that occurred between 2004 and 2005 to guide the revitalization of downtown Lexington, Kentucky. Ayers/Saint/Gross worked with the Lexington Downtown Development Authority and the Office of Planning to complete this master plan for the 1,300-acre study area of the downtown and adjacent neighborhoods.

The College Town master plan, prepared in 2002, had succeeded in spurring reinvestment in the area between the University of Kentucky and downtown Lexington. This motivated the business community and city officials to pursue the completion of a downtown master plan that took into account changes in land ownership, local politics, and demographics.

To address this new reality more effectively, the local business community raised the funds to retain a design team led by Ayers/Saint/Gross to prepare a consensus master plan that could be implemented through public and private partnerships.

The Ayers/Saint/Gross master plan reflects a progressive approach to urban planning and development – one that views the collaboration of public and private actions as a continuous and evolving process that begins months before the design team’s efforts and continues for years afterward. The plan aims to identify general initiatives and specific projects that will maximize private investment while enhancing the public realm of downtown.

The master plan is to be used in conjunction with three documents: the Lexington Retail / Commercial Analysis, the Lexington Residential Market Analysis, and the Lexington Traffic and Transportation Analysis. In addition, an alternative zoning ordinance overlay is proposed,

which attempts to simplify the existing zoning code by reducing the 17 zones to three basic categories. This overlay may be implemented as either a replacement to existing ordinances or as an optional alternative to function in parallel with existing ordinances.

The master plan provides a framework for development of 17 specific neighborhoods and precincts. Interventions and pilot projects of various scales are proposed in each of these areas to support the core mission of the effort to revitalize Lexington’s downtown.

The downtown master plan is designed to meet the following goals:

1. The downtown shall be a place that unifies and supports the adjacent neighborhoods, where both residents and visitors, at work or play, feel connected and responsible.
2. The downtown area shall exemplify the region’s unique character and beauty, with civic spaces in which people feel comfortable coming together.
3. The downtown area shall include plentiful spaces for human interaction that are memorable, safe, and of commercial, residential and cultural benefit.
4. The downtown shall be a place of common vision and physical quality and predictability for all new building, to ensure security of investment for property owners and developers as well as an aesthetic experience for users.
5. The downtown shall nurture pedestrian life within the public realm while accommodating vehicular traffic.



*The design team and residents surveying the MLK Neighborhood*



*Design team reviewing student’s proposals for Downtown Lexington*

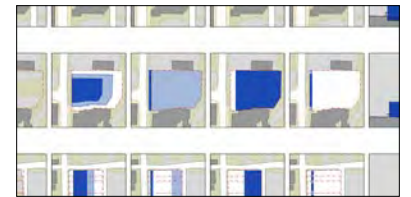
OBSERVATIONS



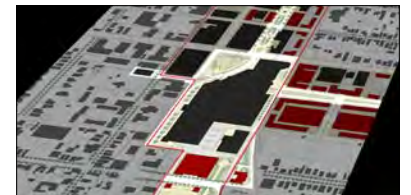
CONCEPT DEVELOPMENT



RECOMMENDATIONS



PRECINCT STUDIES



APPENDIX



History

Lexington has a long and important history. Located in the heart of the Bluegrass, the city and its citizens have been involved in world affairs politically, economically, and culturally. The history of Lexington dates back more than two centuries, and the founding of the town is congruent with the founding of the nation. In 1775, William McConnell and his fellow frontiersman were camped on the outskirts of the current city at what has since become known as McConnell Springs. There, the pioneers received word of the “shots heard ‘round the world” and the first battle of the American Revolutionary War at Lexington, Massachusetts. They then named the settlement in honor of this monumental event.

Lexington soon became one of the first permanent settlements on the frontier, though it consisted of nothing more than a number of citizens’ cabins within the walls of a stockade. The frontier remained a dangerous place, and early settlers clashed with the region’s Native Americans. At the time, Kentucky was a territory within the Commonwealth of Virginia, not an separate state. In 1780, the Virginia General Assembly divided Kentucky County into the three separate entities of Fayette, Lincoln, and Jefferson counties. Lexington was deemed the “capital” of Fayette County. In April 1782, the residents officially petitioned the Virginia General Assembly to become a town; a decade later, Kentucky became

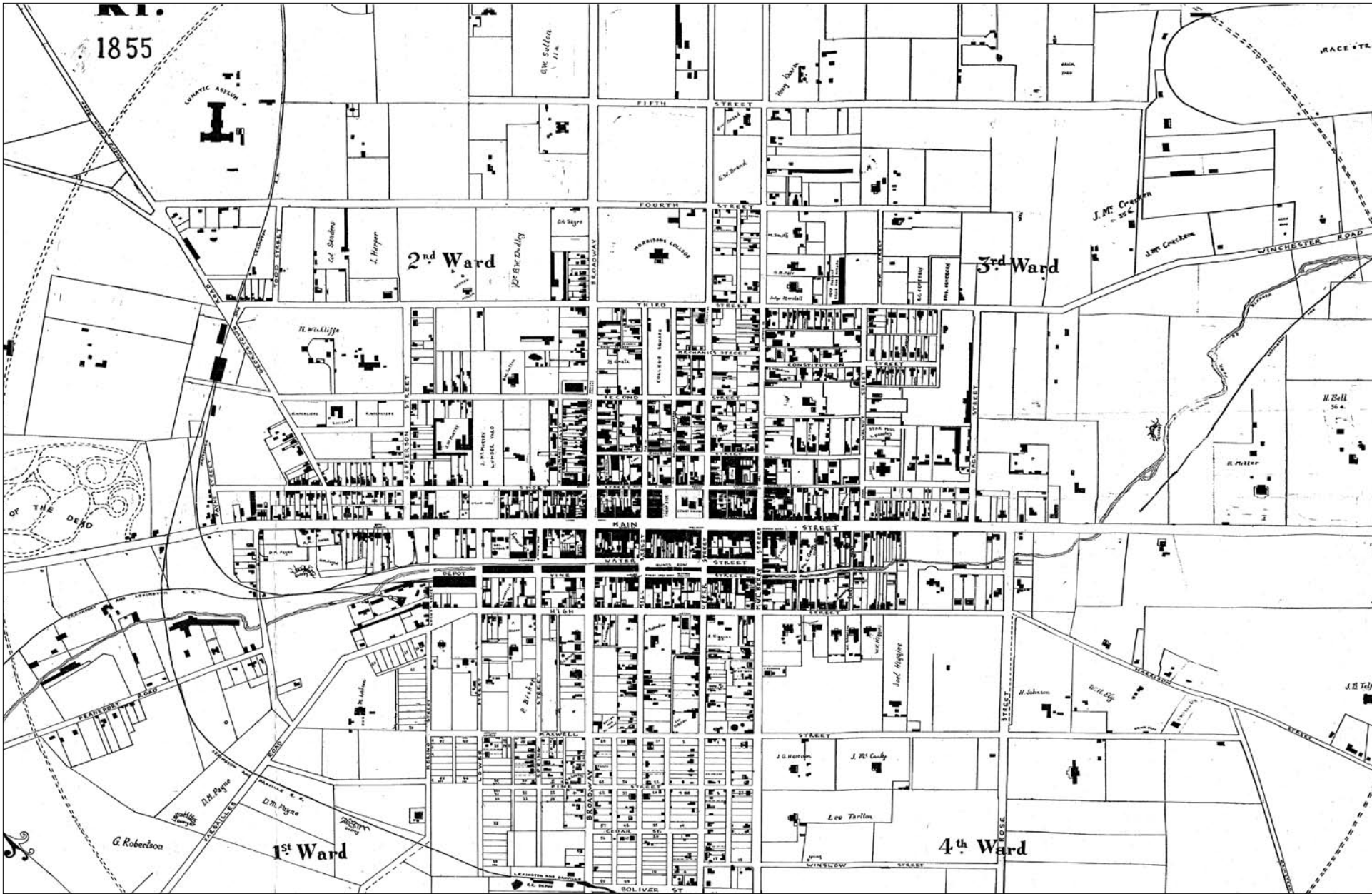


Figure Ground of the City of Lexington (circa 1855)



the fifteenth American state. Over time, Lexington was transformed from the rough, wild settlement of years past into a thriving community with a cultured lifestyle, and widely referred to as “the Athens of the West”:

“But Lexington will ever be,  
The Loveliest and the Best;  
A Paradise thou’rt still to me,  
Sweet Athens of the West.”

In his 1806 journal, a visitor named Josiah Espy described Lexington as an unequaled frontier settlement:

“Lexington is the largest and most wealthy town in Kentucky, or indeed west of the Allegheny Mountains; the main street of Lexington has all the appearance of Market Street in Philadelphia on a busy day ... I would suppose it contains about five hundred dwelling houses [it was closer to three hundred], many of them elegant and three stories high. About thirty brick buildings were then raising, and I have little doubt but that in a few years it will rival, not only in wealth, but in population, the most populous inland town of the United States .... The country around Lexington for many miles in every direction, is equal in beauty and fertility to anything the imagination can paint and is already in a high state of cultivation.”

Espy was correct in predicting the future of Lexington. The city would grow to a town of considerable size, and become a notable intellectual and religious center. Transylvania University, the first institute of higher learning west of the Alleghenies, was established in nearby Danville in 1780 and moved to Lexington in 1789. The university has remained in Lexington since 1789 and is widely known as the “Tutor to the West.” John Bradford, an early Lexingtonian, published the first newspaper of the West in Lexington. The first library in Kentucky was founded here in 1795. Many religious organizations

in Lexington became firsts for the state and in some cases the West. Christ Church Episcopal was founded in 1796 and was the first Episcopal congregation west of the Allegheny Mountains. Walnut Hill Presbyterian Church is the oldest Presbyterian Church building in Kentucky, built in 1801. Another important congregation in Lexington is the First African Baptist Church. This congregation was founded in 1790; it is the third oldest Baptist congregation of African Americans in the United States and the oldest in Kentucky.

Lexington has also served as an important economic center throughout its 225-year history. During the early nineteenth century, Lexington was a major manufacturing center, with a flourishing hemp industry. The hemp was grown on area farms then manufactured into rope on the many “rope walks” or rope factories within the city limits. John Wesley Hunt, an area businessman, made his fortune in the hemp and mercantile business and became the first millionaire west of the Allegheny Mountains. With this fortune he constructed his mansion, Hopemont (the Hunt-Morgan House). Lexington also became an important trade center, as citizens from the smaller surrounding towns traveled to the city for imported goods. During the twentieth century, much of the money from the Eastern Kentucky coal industry passed through Lexington and helped foster further growth. The downtown and the North Limestone commercial districts are living testaments to the city’s importance as a trading center.

Politically, Lexington has been actively involved in affairs of the nation. Henry Clay, United States senator and three-time presidential candidate, began his political career in a small office on Mill Street and resided at his mansion, Ashland, when not in Washington on business. Mary Todd Lincoln, wife of President Abraham Lincoln, spent her childhood years in Lexington and grew up in the house of her father on West Main Street. John

Cabell Breckinridge, vice president under President James Buchanan, also hailed from Lexington, and a monument honors him on the courthouse lawn. During the Civil War, Lexington was controlled by both Union and Confederate factions. The Union forces utilized the campus of Transylvania University and were headquartered at the Bodley-Bullock House, while the Confederate sympathizers used the neighboring Hunt-Morgan House.

Lexington continues to thrive as the second largest city in the state of Kentucky and the “Horse Capital of the World.” Every year, thousands flock to Keeneland to attend the annual races and purchase thoroughbreds at the horse sales. During the twentieth century, Lexington saw rapid growth, and the city limits continue to expand. Many early twentieth-century residential neighborhoods, such as the Ashland Park Historic District and the Bell Court Historic Neighborhood District, were built to accommodate this population growth. As we enter the twenty-first century, Lexington’s future continues to look bright.

*The above excerpt is taken from:  
Lexington, Kentucky: The Athens of the West, was produced by the National Park Service (NPS), U.S. Department of the Interior, in cooperation with the Kentucky Department of Travel, Bluegrass Trust for Historic Preservation, Transylvania University, Kentucky Heritage Council, and the National Conference of State Historic Preservation Officers (NCSHPO). It was created under the direction of Carol D. Shull, Keeper of the National Register of Historic Places, National Park Service, Patrick Andrus, Heritage Tourism Program Manager, and Beth L. Savage, Publications Program Manager. Lexington, Kentucky: The Athens of the West, is based on information in the files of the National Register of Historic Places and National Historic Landmarks collections. These materials are kept at 800 North Capitol St., Washington, D.C., and are open to the public from 8:00am to 12:00pm and 1:00pm to 4:00pm, Monday through Friday.*



# Planning Methodology

The planning approach for Lexington led to the development of a physical plan that effectively embodies the city’s character by integrating five distinct phases of work through continuous on-site workshops. The five phases were:

- Observations
- Conceptual plan
- Neighborhood studies
- Design guidelines
- Final plan

## OBSERVATIONS

The observations phase involved the accumulation and analysis of quantitative and qualitative data necessary to generate a realistic portrait of the existing conditions. The planning team relied upon existing data, studies, visual assessment, interviews, and separate, ongoing planning and design efforts. Base data was verified by architecture students at the University of Kentucky.

Information pertaining to the following conditions was gathered, analyzed, and documented in the form of reports, diagrams, and presentations:

- Analysis of programs
- Strategic initiatives
- Projected growth
- Analysis of precedent
- Historic development
- Analysis of place
- Building use and character





- Landscape and vegetation
- Centers and edges
- Geology and landform
- Codes and regulations
- Contextual influences
- Circulation systems
- Transportation systems and parking
- Access and circulation

CONCEPTUAL PLAN

To initiate the conceptual plan phase, planning participants examined a set of guiding principles stating the philosophical positions of the citizens, mayor, and council. These principles, together with the information accumulated during the observations phase, informed the content and composition of the conceptual plan.

With a broad-brush approach, like a “sketch before a painting,” the plan began to illustrate the structure, layout, and relationships of planned open space, circulation systems, buildings, and focal points. This conceptual plan was then used to describe development ideas, obtain input, and build consensus from stakeholders. Proposed and existing buildings and grounds were illustrated and differentiated from one another.

NEIGHBORHOOD STUDIES

During neighborhood studies, the planning team explored discrete areas within the city in greater detail in order to test technical feasibility and refine the plan information generated in the conceptual plan phase. The team walked each of the 13 neighborhoods surrounding the downtown core, met with residents, and discussed constraints and opportunities.

Building setbacks and massing, envelope criteria, engineering systems, pedestrian and vehicular circulation systems, service points, treatment of open space and entrances, general code compliance,

and landscape composition were addressed in the documents for this phase of work.

DESIGN GUIDELINES

Concurrent with the neighborhood studies and the final plan documentation was the development of design guidelines for buildings and grounds in order to guide, through a codified system, architecturally unified precincts and campuswide planning proposals. The information generated here was integrated to inform decisions in the precinct plans. The final document serves as a flexible reference for the evaluation of existing and future implementation projects.

Design guidelines describe height and massing of buildings, disposition, primary entries and service areas, street and open space proportions, and the detailing characteristics of each. Building gross square footage and appropriate use, if determinable, were included. Interrelationships of buildings, streets, and open spaces to each other and to the overall plan were also articulated.

Guidelines for the grounds and open space fix and describe the landscape, architectural treatment of specific types of streets, public spaces, parks, and woodland environments. Guidelines for treatment of pavement, outdoor lighting (aesthetic and functional), walls and enclosure systems, planting and site furnishings, signage, and other elements that identify special spaces were created. A detailed audit of existing deficiencies or remedial actions was outside of the scope of the campus plan.

FINAL PLAN

The final plan consists of documents and presentations that aggregate the information prepared in previous project phases. This takes the form of a plan view showing existing and proposed buildings and open space, as

well as illustrative before-and-after perspective views. All vacant and underutilized sites within the downtown core are identified in the process.

The forum in which the planning team operated was based on a series of work sessions conducted during monthly visits to Lexington. During each visit, the planning team engaged the community in dialogue, fact finding, and decision making. Visits ranged from one to four days and included interview sessions, walking tours, public presentations, stakeholder meetings, and concept development.

Following each visit, the planning team continued to develop design concepts and prepare documentation at each phase. This approach allowed the master plan to be more cohesive in concept and much more efficient in execution. The final planning documents are a series of coordinated individual chapters and reports that address specific areas of concern and allow for continued updates and expansion. The overall schedule for this planning process was approximately 18 months.

Working in an incremental manner, the planning team started with a small core team of planners who, in conjunction with the steering committee, established the broad goals and objectives of the process and identified the initial opportunities and constraints of the plan. Utilizing this approach, the core team developed and refined the initial vision and statement of principles and goals for the master plan. Housing, retail, and traffic consultants were brought onto the team to support the goals and objectives; these specialists assisted in technical issues and helped complete specific studies and analysis as the information was required.

CONCLUSION

The proposed downtown master plan for Lexington combines tradition and innovation. Equally important, it is visionary and realistic, utilizing a consensus-driven approach to ensure incremental implementation and stakeholder support.

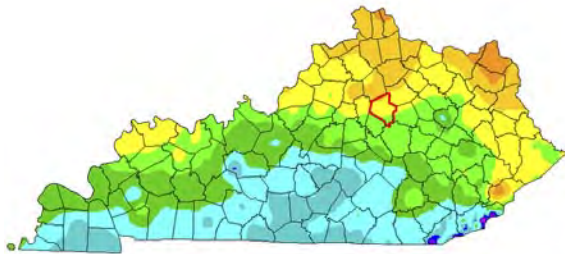
Regional Context

Lexington-Fayette County lies in two geologic areas: the Inner Bluegrass Physiographic Region and the Hills of the Bluegrass Physiographic Region. The majority of the locale lies within the Inner BluegrassRegion,characterizedbyupland plains and stream bottomlands. The Hills of the Bluegrass Region accounts for only a fraction of southeastern Lexington-Fayette County and is comprised primarily of steep hills and narrow ridge tops, making it not well suited for cultivation or large-scale development. Soil type for the area is high in natural fertility, with clayey subsoil formed in place by the underlain limestone. Lexington-Fayette County is dissected by nine distinct watersheds; seven impact the urban area, while two are completely rural.

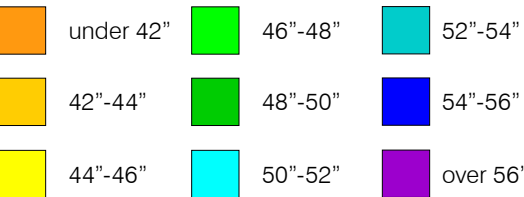
The geology and soils create favorable conditions for livestock and crop farming, and agriculture continues to be an important land use for Lexington-Fayette County.

Between 1963 and 1995, the amount of developed land in Lexington-Fayette County more than doubled, from 17,926 acres to more than 36,000, with an average of 500 acres inside Lexington’s urban area developed each year.

The Federal Bureau of Economic Analysis reported that in 1996 more than 11,000 people worked building homes and businesses in Fayette County; about



Average Annual Precipitation



Physiographic Regions

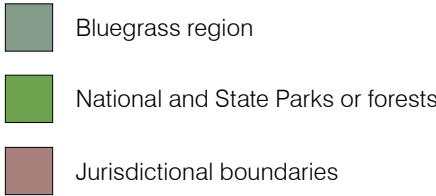


Terrain

Fayette County consists of 283 square miles of gently rolling plateau in the center of the inner Bluegrass Region. The fertile soil is excellent pastureland for horse and stock farms. *Poa pratensis* (bluegrass) thrives on the limestone beneath the soil’s surface, and plays a major role in the area’s scenic beauty.



### Natural Preserves



### Water Bodies, Rivers, and Creeks

The Commonwealth of Kentucky is surrounded by and riddled with rivers and lakes. The northern boundary of the state is defined by the Ohio River while the Mississippi River forms the western edge. The largest bodies of water are Kentucky Lake and Barkley Lake in the southwest portion of the state.



### Interstate Highways

Lexington is within a day's drive of 75 percent of the population of the United States. The city is well served by two interstate highways, being strategically located at the intersection of Interstates 64 and 75, which forms a triangle between Lexington to the south, Louisville to the west, and Cincinnati to the north. Both Louisville and Cincinnati are within an hour's drive of Lexington.

twice as many as worked in farm-related jobs. The rate of growth has resulted in once vacant or agricultural land being developed as housing, shopping, employment, and the accompanying public/semi-public land uses to accommodate the community's growth.

Additionally, the high prices coupled with tighter land use policies in Lexington-Fayette County are among the factors that have led home buyers to the surrounding counties. From 1980 to 1990, the population for the entire seven-county Bluegrass Region increased 9.5 percent while the housing units grew by 18.5 percent.

Residents of Lexington prize the rural atmosphere of the central Bluegrass Region of Kentucky. The physical characteristics of the regional context play an important role in the mind-set of the residents, as development in this region historically has been contained within established urban centers and small towns, with each town separated from the other by greenbelts of farmland and connected by a network of scenic roads.

The growth pressures outlined above have caused rapid increase in development in rural areas, and cities are expanding down the region's connecting roadway corridors toward each other. As this trend continues, the once distinct communities of the region are being blurred as their identities merge with interlinking sprawl development.



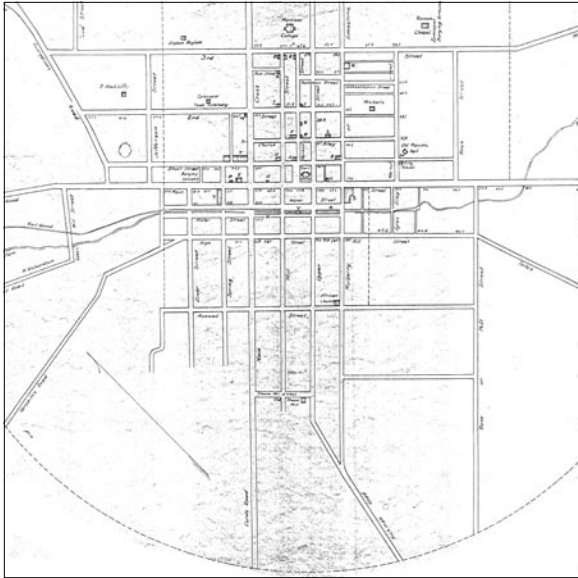
Street Network

While many U.S. cities are laid out in grids, Lexington's street network is based on a radiating system of roads, referred to as a “spoke and wheel” highway system. These spokes move traffic in and out of Lexington's fast-expanding boundaries. While the system once accommodated the city's traffic, suburban population growth has started to congest the existing street network.

A recent study by the county's Division of Traffic Engineering indicated that Lexington-Fayette County adds approximately 15 miles of new subdivision streets each year, while maintaining the same number of arterials.

As is true in many U.S. cities, the outward growth and suburbanization within the Lexington-Fayette County has created an unsustainable condition for commuters. With few options to acquire land for thoroughfare expansion, the level of service at several street intersections is dramatically low.

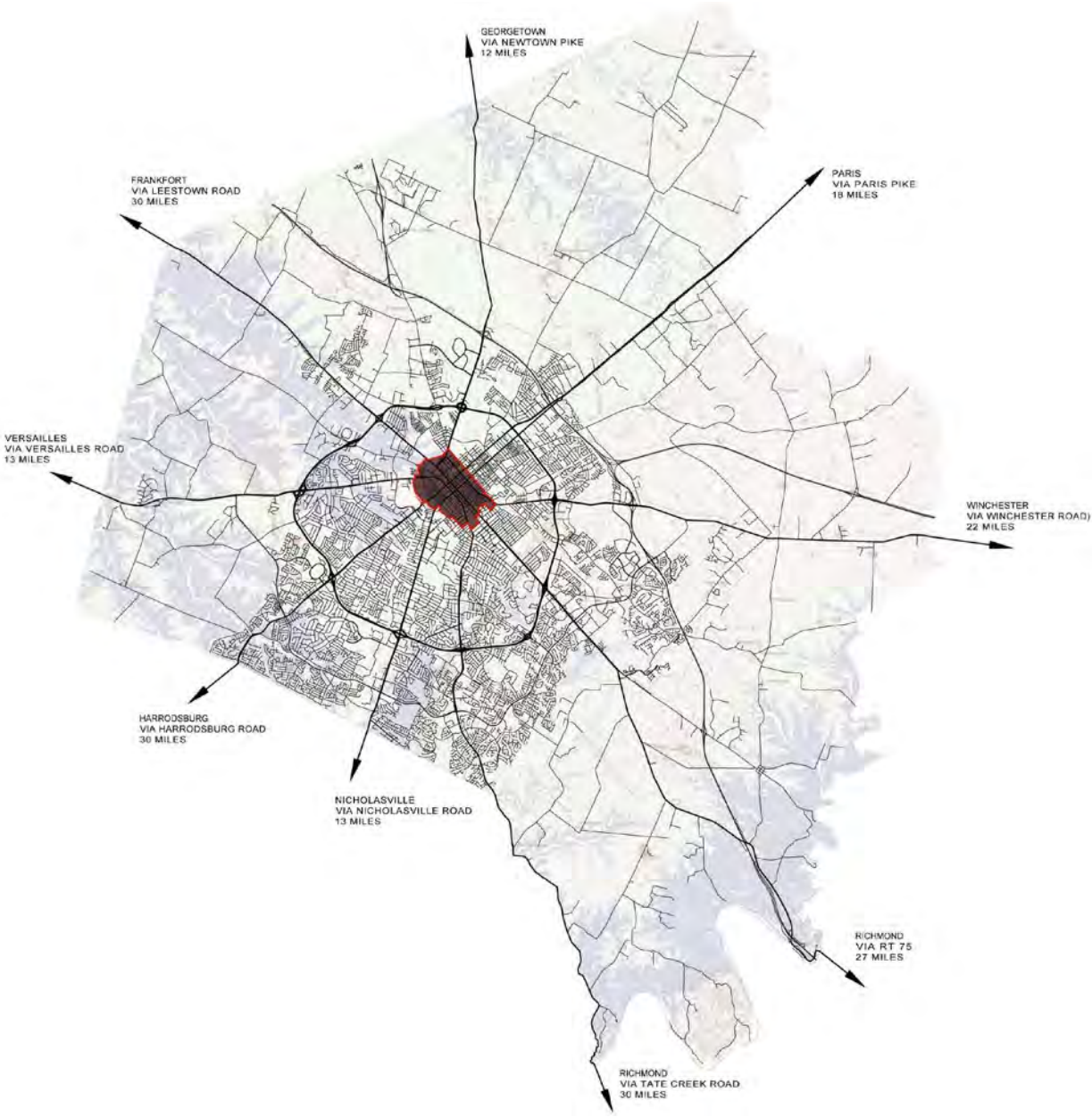
To compound this situation, our research showed that by the late 1990s, there were more registered vehicles in Lexington-Fayette County than people.



Street map from 1833



Bird's eye view from 1871



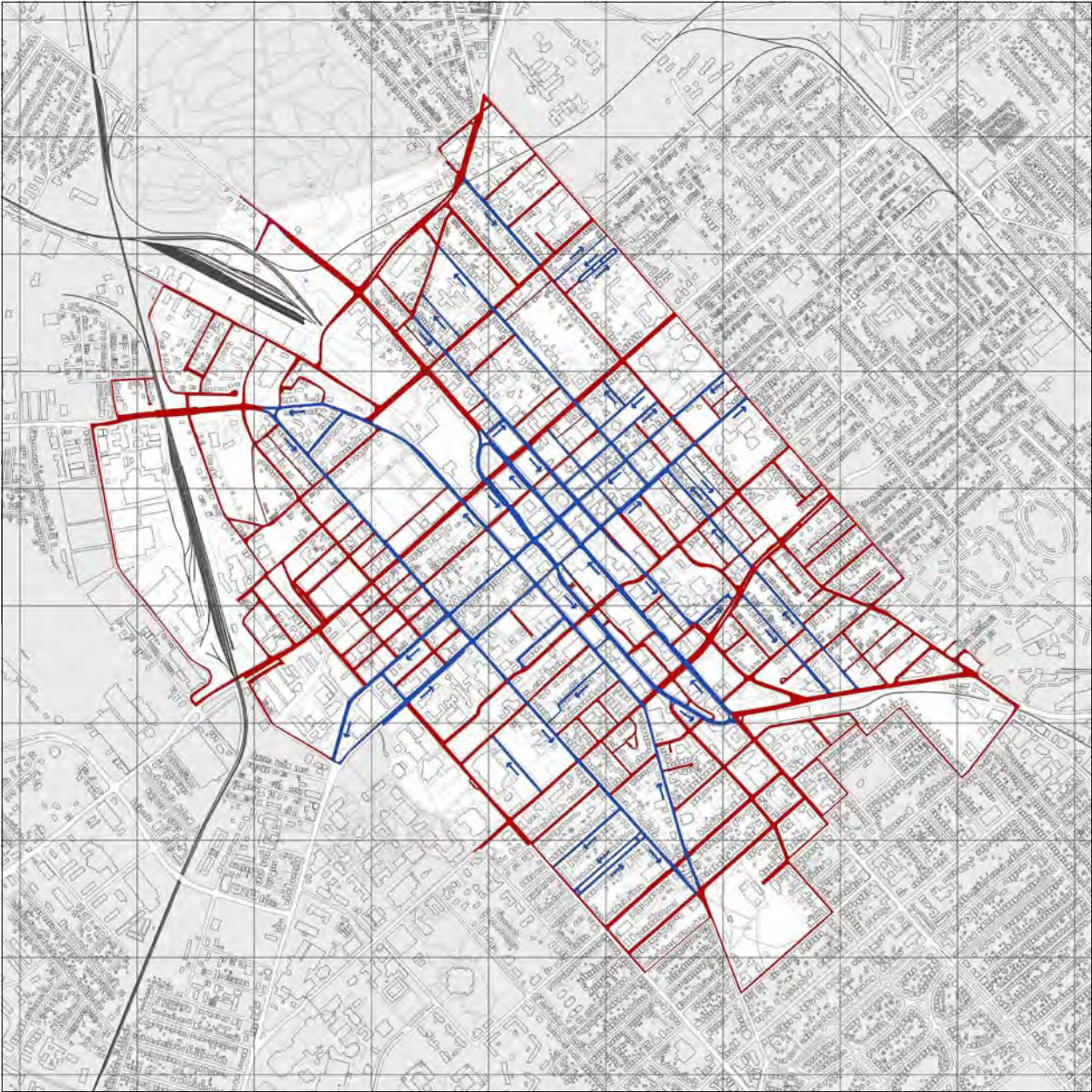




View of Vine Street



Maxwell Street



Study area showing one and two-way streets.

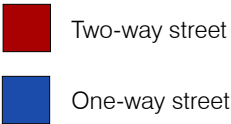
## One Way and Two Way Streets

Lexington's one-way streets, like those in many cities in the country, were created to provide fast routes for commuters as they drive to work in the morning and rush out of the city at night. Other commuters use these one-way routes to travel through the city from outer suburb to outer suburb, adding to the congestion downtown.

The end result is a city that is difficult to navigate, creating an economic disadvantage for businesses wishing to locate within the downtown area.

Lexington's street network is confusing for out-of-town visitors, and the situation does not help attract customers or pedestrians. Additionally, studies indicate that motorists tend to drive faster on one-way streets, simply because there are fewer conflict points.

The Washington, D.C.-based International Downtown Association has reviewed research and analysis and concluded that one-way streets are more detrimental to downtown retail than they are helpful. Converting one-way to two-way streets is an integral part of this master plan study.





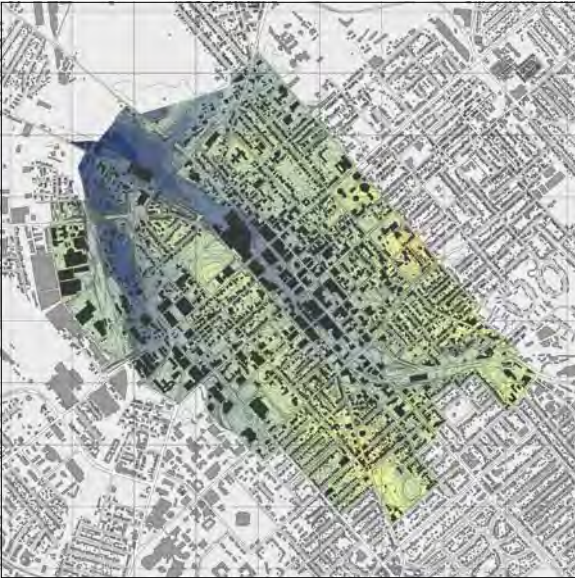
Physical and Climatic Conditions

The city has a mean average elevation of 977 feet above sea level.

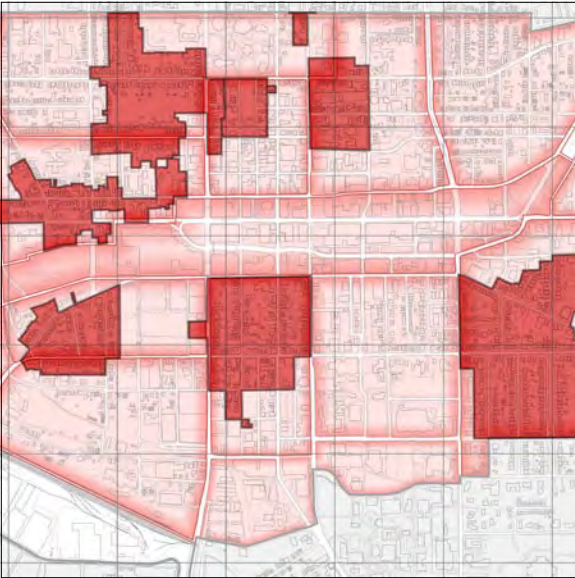
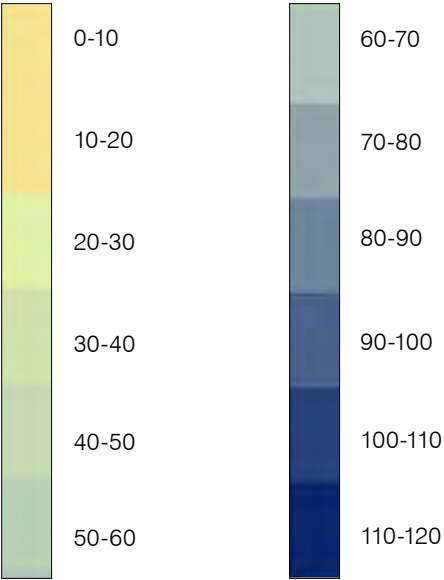
The central business district is built above the valley of the town branch river bed, creating a depression in the topography along the edge of the downtown.

The mean average temperature in Lexington is 54.9°F (13°C). Annual precipitation is 45.68 inches (1.2 meters). Lexington and the Bluegrass have four distinct seasons that include cool plateau breezes, moderate nights in the summer, and no prolonged periods of heat, cold, rain, wind, or snow.

Lexington does have the dubious distinction of being recognized as the number-one worst city for spring allergies by the Asthma and Allergy Foundation of America. Louisville came in at number four.

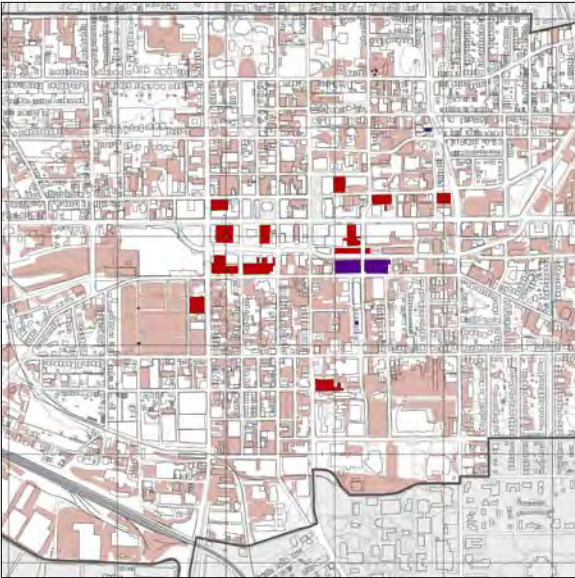


Elevation Variation



Designated Historic Areas

Due to its rich history, Lexington has a number of protected neighborhoods. The areas shown in red are designated by local ordinances as historic neighborhoods, and are governed by requirements that protect these neighborhoods. New infill and development projects need to comply with these ordinances.

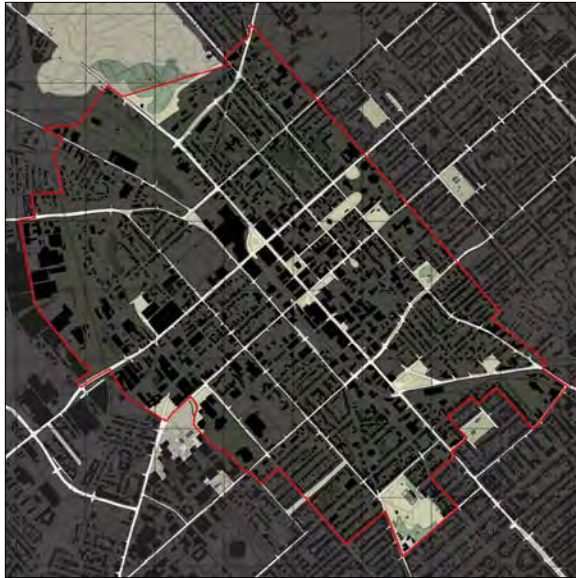


Parking

A survey of the building footprints within the downtown area indicates an abundance of surface parking lots. These underutilized land parcels create voids (similar to “missing teeth”) in the building fabric of the downtown study area. These areas, along with abandoned sites (very often old tobacco warehouses), represent underutilized parcels, an opportunity for infill development.







### Block Structure & Green Spaces

This graphic shows the infrastructure in the downtown area by darkening blocks and leaving the thoroughfare rights-of-way light, highlighting the simple grid that constitutes the network of streets and the existing parks and open spaces (shown in black). This diagram illustrates the tremendous potential of downtown Lexington. The block structure is comparable to any great downtown, with good circulation potential and an ample supply of green spaces.



### Building Setbacks & Vacant Parcels

This graphic illustrates the reality of the existing condition by taking the previous block-structure diagram and showing where the existing buildings are sited. The diagram illustrates the discontinuous street wall, which creates a loosely defined perimeter to the blocks. In their ideal configuration, buildings are set back from the thoroughfare right-of-way, increasing the perceived width of the street. Additionally, if the street wall is made continuous by buildings, the effect is similar to the continuous row of teeth in a smile – missing teeth in the row do not create a pleasant visual appearance.



### Infill and Potential Redevelopment Sites

The diagram above combines the information illustrated in the two previous graphics, and illustrates the large quantity of vacant or underutilized properties with the large setbacks. The yellow highlighted areas provide a guide for considerable infill and redevelopment potential in a superficially “full” downtown.

### Infill Opportunities

Many cities and older communities across the nation have been on the rebound. These cities are seeing increases in population and jobs for the first time in decades; they are reinventing themselves and doing well economically as they develop new bustling neighborhoods, downtowns, and cultural districts.

Inner-ring suburbs are also remaking themselves based upon models that are more urban than suburban. They are embracing well-designed, dense developments connected by pedestrian-oriented streets. They are redeveloping vacant and underused properties to create walkable retail districts and neighborhoods, often built around transit. Single projects blend housing, retail, entertainment, civic, and office functions – “mixed-use” in the best sense.

As a result, these cities, towns, and metropolitan areas are evolving into healthy communities featuring strong, resilient economies and stronger social connections within neighborhoods. They enjoy more green and open spaces and depend less upon automobiles and asphalt. Whether you call it New Urbanism, sustainable development, or smart growth, this is human-scaled development that preserves land and fosters balanced communities, and this model should be studied and emulated nationwide and in Lexington.



Existing Conditions

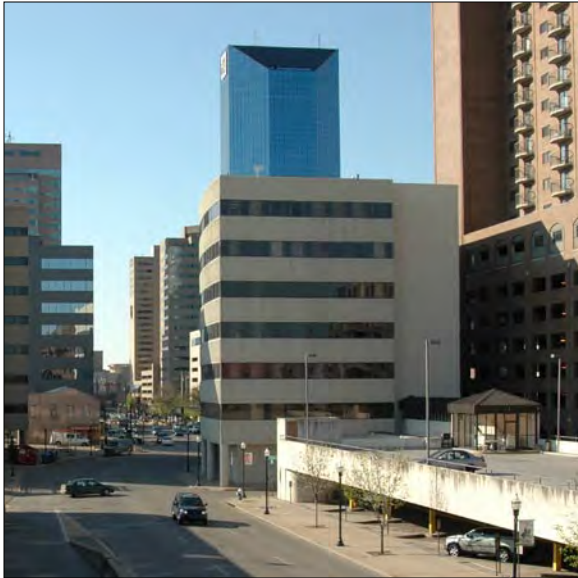
The downtown area, when seen in an illustrative plan, starts to show the growth patterns and densities that have incrementally developed over the past 200 years.

The core consists of large-footprint commercial buildings organized along a linear spine, adjacent to Vine and Main Streets. Low-rise large warehouse buildings are located adjacent to the railroad lines. The remaining fabric of the city is small-scale, incrementally developed land parcels that are unique and give the city its historic character.

Additionally, Lexington is notable for the number and variety of existing residential neighborhoods adjacent to and in close proximity to the central business district.

The illustrative plan also indicates the vast areas of vacant land parcels or underutilized parking lots (shown in green and gray) that are still available for possible development.

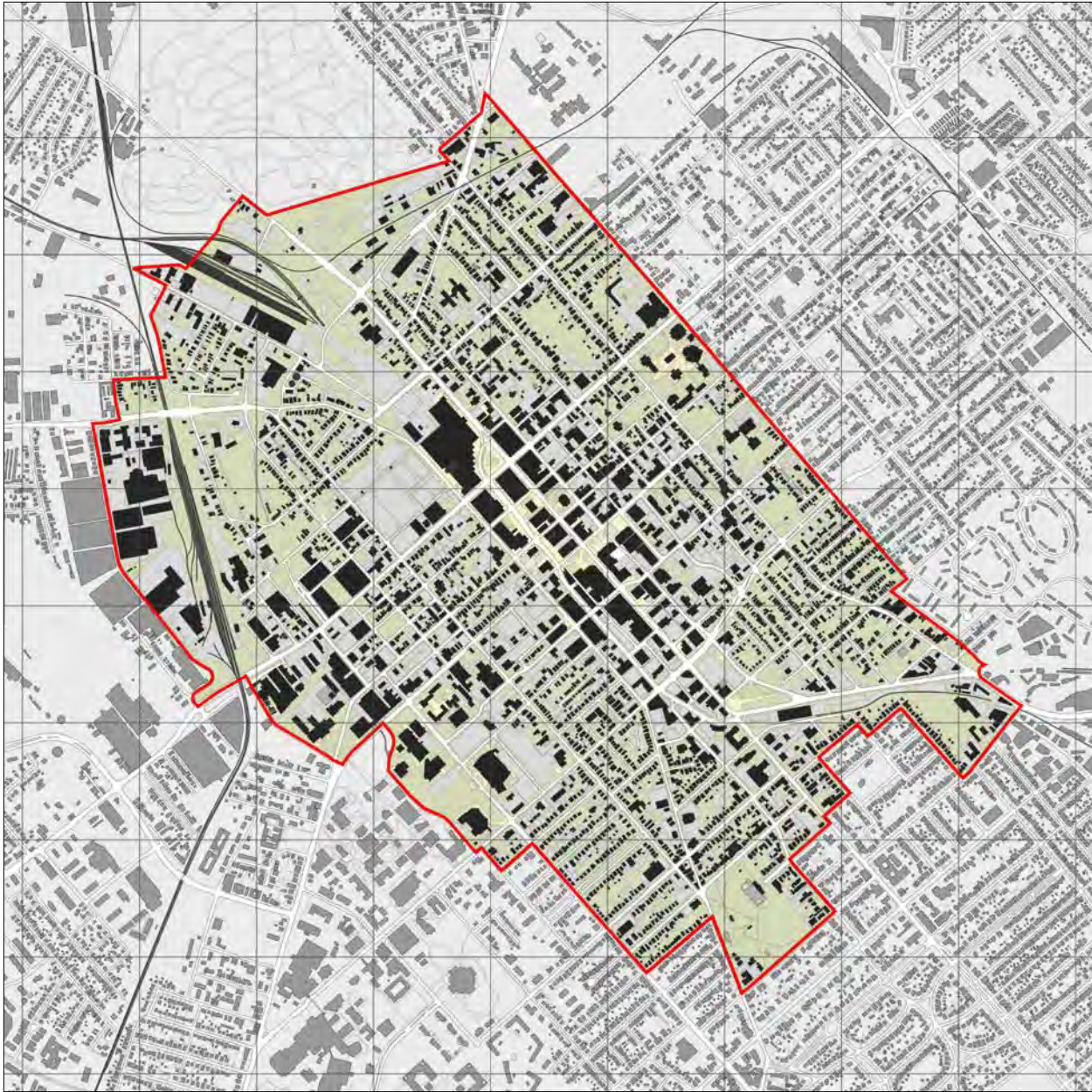
The downtown master plan proposes developing these infill sites within the existing fabric as a sustainable and economical strategy, versus future expansion of the urban service boundary.



Vine Street looking west



Underutilized parcel



Existing study area.





Downtown Lexington photo. Source: City-Data.com

## Demographics

The estimated 2000 population of Lexington-Fayette County was 260,512. The estimated 2000 population of the metropolitan statistical area (MSA), comprised of Bourbon, Clark, Fayette, Jessamine, Madison, Scott, and Woodford Counties, is 424,778.

In 2005 a Combined Statistical Area (CSA) was established for “Lexington-Frankfort-Richmond,” for which Lexington is the centerpiece.

As of the census of 2000, there are 260,512 people, 108,288 households, and 62,915 families residing in the city. The population density is 353.5/km<sup>2</sup> (915.6/mi<sup>2</sup>). There are 116,167 housing units at an average density of 157.6/km<sup>2</sup> (408.3/mi<sup>2</sup>).

The racial makeup of the city is:

- 81.04 percent White
- 13.48 percent African American
- 0.19 percent Native American
- 2.46 percent Asian
- 0.03 percent Pacific Islander
- 1.21 percent other races
- 1.58 percent two or more races
- 3.29 percent Hispanic or Latino of any race

There are 108,288 households out of which:

- 27.3 percent have children under the age of 18 living with them
- 43.5 percent are married couples living together
- 11.5 percent have a female householder with no husband present
- 41.9 percent are non-families

- 31.7 percent of all households are made up of individuals
- 7.5 percent consist of a single individual who is 65 years of age or older

The average household size is 2.29 and the average family size is 2.90.

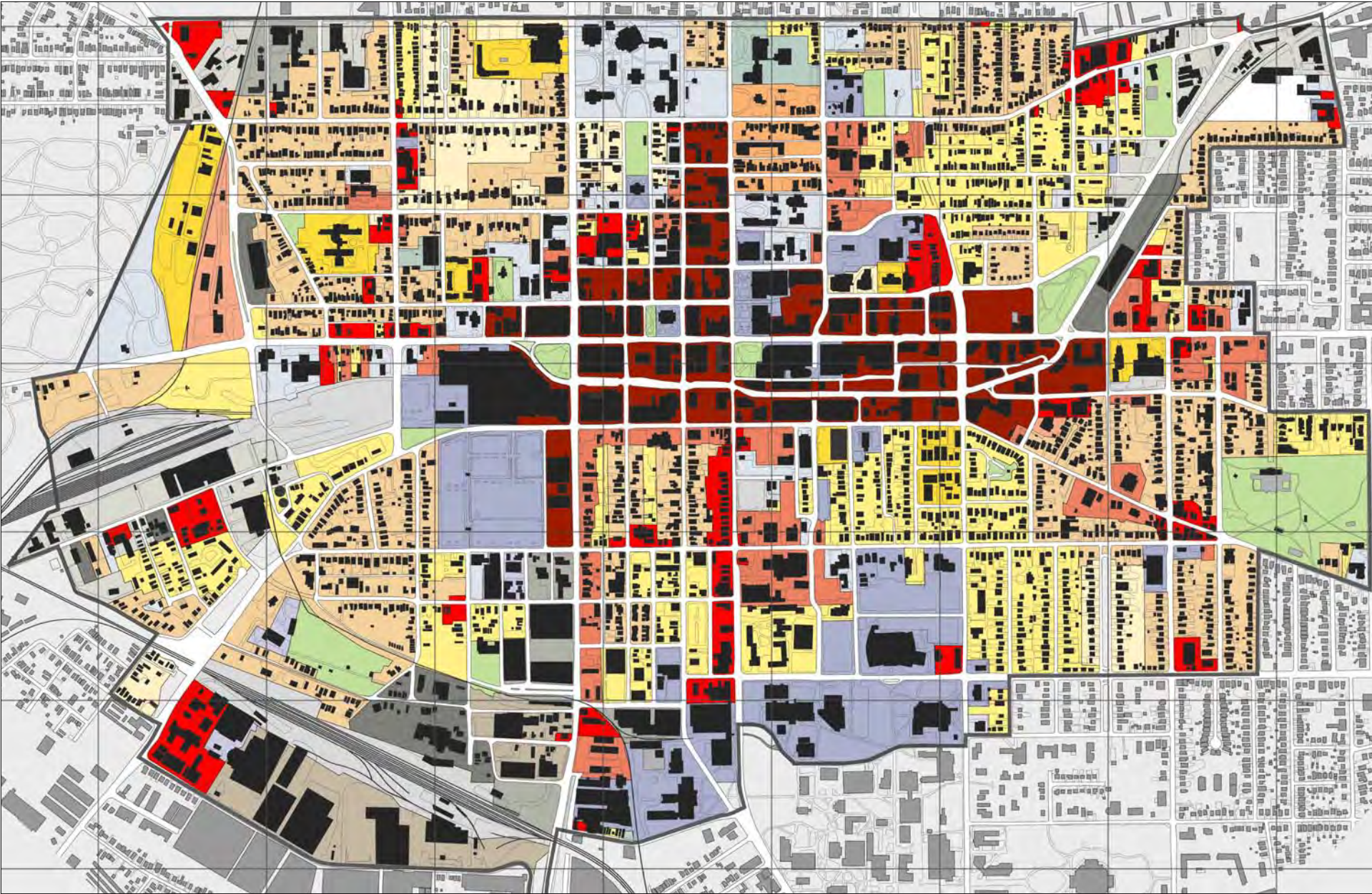
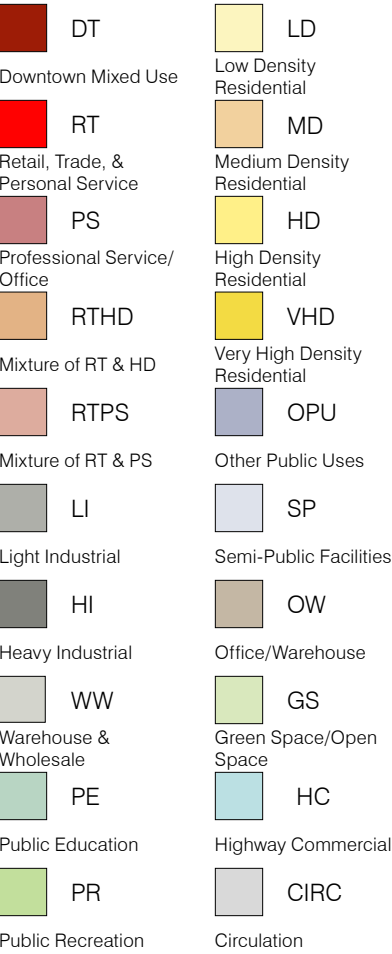
The age distribution is 21.3 percent under the age of 18, 14.6 percent from 18 to 24, 33.2 percent from 25 to 44, 20.9 percent from 45 to 64, and 10.0 percent 65 years of age or older. The median age is 33 years. For every 100 females there are 96.5 males. For every 100 females age 18 and over, there are 94.3 males.

The median income for a household in the city is \$39,813, and the median income for a family is \$58,677. Males have a median income of \$36,166 versus \$26,964 for females. The per capita income for the city is \$23,109. 12.9 percent of the population and 8.2 percent of families are below the poverty line. Out of the total population, 14.3 percent of those under the age of 18 and 8.6 percent of those 65 and older are living below the poverty line.

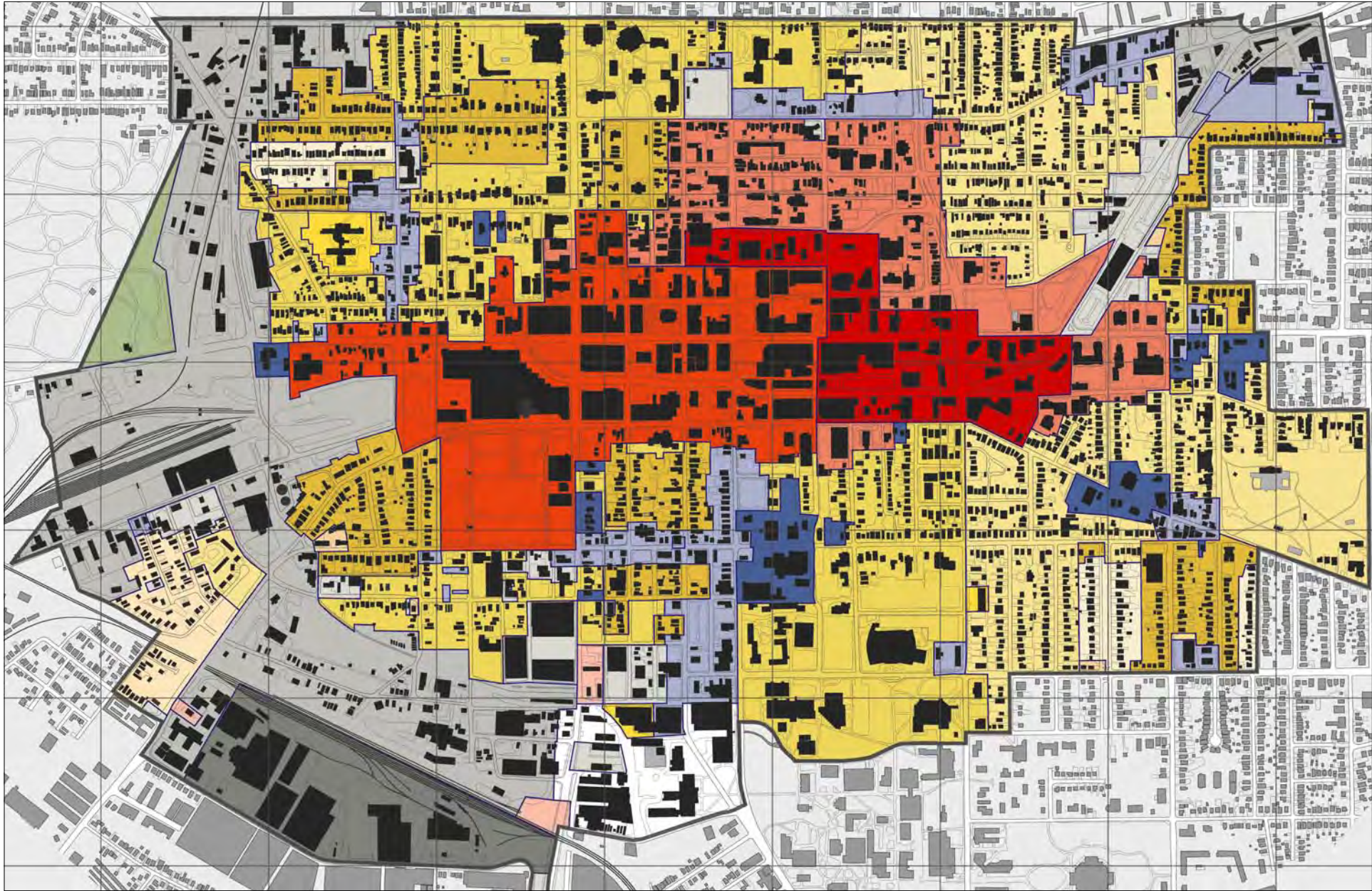
There are over 230 churches and synagogues in Lexington, representing 38 denominations.




















# Existing Land Use Plan







# Existing Zoning

 B-1 Neighborhood Business	 R-1D Single Family Residential (Min. lot size 6,000 sq.ft)
 B-2 Downtown Business	 R-1E Single Family Residential (4,000 - 7,500 sq ft lots)
 B-2A Downtown Frame Business	 R-1T Townhouse Residential
 B-2B Downtown Center Business	 R-2 Two Family Residential (Duplex)
 B-3 Highway Service Business	 R-3 Planned Neighborhood Residential
 B-4 Wholesale and Warehouse Business	 R-4 High Density Apartment
 I-1 Light Industrial	 R-5 High Rise Apartment
 I-2 Heavy Industrial	 AU Agricultural Urban
 P-1 Professional Office	



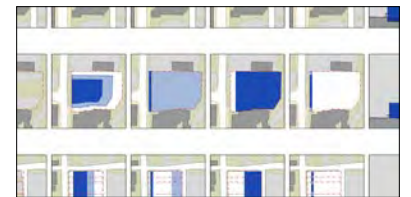
OBSERVATIONS



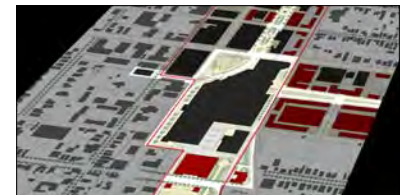
CONCEPT DEVELOPMENT



RECOMMENDATIONS



PRECINCT STUDIES



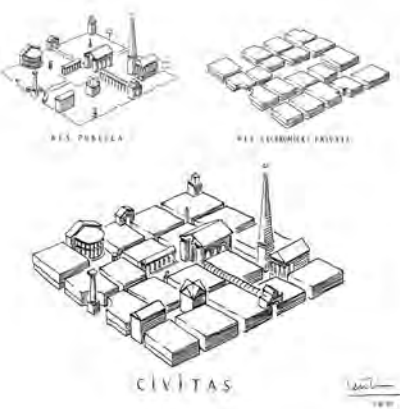
APPENDIX



# Urban Principles

## LEXINGTON DOWNTOWN AGENDA

- 1. The city is the arena for democracy – like the Agora of Athens.
- 2. The structure of the city is decisive for sustainable development.
- 3. Diversity, complexity, and vitality are intrinsic to the city’s life.
- 4. Streets, squares, and parks are the city’s living rooms.
- 5. Successive changes in the city fabric gives continuity and adds variation.
- 6. The public has the legal right of access to the city.
- 7. Public realm + private realm = civic realm.



# Master Plan Principles

## SOCIAL CAPITAL

- 1. Respect existing neighborhoods.
- 2. Encourage economic and social diversity within each neighborhood.
- 3. Increase residential home ownership and neighborhood associations.
- 4. Encourage and enforce appropriate upkeep of rental properties.
- 5. Support local business.

## PEDESTRIAN-FRIENDLY ENVIRONMENT

- 1. Provide sidewalks, crosswalks, and wheelchair ramps on all streets.
- 2. Provide appropriate street lighting to work with existing tree plantings.
- 3. Create off-street parking that is not visible from the public realm.
- 4. Change one-way streets to two-way traffic.
- 5. Add on-street parking to help decrease traffic speed.

## DISCERNIBLE CENTERS AND EDGES

- 1. Enhance or create accessible open spaces within each neighborhood.
- 2. Create consistent transition/entrance signage with landscaping for neighborhoods.
- 3. Develop mixed-use zones as transitions from historic residential areas to downtown core.
- 4. Create uniform, compact definition of downtown with clear distinctive gateways.

## ARCHITECTURAL LANGUAGE BASED ON MEMORY AND INVENTION

- 1. Fully adhere to the Preservation Ordinance and Historic District Guidelines.
- 2. Encourage innovative infill development and redevelopment.

- 3. Require all new buildings to respect the historic character of Lexington.
- 4. Stop “demolition by neglect” through code enforcement.

## LOCAL TREASURES

- 1. Celebrate local heritage and culture – “branding.”
- 2. Develop walking-tour maps and history overviews for each neighborhood.
- 3. Restore the Old Courthouse and publicize the History Museum.
- 4. Illuminate the historic civic structures and develop better signage for visitors.

## ECOLOGY AND SUSTAINABILITY

- 1. Reduce impervious surface area and increase green spaces.
- 2. Raise awareness of recycling and composting.
- 3. Promote infill density in the downtown area to protect horse farms from sprawl.
- 4. Plant native-species street trees of appropriate size for the planting beds.

## RESOURCES AND PRIORITIES

- 1. Encourage public-private partnerships for re-development and rehabilitation projects.
- 2. Provide incentives for businesses to move downtown.
- 3. Establish a permanent public market.
- 4. Publicize the importance and benefits for all of a vital downtown.

# Concept Framework

To initiate the conceptual plan phase, the steering committee, citizens, and the planning team developed guiding principles and goals for the master plan. These principles (listed at the left), together with the information accumulated during the observations phase, informed the direction, content, and composition of the conceptual plan.

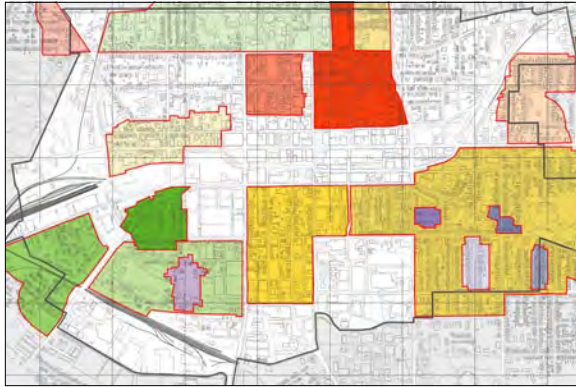
With a broad brush approach, like a “sketch before a painting,” the plan began to illustrate the structure, layout and relationships of planned open space, circulation systems, buildings, and focal points. The concept plan became the framework to discuss development ideas, obtain stakeholder input, and build consensus among residents and the business community.

The plan was developed using a multidisciplinary consulting team that incorporated housing needs, retail demands, and traffic capacity. No one interest group was permitted to be the dominant form giver for a master plan.

Existing conditions within the city were constantly tested for opportunistic development that would enhance and create value within the existing fabric. The underlying premise of the concept plan was to work harmoniously within the existing conditions, as opposed to beginning with a empty slate.

Additionally, the plan was developed incrementally, with monthly public meetings to obtain feedback from residents and steering committee, and to test the plan against existing opportunities and constraints, as well as the general principles that were established. This approach helped build consensus among residents, who could reflect on the plan from meeting to meeting and articulate their likes and dislikes.





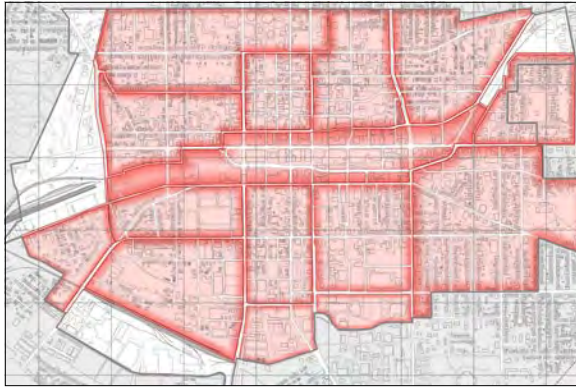
### Existing Neighborhood Associations

The existing defined neighborhood boundaries or associations are based on a variety of sources. Some are legislative historic areas; others have developed informally by word of mouth. The boundaries of these neighborhoods do not encompass the entire downtown, making them ineffective partitions for the study area.



### Precinct Centers

Each of the newly defined precincts was examined for a discernible center. In many cases these centers were existing green spaces such as Gratz Park or Woodlands Park. In neighborhoods where there was no public center, a logical place for a centrally located park was identified.



### Proposed Precincts

Using the existing neighborhoods as a guide, the downtown study area was divided into logical precincts that are walkable neighborhood-sized areas. These precincts surround the downtown core and encompass all land parcels with the study area.



### Pedestrian Connectivity

The precinct open spaces were then diagrammed and corridors identified that linked each space. Many of these connections are existing streets that should have a stronger emphasis on the pedestrian, rather than the automobile.



### Circulation Networks

Guided by the pedestrian network, vehicular thoroughfares were diagrammed to verify a good system of varied routes throughout the downtown area. A hierarchy was developed identifying pedestrian and vehicular street emphasis.

## Neighborhood Principles

The building blocks of a thriving city are its neighborhoods. Successful neighborhoods are compact and are usually anchored by a central public space and civic activity. They are pedestrian-oriented, include diverse housing types, and permit a rich mix of uses. Neighborhoods should be affordable, accessible, distinctive, and, in Lexington, true to the significant historic context of each community.

The following are commonly found in the neighborhoods of cities such as Lexington:

1. Parks, schools, civic buildings, and commercial establishments located within walking distance of homes
2. Residences with narrow-front setbacks, front porches, and detached rear garages or alley-loaded parking
3. A network of streets and paths suitable for pedestrians, bicyclists, and vehicles
4. Reasonably narrow streets with crosswalks, streetscaping, and other traffic-calming measures
5. In-scale development that fits the local context
6. Buildings oriented to the street with parking behind



# Transect

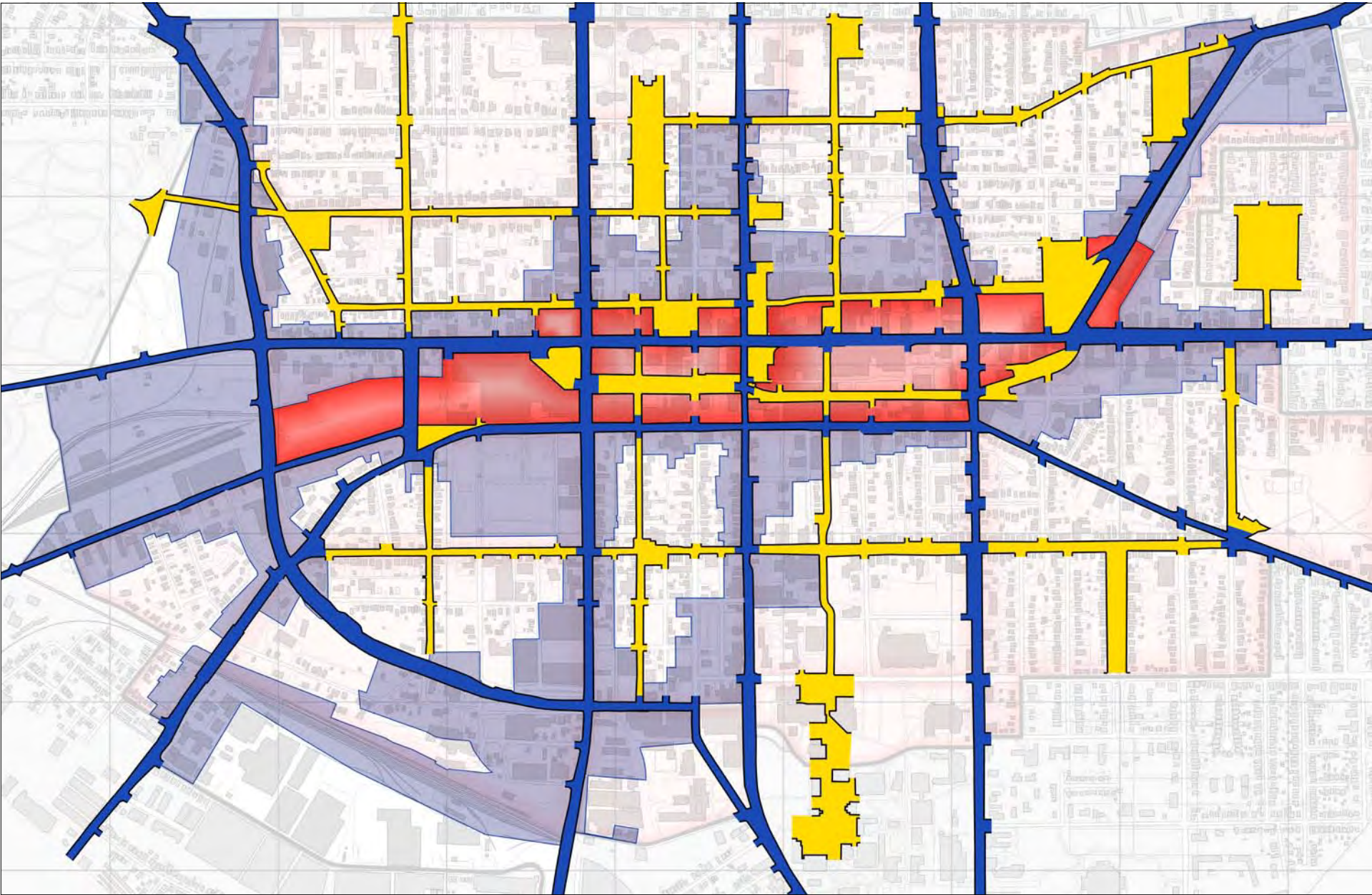
Developed by Andres Duany and the Congress for the New Urbanism, the Transect is a categorization system that organizes all elements of the environment, from Rural Preserve to Urban Core. The following is adapted from the September 2000 issue of New Urban News.

The Transect has six zones, moving from rural to urban. It begins with two that are entirely rural in character: T-1 Rural Preserve (protected areas in perpetuity) and T-2 Rural Reserve (farmland and areas of high environmental or scenic quality that are not currently preserved, but perhaps should be).

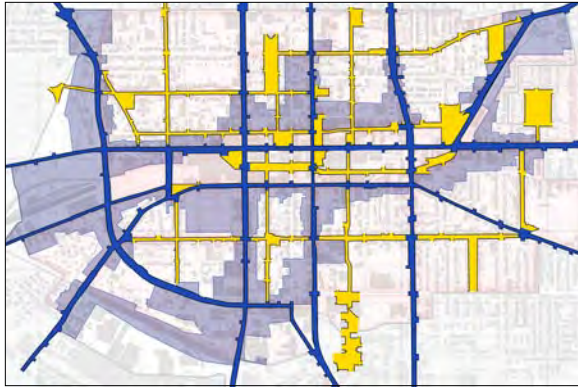
T-3, the transition zone between countryside and town, is called the Edge (or Suburb) and consists primarily of single-family homes.

In most cities, T-4 General Neighborhood is the largest zone. Primarily residential with convenience retail, it is more urban in character than T-3 and of somewhat higher density, with a mix of housing types and a mix of uses.

At the urban end of the spectrum are two zones that are primarily mixed use: T-5 Urban Center (this can be a small neighborhood center or a larger town center, the latter serving more than one neighborhood) and T-6 Urban Core (serving the region – typically a central business district). The core is the most urban zone.











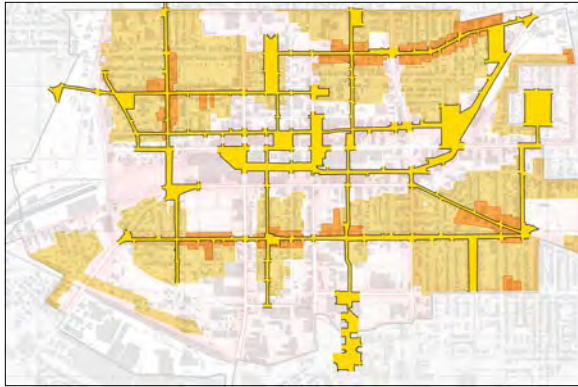
### Mixed Use Corridors

The dark blue streets are existing commercial corridors or vehicular arteries that travel through Lexington. These streets bring residents downtown, and also permit commuters to cut through the city, which has a negative impact on the quality of life in the downtown area.

The mixed-use zones depicted in pale blue are supported by the vehicular arteries through Lexington's downtown. The concept plan suggests that this zone should be expanded to include a wider range of uses including higher density residential, with the goal of creating a vibrant active corridor connecting the surrounding neighborhoods and region.

Legend (Diagram on opposite page)

-  Downtown Core
-  Mixed Use
-  Primary Vehicular
-  Primary Pedestrian








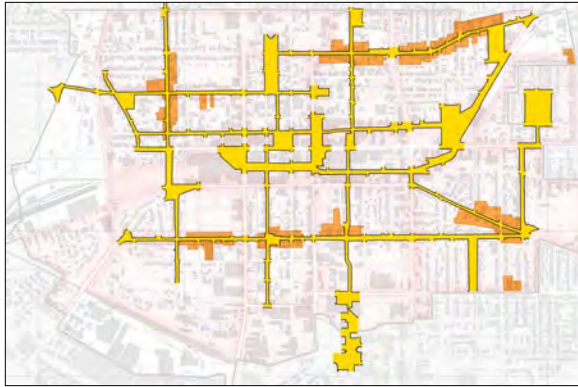
### Residential Areas

The spaces depicted in pale yellow-orange are existing residential blocks in the downtown study area, located between areas of mixed use. Many of these neighborhoods are well established, and require only selective infill and redevelopment.

These historic neighborhoods should be preserved and vacant lots should be infilled with context-sensitive buildings.

Legend (Diagrams on this page)

-  Mixed Use Zone
-  Residential Neighborhood
-  Neighborhood Business
-  Primary Vehicular
-  Primary Pedestrian



### Neighborhood Business

The darker yellow-orange represents areas, in relation to the pedestrian network, where neighborhood businesses currently exist. These retailers should be supported, encouraged, and given access to small-business loans. In some cases these areas may be expanded to include neighborhood convenience retail within walking distance of residences, permitting residents to walk rather than drive to purchase daily needs.

### Lexington Transect Zones

The area indicated in red on the diagram on the opposite page represents the T-6 Urban Core zone. This is the highest density zone within Lexington's downtown.

The area indicated in blue is a T-5 Urban Center mixed-use zone supported by the existing radial arterial streets.

The remaining area is a T-4 General Neighborhood zone with convenience retail.



EXISTING LAND USE

The following table tabulates additional area proposed within the study area by use:

Bldg. Use	GSF	Units
Civic	n/a	
Industrial	1,699,546	
Institutional	9,622,826	
Office	5,507,181	
Parking	3,204,219	
Residential - MF	3,313,703	
Residential - SFA	264,856	
Residential - SFD	2,956,800	
Retail	3,821,883	
Mixed-Use	981,042	
Demolished	(452,812)	
TOTAL	30,919,240	

PROPOSED LAND USE

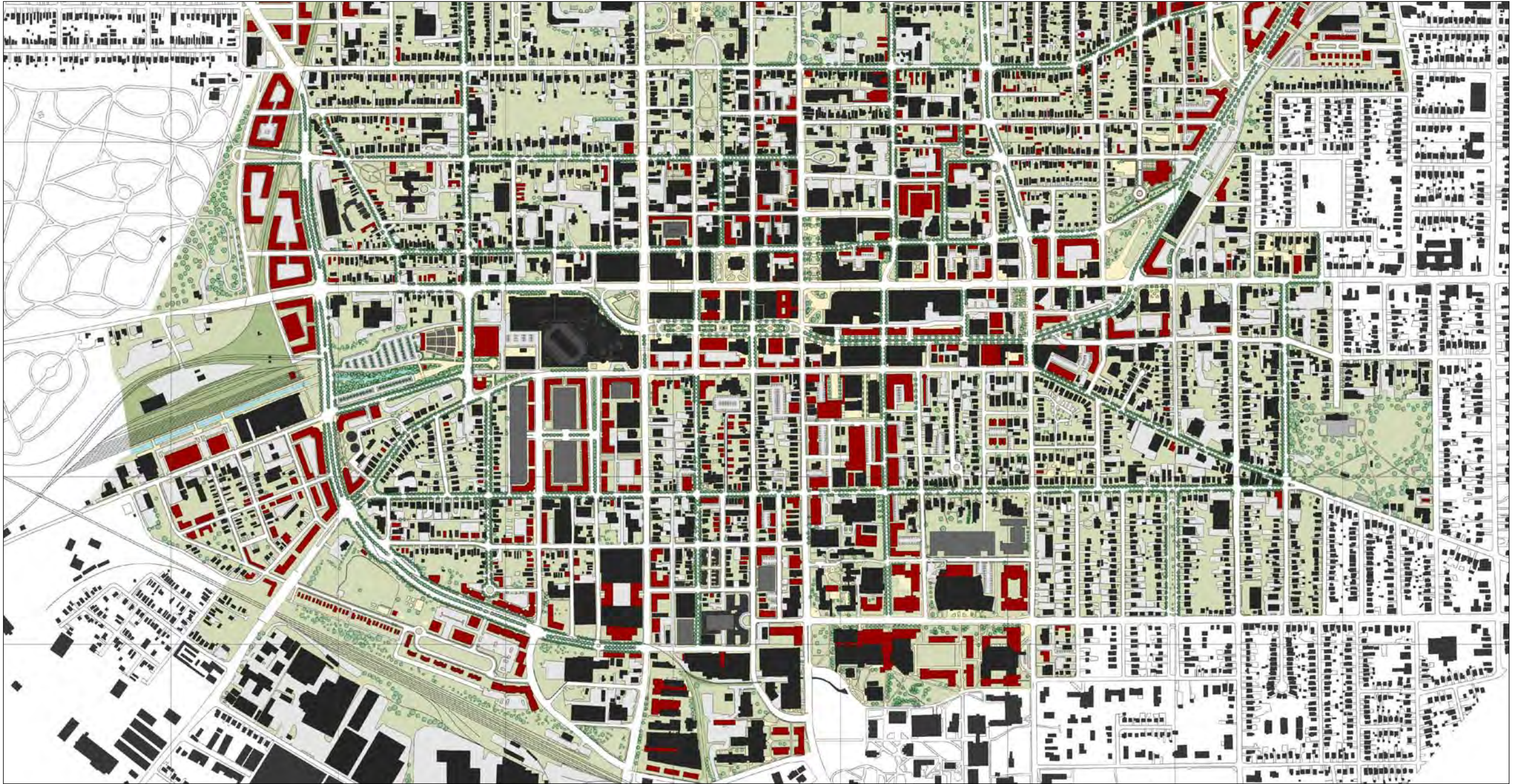
The following table tabulates additional area proposed within the study area by use:

Bldg. Use	GSF	Units
Civic	24,617	
Flex/L.I.	407,965	
Industrial	(506,836)	
Institutional	1,454,396	
Office	2,408,061	
Parking	2,724,190	
Residential - MF	4553,903	3,928
Residential - SFA	663,521	355
Residential - SFD	191,824	125
Retail	708,998	
TOTAL	11,999,418	



Existing figured ground for the City of Lexington





*Proposed masterplan for the City of Lexington, building shown in red are proposed, buildings shown in black are existing*



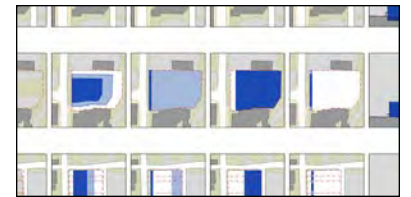
OBSERVATIONS



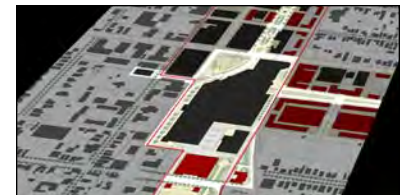
CONCEPT DEVELOPMENT



RECOMMENDATIONS



PRECINCT STUDIES



APPENDIX





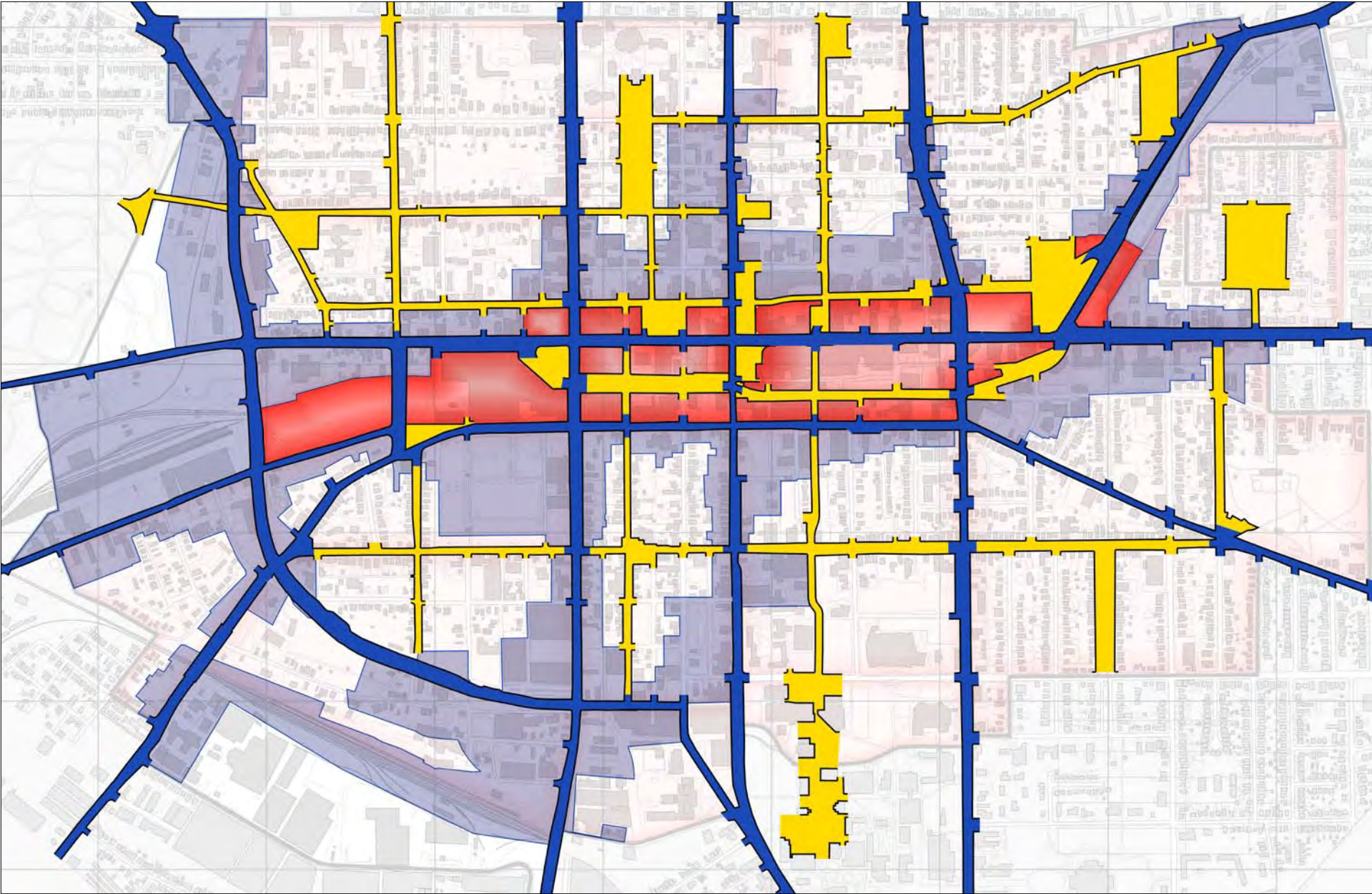
# Recommendation One

## CHANGE LAND USE

- 1. Organize land use according to how the city functions
- 2. Think of each property in relation to the entire downtown system
- 3. Understand the role and link the relationship between the arterial streets and the central core, the mixed-use and neighborhood zones.

As the diagram indicates, the Urban Core of Lexington is elongated and serviced by two thoroughfares, Main and Vine Streets, which run parallel to the core. Three public parks exist within the core – Triangle, Phoenix and Thoroughbred. The master framework plan proposes to link all three parks with a pedestrian network along Vine Street. Additionally, Cheapside and the new Courthouse Square are connected to this spine of urban parks. These five urban spaces shall act as the lungs of the downtown core.

Memorable cities are known for their public realm. The proposed plan creates a clear framework of streets and squares, connected by a welcoming pedestrian network. Additionally, existing public spaces and parks such as Gratz Park are integrated into this network. The end result is that each neighborhood has its own identifiable public space.







*Proposed mixed-use building on Maxwell Street*



*Proposed mixed-use building on Main Street (the old Woolworth building site)*



*Proposed residential building on Vine Street*

## INFILL DEVELOPMENT

Another crucial element of land-use change is infill development. Infill can absorb tremendous growth within a city, reducing pressure on rural areas and on the urban growth boundary. As the analysis indicates, an abundance of vacant and underutilized properties exist within Lexington's city limits, a condition not uncommon in most American cities.

In many locations around the country, infill development has proven to be an efficient use of land, infrastructure, and services. It can substantially improve the quality of life in older communities, enhancing their character, viability, and function. The strategy for successful infill is the restoration of the street wall and the spatial continuity of the streetscape. Infill should strive to strengthen existing neighborhoods by respecting the historic fabric and introducing compatible uses that complement the community's attributes and needs.

Each property within the study area has been verified, analyzed, and documented. Vacant and underutilized properties that can potentially be developed have been identified, and a proposed building footprint drawn on the master plan. The proposals for infill development are made in relationship to adjacent properties and immediate context. The images on the left illustrate potential development in Lexington on existing vacant lots.



Recommendation Two

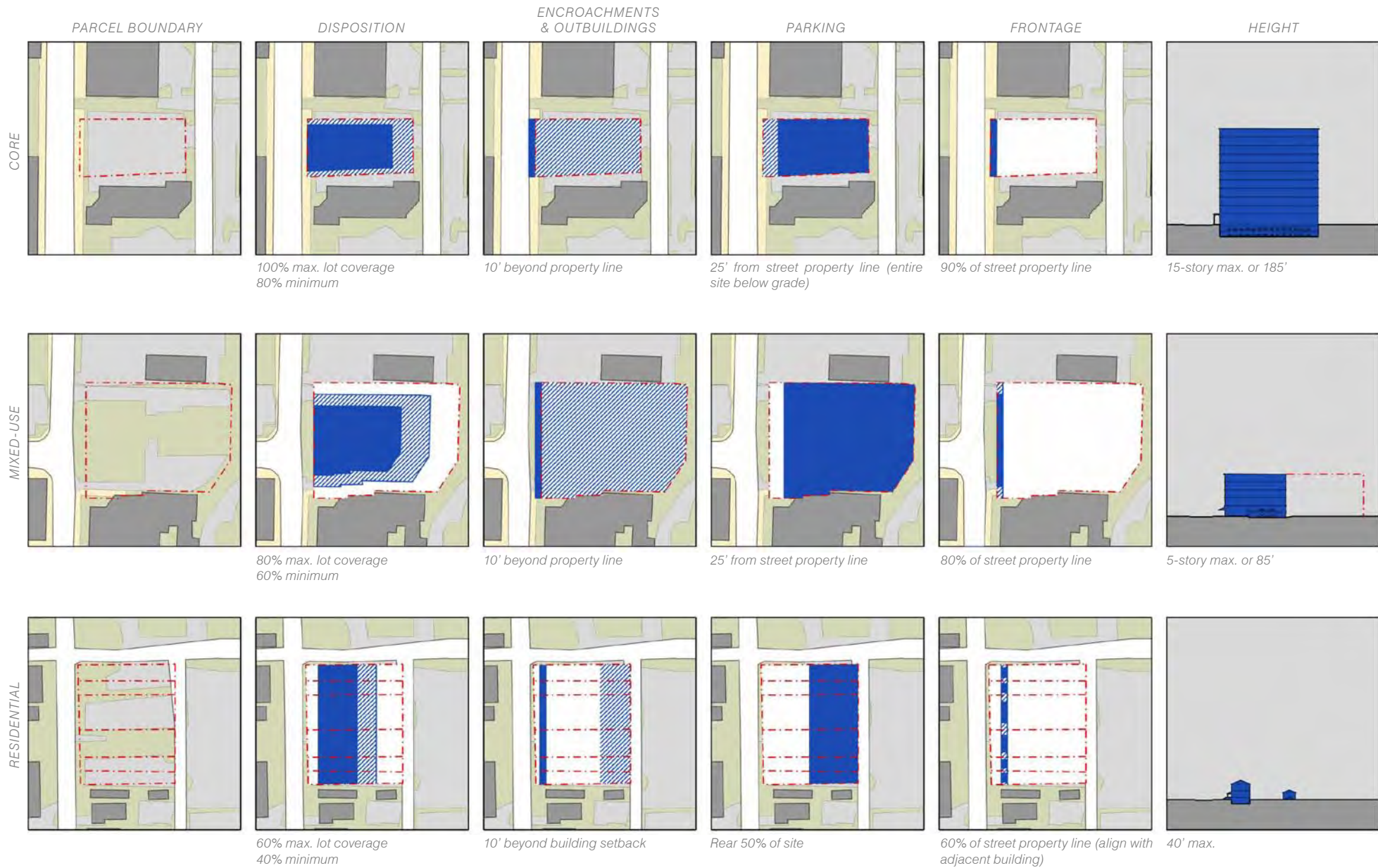
ESTABLISH FORM-BASED BUILDING GUIDELINES

The diagrams on the right are the schematic basis for a form-based code for the three zones proposed for downtown Lexington. The code envisions and encourages a certain physical outcome that conforms to the form of the city, the block structure, and the morphology of the building. The code also identifies where cars may be parked, and specifies that off-street parked cars should not be visible from the public realm.

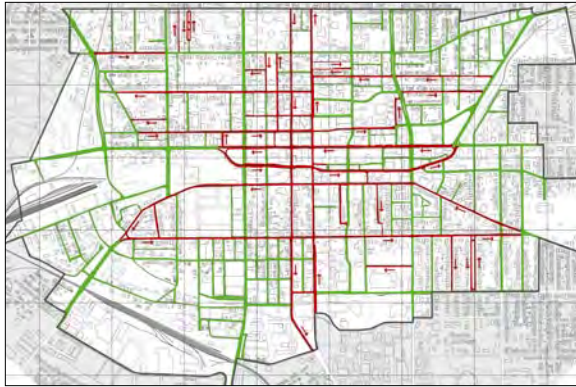
This code is different from conventional codes that are based primarily on use, process, performance, or statistics – and do not envision or require any particular physical outcome.

“All buildings, large or small, public or private, have a public face, a facade; they therefore, without exception, have a positive or negative effect on the quality of the public realm, enriching or impoverishing it in a lasting and radical manner. The architecture of the city and public space is a matter of common concern to the same degree as laws and language – they are the foundation of civility and civilisation.”

– Leon Krier, *Architecture: Choice or Fate*



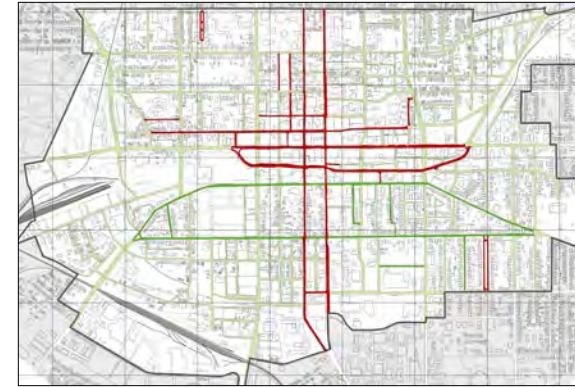




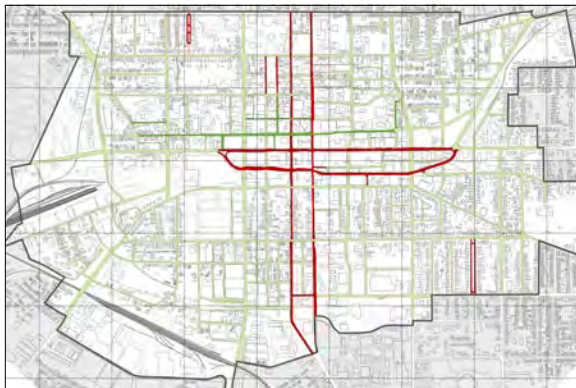
Existing Condition



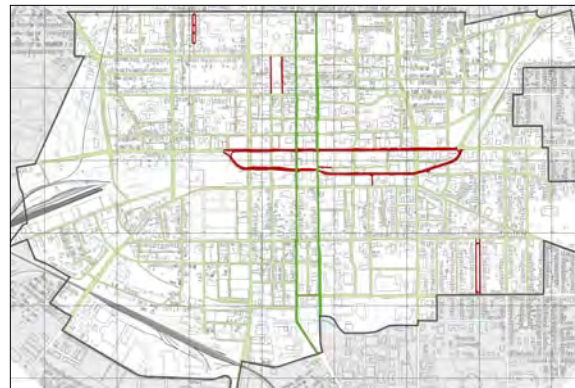
Northside



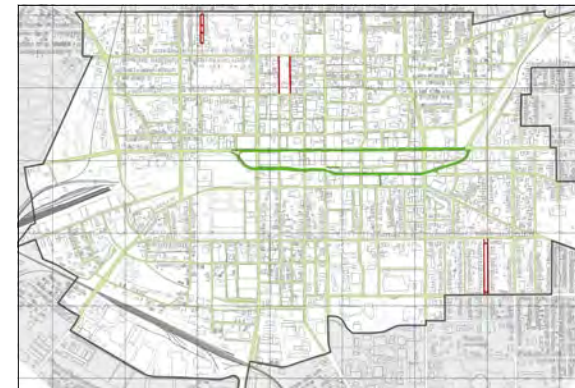
Maxwell and High



Short and Church



Limestone and Upper



Vine and Main

## Recommendation Three

### CONVERT ALL ONE-WAY STREETS TO TWO-WAY

The master plan proposes a phased conversion of all one-way streets. Studies have shown that one-way streets have higher travel speeds and carry more vehicles per hour per lane than two-way streets. However, it is also documented that one-way streets are more dangerous for pedestrians.

Additionally, one-way streets have a negative impact on retail businesses. Visitors to Lexington find the one-way system difficult to navigate. Given the city's large tourist trade, the downtown businesses suffer from the unfriendly street network.

This condition is exacerbated by Lexington's radial city plan with its discontinuous grid. In the current traffic pattern, alternate streets do not always permit vehicular movement in the same direction.

Three goals to be accomplished are:

1. Reducing traffic speeds to create a safer pedestrian environment
2. Allowing slow-speed but free vehicular movement in and around the city
3. Creating a downtown environment that is welcoming for visitors as well as for residents



# Recommendation Four

## INCREASE RESIDENTIAL DEVELOPMENT

- 1. Introduce more housing into the Core
- 2. Accommodate a diverse population through varied housing types and price points

The underlying success to a thriving downtown is the addition of residential units into the existing fabric. Residents of the suburbs are increasingly aware that they could make better use of their time than spending an hour or more a day commuting. Additionally, they are aware that cities can offer great buildings and interesting housing options within walking distance of jobs and cultural activities.

In Lexington, it is imperative to encourage and build residential units downtown to help stabilize the area, create value, and establish a community of people who live and shop in the neighborhoods where they work.

This plan suggests that a mix of housing units be built on vacant and underutilized sites within the downtown area. These units should vary in size, program, and price point to attract a diverse group of residents. In addition to a wide variety of housing opportunities, retail and service establishments, food stores, and other businesses providing basic goods and services should be available to these new urban dwellers.



Existing surface parking at utility building

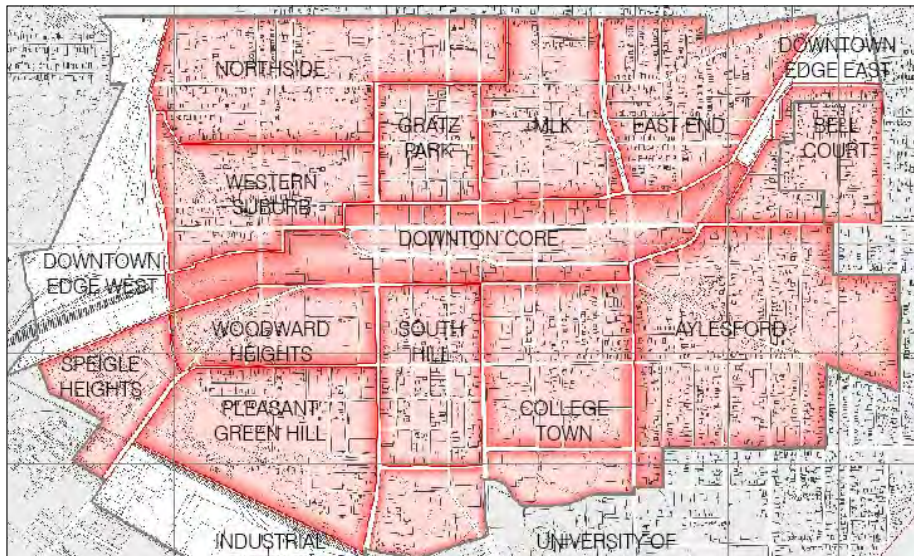


Residential potential throughout the downtown



Proposed new housing along Vine Street, opposite the Transit Center





## Recommendation Five

### CREATE A PARKING AUTHORITY

The Lexington Downtown Development Authority (DDA) should be responsible for coordinating parking within the study area, with the following goals:

1. Provide residential parking permits to residents/cars, permitting them to park in Residential Zone parking in their neighborhoods. A nominal fee shall be charged for the permit. Cars without a permit may park in a neighborhood for a maximum of two hours.
2. Develop shared parking programs between different institutions and organizations, taking into account that various kinds of patrons that will utilize parking spaces at different hours of the day.
3. Create temporary loading/unloading zones on downtown streets for downtown residents to use for purposes such as unloading groceries.
4. Work with downtown residents and other stakeholders to resolve potential noise and transportation conflicts in the alleys, including parking impediments and trash pickup schedules.
5. Develop transportation programs for downtown residents and the University of Kentucky to encourage bicycle and bus usage. This may include car and bicycle storage facilities, bus pass programs, and working with LexTran to provide shelters and other amenities; and establish a free or low cost downtown circulation, such as a trolley system.
6. Consider developing outskirt parking storage locations for residents.
7. Organize an enforcement staff that frequently patrols the downtown and adjacent neighborhoods, issuing tickets for parking violations.



Source: Getty Images



Recommendation Six

**MAXIMIZE DENSITY IN VACANT SITES**  
Webster’s Dictionary defines sprawl as a verb, “to cause to spread out carelessly or awkwardly.” As a noun, sprawl can be defined as unregulated growth, manifested as careless use of new land and resources as well as the disinvestment of older developed areas.

The underlying premise of this master plan is to combat sprawl development by studying every vacant and underutilized land parcel within the downtown area of Lexington. Most people mistakenly equate density with high-rise structures; the plan provides for an increase in density while keeping new structures compatible in form and character with the existing neighborhood.

As an example of typical residential densities, homes on large lots (10 acres) referred to as Ranchettes or Farmettes have 0.1 residential units per acre. Low-density single-family dwellings in sprawl developments comprise of large homes on acre lotshave a density of 1.0 unit per acre.

A typical neighborhood in an urban area which has small lots has a density of 3 units per acre, whereas a neighborhood of rowhouses with an occasional single-family dwellings and apartment building may have 10 units per acre. Urban areas that consist of mostly three-to-five-story apartments with occasional mid- to high-rises may have an average density of 100 units per acre.



Existing view of YMCA

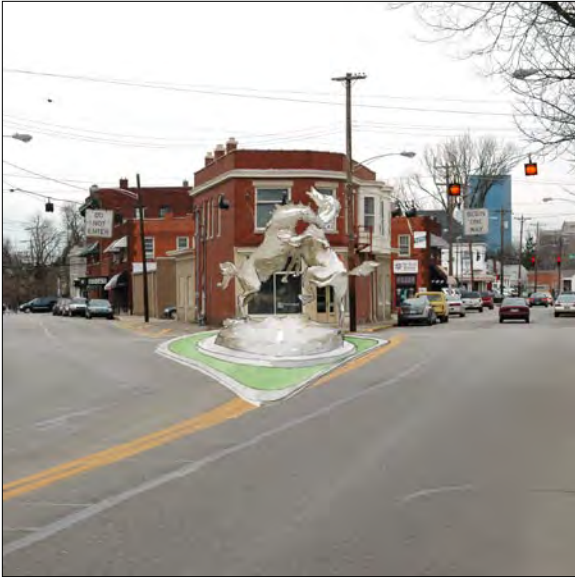


Partial plan showing infill properties along Vine Street



Proposed infill buildings with ground floor retail and residential above at a scale appropriate to the context

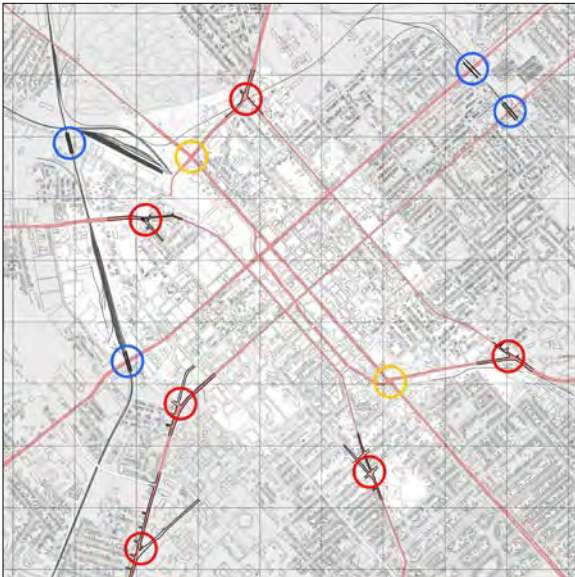




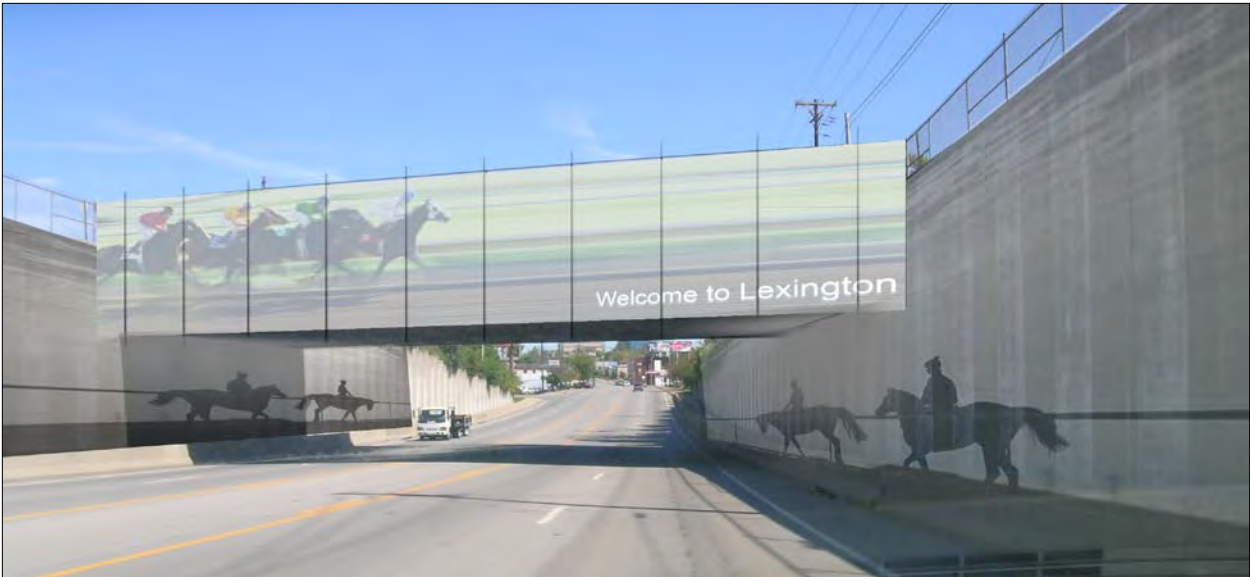
Neighborhood Gateways: Forks in the street network provide an opportunity for civic sculpture



At the two ends of the downtown spine, building forms that pair across Main Street are proposed, to create an urban gateway into downtown. Architectural elements on these new buildings accentuate the Newtown Pike intersection.



Gateway Hierarchy Plan



An underpass at the periphery of the city provides an opportunity to announce the arrival into the city of Lexington.

## Recommendation Seven

### CELEBRATE URBAN ENTRANCES

As in most urban areas, the visual and formal definition of neighborhoods in Lexington – downtown, College Town, rural farmland – have been blurred by the presence of non-contextual buildings. A high-rise at the outskirts of the city is just as inappropriate as a single-story fast-food structure in the middle of downtown. Subtle visual clues can inform visitors of their approach to the core of the city.

Three categories of gateways were identified for Lexington, to be developed as urban entrances into the central city.

1. **Peripheral Gateways (Blue)**  
Several underpasses exist at the periphery of the city, where radial streets feed into the core. These present an opportunity for artists to enhance the visual impact of entering the city.
2. **Neighborhood Gateways (Red)**  
The collision of the radial and grid street networks create several forks in the road as one approaches the downtown. These present an opportunity for public sculptures to act as neighborhood markers.
3. **Downtown Gateways (Yellow)**  
The plan proposes the pairing of architectural forms at either end of the downtown core on Main Street, to create gateways into Lexington's downtown.



### Recommendation Eight

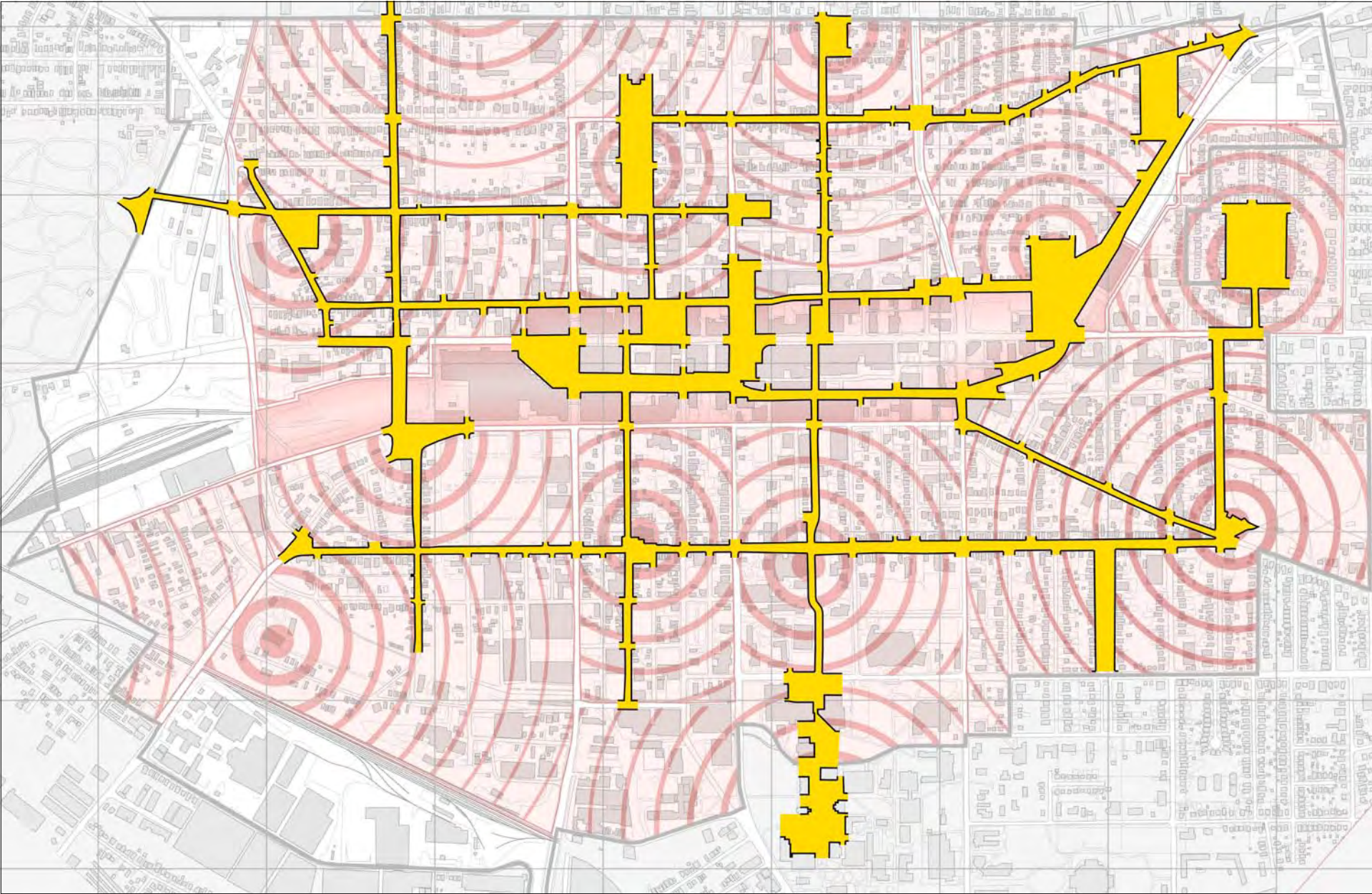
**INVEST IN A PEDESTRIAN NETWORK**

The ten elements required to create a pedestrian friendly environment are:

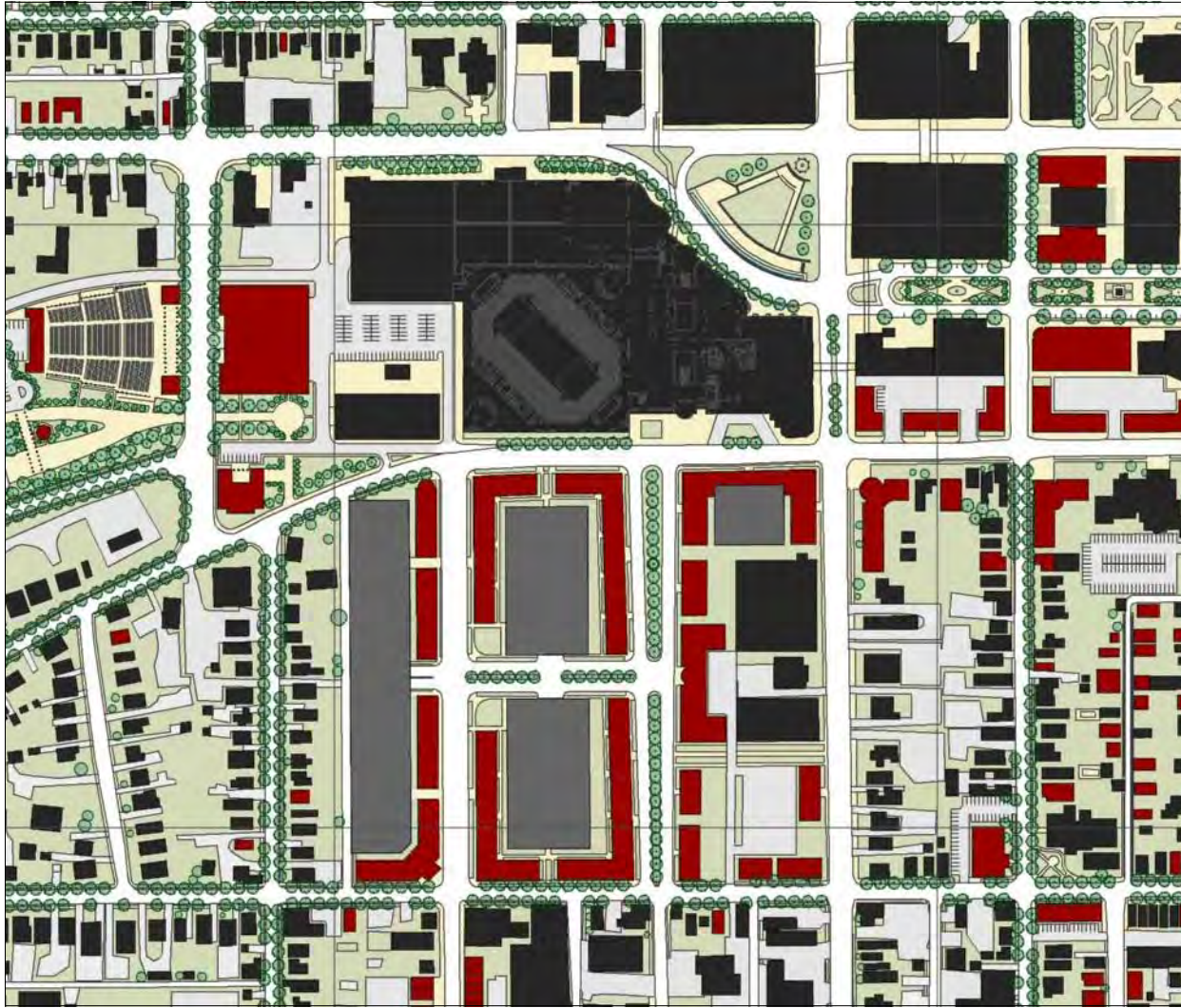
- 1. Narrow streets
- 2. Interconnected streets
- 3. Sidewalks and crosswalks
- 4. Street trees
- 5. Sufficient lighting
- 6. Safe traffic volumes and speeds
- 7. On-street parking
- 8. Mixed land use
- 9. Buildings fronting the street
- 10. Police presence

The framework plan strives to link every existing neighborhood around Lexington’s downtown core by an articulated and hierarchical pedestrian network. The diagram on the right represents this pedestrian network. It identifies central open spaces in every neighborhood surrounding the downtown, as well as open spaces within the core. It also shows each space linked by an existing street that has been identified as a major pedestrian corridor.

This diagram indicates the priority by which streets should receive funding for streetscape improvements and tree plantings, in order to create a green network through the city.







The Lexington Center and its Rupp Arena, Heritage Hall, Shops at Lexington Center and Hyatt Hotel are an essential part of the growth and development of downtown. While this plan offers alternative uses of certain areas currently used for parking at the Lexington Center, there is no intention, with respect to any recommendations made to interfere with the future growth, development and operations of the Lexington Center as downtown Lexington's premier sports, entertainment and convention facility.



Existing view from West Maxwell Street looking north towards the Rupp Arena surface parking lot



Proposed view showing new north-south street leading to the Rupp Arena entrance

### Recommendation Nine

**INTEGRATE RUPP ARENA INTO THE URBAN FABRIC**  
Rupp Arena is situated to the west of the downtown core. With a \$50 million renovation of both the arena and the adjacent Lexington Convention Center, this multiuse entertainment, convention, and shopping complex has recently been transformed.

Home to University of Kentucky Wildcats basketball, Rupp Arena offers dozens of staging and seating configurations for all types of events. This multifunction facility seats up to 23,000 people, and offers spaces customized to accommodate as few as 2,300 people and as many as 8,500.

As detailed in Recommendation Eleven, the master plan proposes the development of an outdoor amphitheatre to the west of the existing building, with new structured and surface parking lots.

Additionally, the vacant surface lot to the south of the arena, which is usually empty except during an event at Rupp Arena, is proposed for mixed-used development with several structured parking garages accommodating both event parking and mixed-use parking requirements.

A pedestrian boulevard is proposed running parallel to Broadway and connecting Maxwell Street to the entry of Rupp Arena on High Street. Retail with housing above is planned for the boulevard to activate the area and support the convention center and arena.



# Recommendation Ten

## DEVELOP VINE STREET

Lexington was laid out in 1779 along the banks of the Town Branch of Elkhorn Creek, chosen for its abundance of clear sparkling springs. The streets and rail lines follow the creek, and much of the early history is tied to this historic waterway. Town Branch is now buried under Water Street, Midland Avenue, and Vine Street.

At present Vine Street is a one-way street, five lanes wide, which encourages high-speed travel across the downtown core. The proposed plan transforms Vine Street to two-way traffic with a wide median down the middle as illustrated in the image on the right.

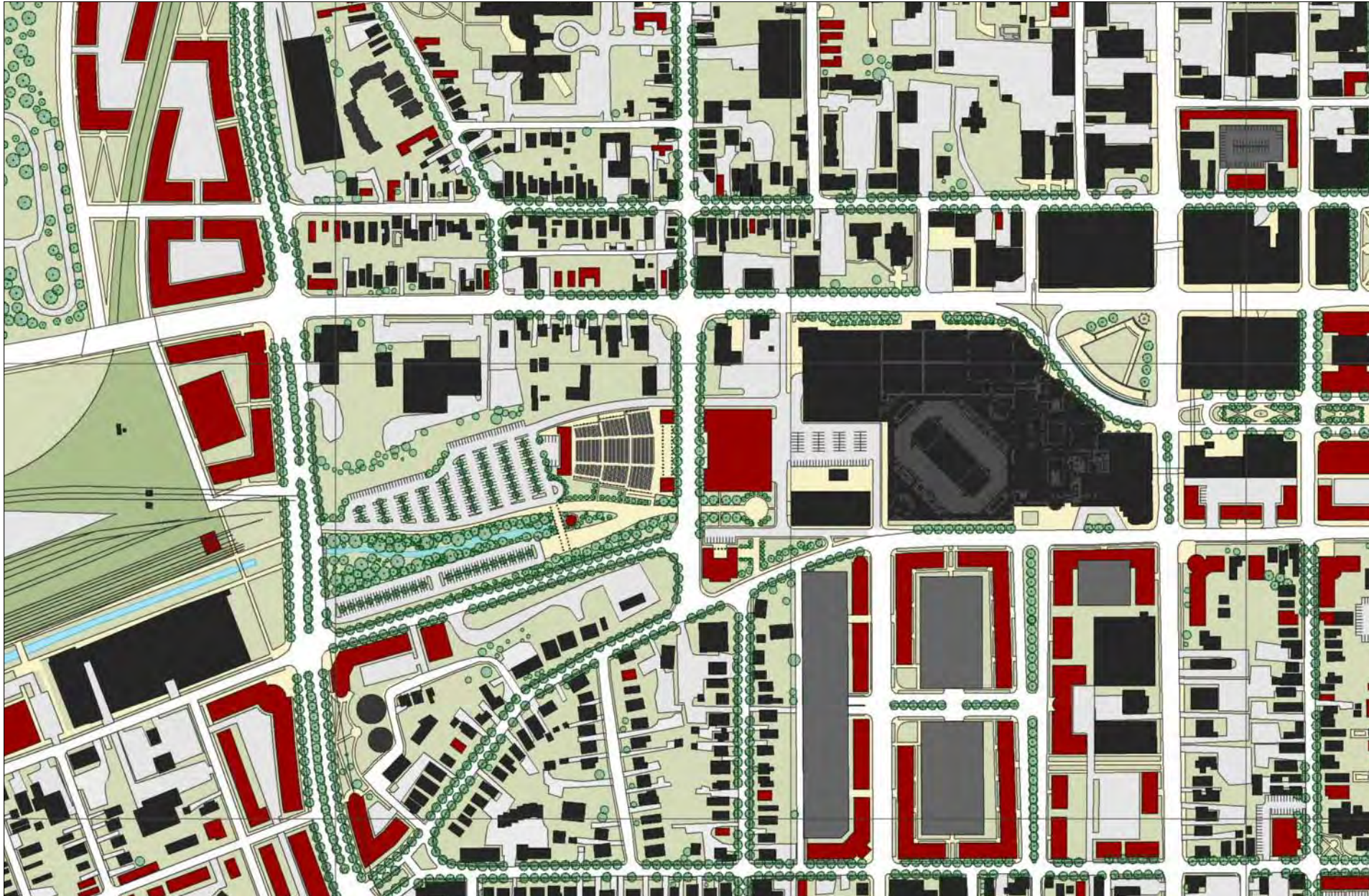
Vine Street originates at the Lexington Convention Center / Rupp Arena and Triangle Park and merges into Midland Avenue Street near Thoroughbred Park. The proposed green spine (linear park) connects the two parks at either end of the downtown core and is the urban connector segment within the Town Branch Trail.

The proposed greening of Vine Street integrates into the vision of the Town Branch Trail as a scenic route connecting downtown Lexington to McConnell Springs and Materson Station Park. The trail would provide miles of walking, running, and bicycle routes through neighborhoods, historic areas, and the Bluegrass countryside.



View of Vine Street looking west towards the convention center — with two-way traffic and landscaped median





## Recommendation Eleven

### CREATE AN AMPHITHEATER

To the west of the Rupp Arena exists a large surface parking lot that lies in the Town Branch creek valley. Jefferson Street crosses this parking lot at an elevation 30 feet above the parking lot. At the west end of the parking lot, Town Branch creek is "daylight," and the dry-laid stone creek banks that date back to Lexington's early history still line the stream.

An outdoor amphitheatre is proposed that steps down from Jefferson Street to the parking lot level. A new structured parking garage is proposed to the east of Jefferson Street to replace the parking spaces lost by the building of the amphitheatre.

The amphitheatre is one of many features proposed along the Town Branch Trail. To the west of the amphitheatre exists a series of railroad tracks, that terminate at Newtown Pike. A railroad carriage restaurant has been proposed for this location that will help complement the new development around the Rupp Arena.



Recommendation Twelve

CREATE A COMMUNITY CENTER/  
MUSEUM SITE

Civic structures are an essential ingredient – along with residential and commercial buildings – in creating a true city, and should be located on prominent sites within the urban fabric.

On the east side of the downtown core, north of Thoroughbred Park, exists a vacant underutilized land parcel. This recommendation proposes utilizing this hillside site for a museum / community center.

Given that many African-American jockeys lived close to the east end of Lexington, one suggestion is to build a museum on the specified site that commemorates the contribution of African Americans to the horse-racing industry, which has now grown to an excess of \$2 billion annual sales.

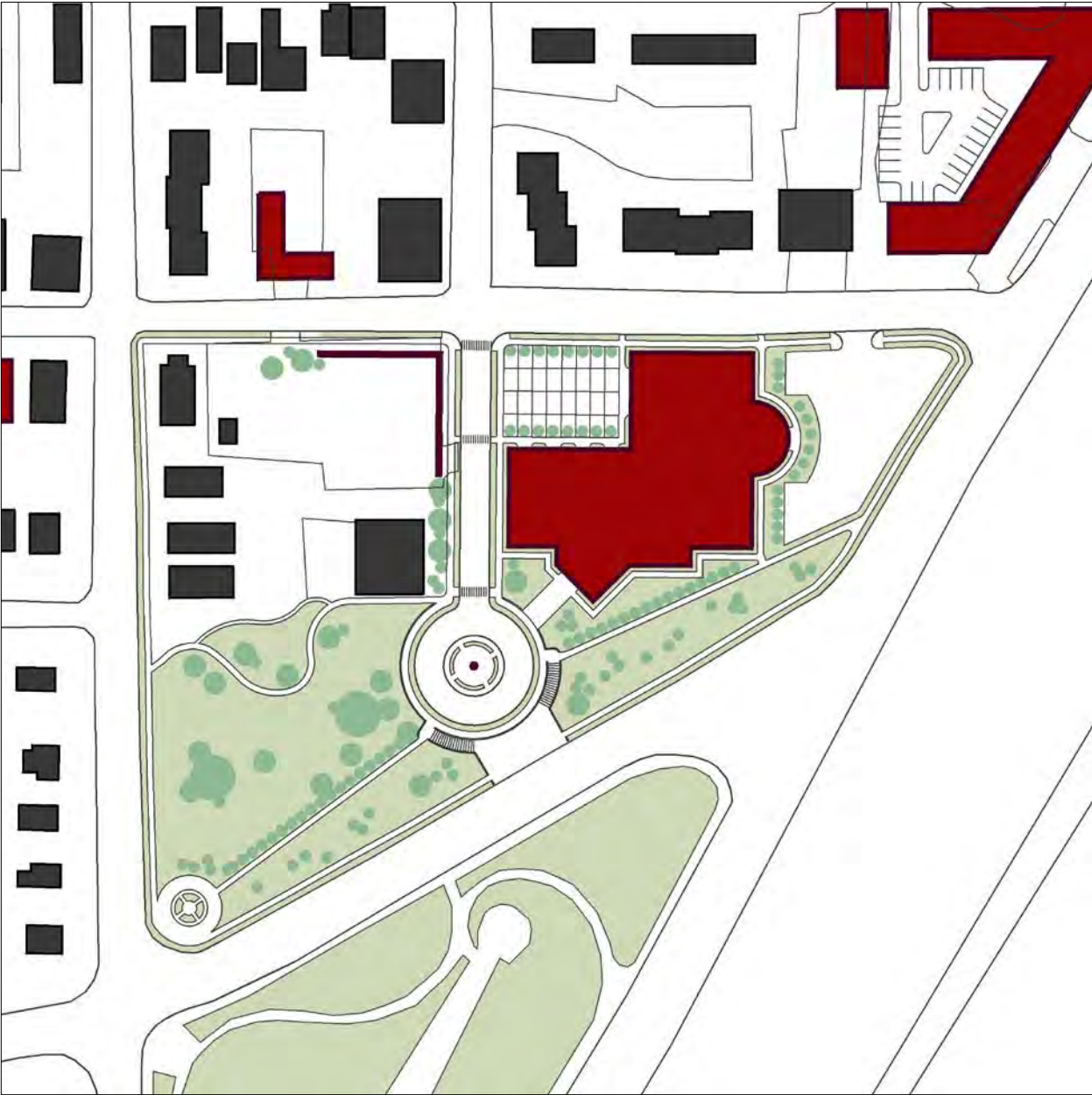
The history of thoroughbred horse racing in the Kentucky region is closely related to the African-American community. African-American horsemen played an influential role in the development of the sport between the Civil War and the turn of the century. Fifteen of the first 28 Kentucky Derby winners were ridden by African- American jockeys, and five were trained by African-American trainers.

As horse racing obtained a higher profile at the turn of the century, African Americans

were relegated to stable help. Jimmy Winkfield, the last African-American jockey to win the Kentucky Derby, won in both 1901 and 1902. He left the U.S. for Europe to continue a lucrative racing career, with over 2,300 wins to his credit.

The African-American jockey Isaac Murphy is considered one of the greatest riders in American history. He was the first jockey to win three Kentucky Derbys, and won an astonishing 44 percent of all races he rode. That record has not been approached by any jockey since. Murphy was the first rider to be inducted into the Jockey Hall of Fame at the National Museum of Racing. He is buried next to Man O' War in the Kentucky Horse Park in Lexington.

It is appropriate and fitting that the site adjacent to Thoroughbred Park be utilized for a museum honoring the legacy of African-American horsemen who played a critical role in the development of the horse racing industry for which this region is so well known.







View from Thoroughbred Park looking to the east at a surface parking lot



Plan of Thoroughbred Park showing infill potential

### Recommendation Thirteen

#### DEFINE THE SPATIAL CHARACTER OF THOROUGHbred PARK WITH BUILDINGS

Outdoor spaces within a city are the living rooms of the city; like the walls that define a living room, - the facades of buildings surrounding a public space form the walls of that space. In the case of Thoroughbred Park, several of the walls that would define this outdoor room are missing.

To the east of the park is a surface parking lot currently used by the *Sun Herald*. The framework plan proposes that a group of small-scale buildings be built on this parking lot to enclose and frame the park space. These buildings would house the advertisement division of the newspaper, as well as a coffee shop on street level that would animate street life. Ground-floor retail would help address the street and orientate activity toward Thoroughbred Park.

Additionally, the vacant lot on the west side of the park should be developed as a mixed-use building to help enclose that edge of the public space. Residences in this building would provide the 24/7 activity that is needed in this part of town.

The north edge of the park is already loosely defined by the change in topography created by the existing hill.



Proposed commercial buildings (retail and offices)



### Recommendation Fourteen

#### CREATE A NEW GREEN SPACE AT MAIN, VINE, ELM TREE, AND ROSE

Entering Lexington from the east along Midland Avenue, the visitor does not get a favorable impression of the city. The area is riddled with surface parking lots and a discontinuous public realm. Every attempt should be made to minimize surface parking lots along major streets within the downtown core.

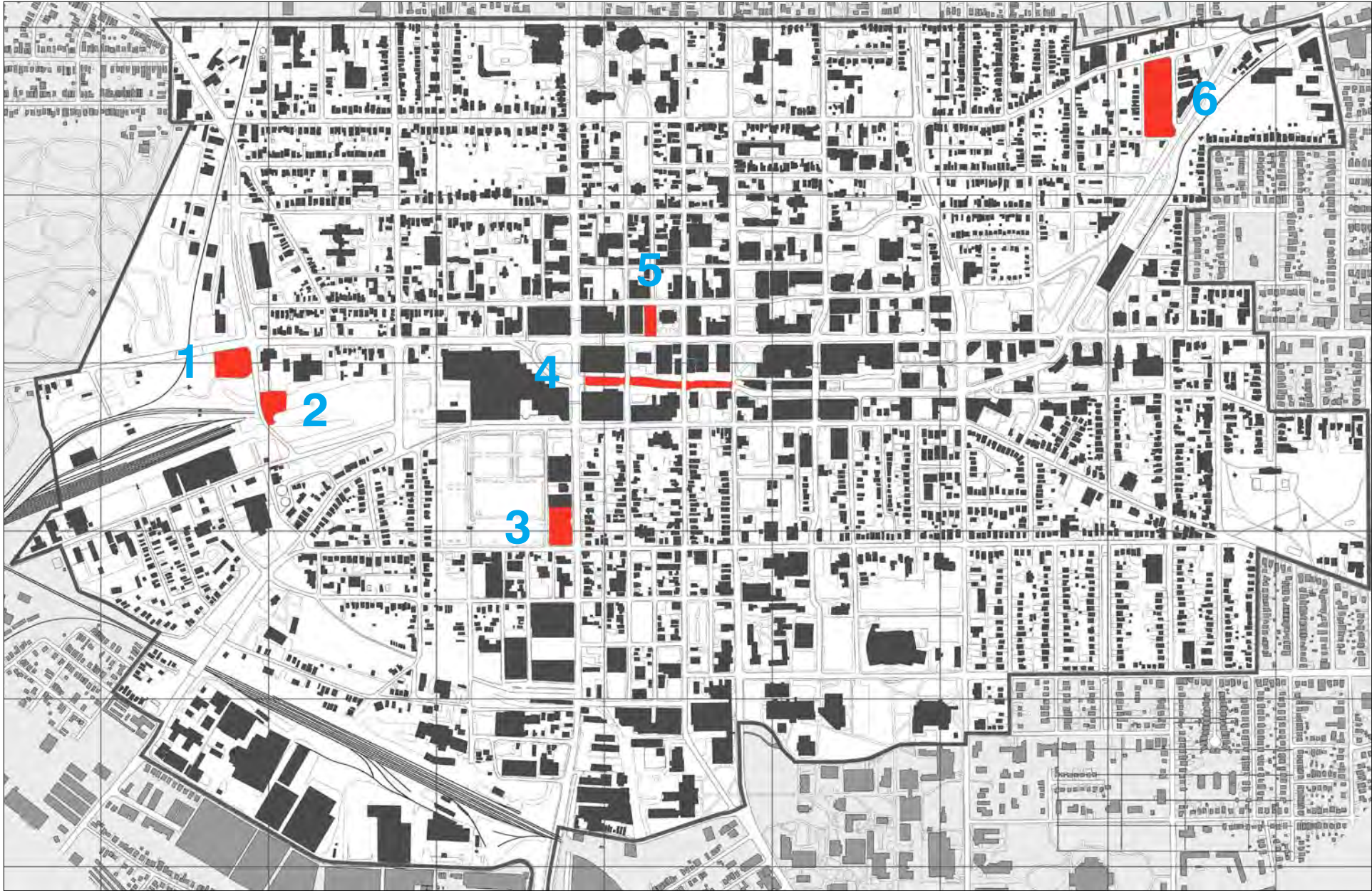
The plan proposes creating a pair of neighborhood scaled parks between Main and Vine Street, along Elm Tree / Rose Street. The parks would replace an existing surface parking lot, which does not contribute to the visual quality of the area.

It is envisioned that the parks would be accessible to the general public and would be passive rather than recreational.

The two apartment buildings that are set back from Elm Tree / Rose Street will benefit from this green forecourt that replaces the asphalt surface.







Proposed location for the farmer's market within the shaded area

### Recommendation Fifteen

**MAKE FARMER'S MARKET A PERMANENT AMENITY**  
 The Lexington Farmers' Market is an asset to the community that should be given a permanent home within the city. Although out-of-the-scope of this master plan, the design team felt strongly that the market should have a permanent home within the downtown area.

The Lexington Farmers' Market is a cooperative run by a board of directors elected by the membership. It was established in 1975 as the Farm and Garden Market Cooperative Association. The market is open outdoors on Tuesdays, Thursdays, Saturdays and Sundays. From mid-April until late November there are five farmers' markets at four different locations across Lexington. The traditional Saturday morning market on Vine Street between S. Mill and S. Limestone last until the farmers sell out and go home.

Several sites were considered as a permanent home for the market, which would include covered stalls, bathroom facilities, demonstration kitchens, and parking for shoppers as well as farmers.

- The sites studied included the following:
1. Main Street and Newtown Pike Extension
  2. Cox Street
  3. Broadway and West Maxwell
  4. Vine Street
  5. Cheapside Park
  6. Charles Young Park



# Recommendation Sixteen

## INCORPORATE AND CELEBRATE THE TOWN BRANCH TRAIL AS A HISTORIC ASSET

At the intersection of Jefferson Street and High Street is a vacant lot. This lot is adjacent to where Town Branch is “daylight.” The proximity of this lot to the trail makes it an ideal location for a visitor information center for hikers, runners, and bicyclists who wish to use the trail for recreation.

The proposed building for this property is mixed-use residential, with residential units on the upper floors and an office for the Town Branch Trail, Inc., on the lower level overlooking the trail.

Much has yet to be done to restore the creek to better serve wildlife, water quality, and flood control. At present, the pollution level of the creek makes it one of the state’s most degraded waterways, a condition that Lexington residents should strive to see reversed.



View of proposed mixed-use building at the corner of High and Jefferson Streets.





Existing Town Branch Trail going through the City of Lexington. Source: Town Branch Trail, Inc.



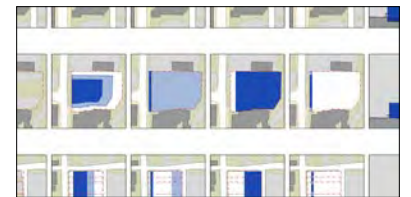
OBSERVATIONS



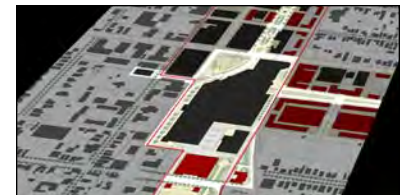
CONCEPT DEVELOPMENT



RECOMMENDATIONS



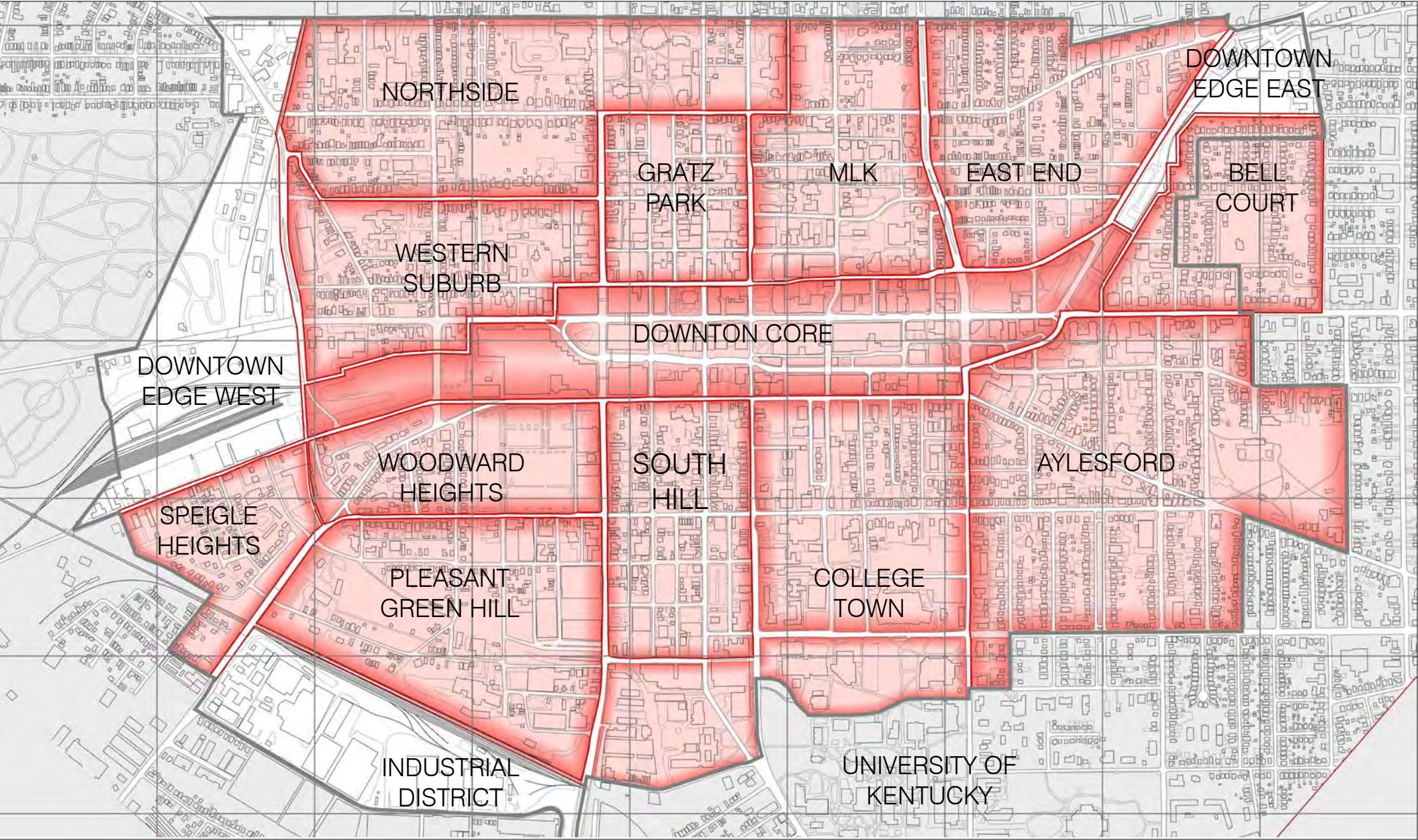
PRECINCT STUDIES



APPENDIX

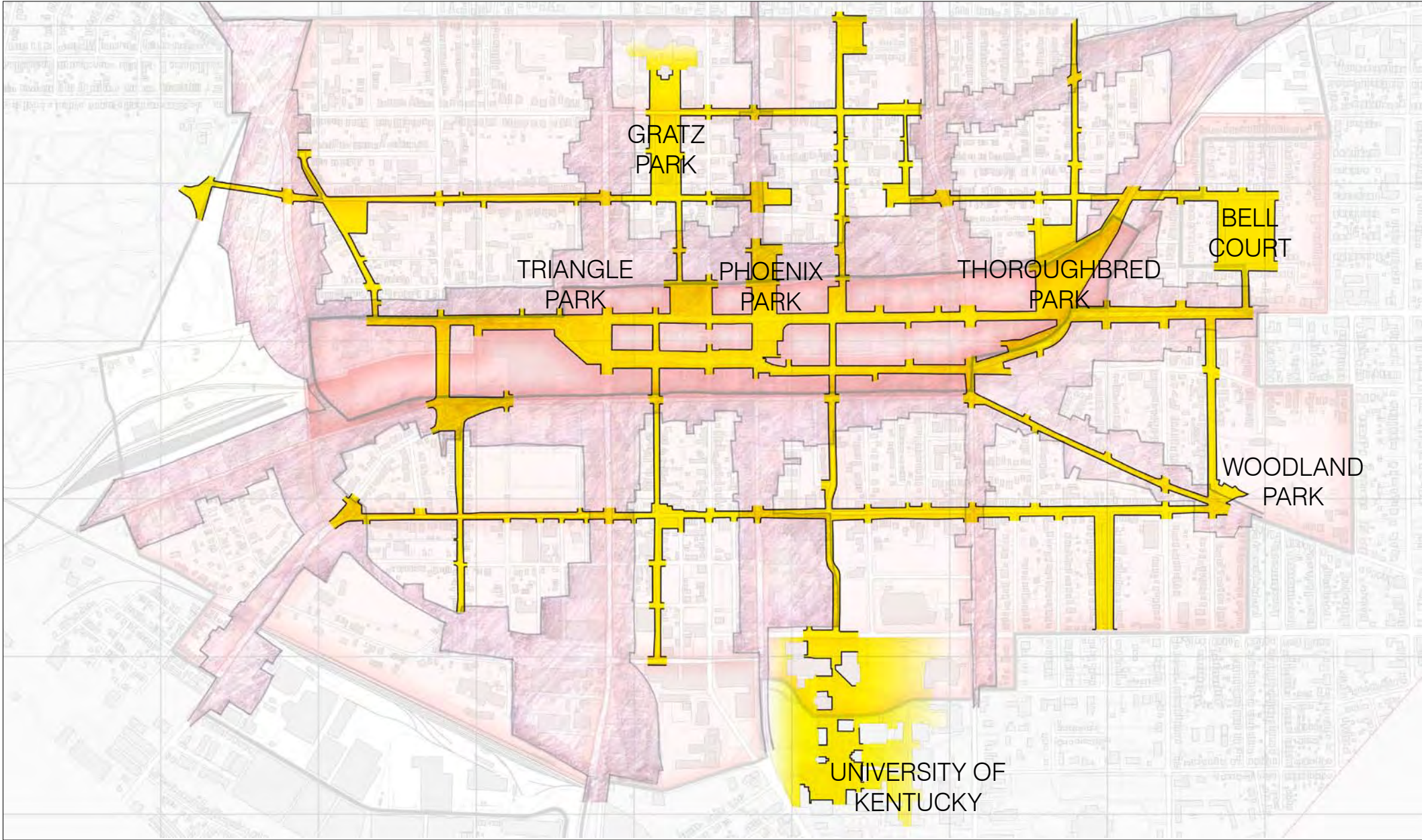






This diagram depicts the study area, demarcating the Downtown Core and surrounding neighborhoods. This section shows the proposed infill development in each of these neighborhood precincts





Framework Plan showing major public spaces within neighborhood precincts, and proposed pedestrian network connecting spaces and neighborhoods





### Downtown Core

The Downtown Core is the existing central business district of Lexington. This elongated land area has limited vacant sites and limited land uses. Defined by two major thoroughfares, Main Street and Vine Street, the core is punctuated by a series of well-designed public parks. The master plan strives to connect these existing parks with green corridors that weave their way through the city fabric.

The goal of the plan is to increase economic vitality, expand low-intensity commercial uses, and increase the number of residential units to house a wide income group.

The regional image should be preserved in the Downtown Core, and historic, cultural, and architectural resources enhanced. Community spirit, identity, and physical character will be strengthened as a by-product of the master plan.

The overriding aim is to create a safe, attractive, and efficient pedestrian environment that serves all age groups.



Existing view of Mill and Vine Street



Existing view of surface parking lot on Vine Street



Existing view of demolished building on Main Street



Proposed office building on corner of Upper and Vine Street



Proposed residential building on Vine Street



Proposed mixed-use infill building on Main Street





Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red

The Downtown Core should be clearly identified as a focal point for community life, offering a diverse mix of business employment, entertainment, service, cultural, and retail opportunities, as well as residential units that help create a round-the-clock vibrant environment.

PROPOSED LAND USE

The following table tabulates additional area proposed within the Downtown Core by use:

Building Use	GSF	Units
Civic	5,389	
Flex/L.I.	n/a	
Industrial	-2,298	
Institutional	90,638	
Office	1,511,810	
Parking	167,902	
Residential - MF	982,624	893
Residential - SFA	n/a	
Residential - SFD	n/a	
Retail	88,196	
TOTAL	2,844,264	

STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Downtown Core:

Street Width	Street Length	Parking Spaces
≤ 31	4,442	222
32 - 40	5,767	442
41 - 45	4,726	423
≥ 46	4,727	443
TOTAL	19,662	1,531



Objectives for the Downtown Core

Identify, restore, and preserve architecturally significant and historic buildings in downtown Lexington.

Identify and improve the capacity and location of parking facilities within the core. Off-street parking shall not be visible from the public realm.

Develop services, build facilities, and add infrastructure specifically geared to the pedestrian, such as planting shade trees, installing street lights, and providing ramps and crosswalks for the disabled.

Provide incentives to attract new convenience commercial and specialty-shop development by strengthening the marketing ability of existing businesses in the Downtown Core.

Encourage efforts to generate community spirit, pride, and identity with volunteer programs such as landscaping improvement and seasonal flower planting within landscaped medians.

Promote infill residential development within and around the Downtown Core. Celebrate downtown living, honor cultural institutions, and advertise entertainment and dining that exist downtown. Loft tours and open houses help expose and enlighten suburban dwellers to the benefits and efficiency of living close to the workplace.



*Proposed idea to illuminate the former Courthouse building to be a beacon landmark within the city*



*View of Vine Street, as seen from Harold Tate's office*



*Proposed use of Cheapside Park as bus transit exchange*



*Proposed development of Vine Street as two-way street with landscaped median*





Existing view of building on Main Street with large setback from sidewalk



Existing view of High Street and YMCA



Existing view of Main Street at Cheapside Park



Proposed infill along Main Street to continue streetwall



Proposed view of development on vacant lot on High Street



Proposed image of Cheapside Park being used as a bus transit exchange





Downtown Edge West

The area to the west of the Downtown Core along the alignment of the Newtown Pike is designated as Downtown Edge West. The area is rich with vegetation, and the existing cemetery is peaceful and picturesque.

The approval of the Newtown Pike Extension is critical to this area of the city, which will change dramatically once construction on the thoroughfare is complete.

Every attempt should be made to prevent the Downtown Edge West from becoming an auto-dependent corridor. This area has the potential to be a true mixed-used neighborhood with retail, offices, and residential as a signature entryway to the downtown.

The illustration on the facing page shows potential development along Newtown Pike at the intersection of Main Street. Currently the area consists of low-scale uses that take no advantage of this prominent gateway location.

PROPOSED LAND USE

The following table tabulates additional area proposed within the Downtown Edge West by use:

Building Use	GSF	Units
Civic	2,499	
Flex/L.I.	78,084	
Industrial	-74,391	
Institutional	n/a	
Office	174,865	
Parking	39,000	
Residential - MF	1,169,018	1,054
Residential -SFA	39,200	18
Residential - SFD	n/a	
Retail	78,394	
TOTAL	1,506,669	

STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Downtown Edge West:

Street Width	Street Length	Parking Spaces
≤ 31	1,711	86
32 - 40	946	80
41 - 45	236	12
≥ 46	2,347	201
TOTAL	5,240	379



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red





Proposed image of intersection of West Main Street and Newtown Pike with mixed-use buildings pairing to form a gateway into the Downtown Core



Plan view of intersection of West Main Street and Newtown Pike as depicted in illustration at left



Existing view of West Main Street and Newtown Pike





Downtown Edge East

The approach to downtown from the east splits two historic residential neighborhoods with a commercial corridor. This corridor has not yet developed to its full potential; however, it is now in a prime position for growth as the Downtown Core starts to get built out.

To the east of Midland Avenue, the master plan proposes the construction of large industrial-type buildings, with large floorplate retail at street level and residential units above.

Given that the Lexington metropolitan region has a shortage of home furniture warehouse stores, the Downtown Edge East area is envisioned as a neighborhood featuring a mix of light-industrial-type retail establishments, with a focus on household furnishings and lifestyle stores. These establishments would service the region, not just the city.

PROPOSED LAND USE

The following table tabulates additional area proposed within the Downtown Edge East by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	16,043	
Industrial	-18,455	
Institutional	n/a	
Office	n/a	
Parking	n/a	
Residential - MF	342,272	213
Residential - SFA	31,500	21
Residential - SFD	n/a	
Retail	n/a	
TOTAL	293,360	

STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Downtown Edge East:

Street Width	Street Length	Parking Spaces
≤ 31	514	26
32 - 40	261	26
41 - 45	289	29
≥ 46	1,156	82
TOTAL	2,220	163



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red





Existing view of the surface parking lot in front of the Living Arts and Science Center



Surface parking lot transformed to public gathering place in front of the Living Arts and Science Center



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red

### PROPOSED LAND USE

The following table tabulates additional area proposed within the MLK Neighborhood by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	-43,340	
Institutional	165,906	
Office	78,067	
Parking	n/a	
Residential - MF	96,547	88
Residential - SFA	84,901	47
Residential - SFD	25,438	7
Retail	25,494	
TOTAL	433,013	

### STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the MLK Neighborhood:

Street Width	Street Length	Parking Spaces
≤ 31	6,198	310
32 - 40	4,928	461
41 - 45	57	3
≥ 46	870	43
TOTAL	12,053	817



### MLK Neighborhood

Located to the north of the Downtown Core, the Martin Luther King neighborhood is well established but would require substantial intervention in certain locations to develop vacant lots and abandoned properties.

The community lacks a central open space that can serve as a gathering place for residents. Streets and parks enable people to live public lives away from the privacy of their homes. A rich set of such places can make life in a neighborhood especially pleasant.

The master plan proposes transforming part of the surface parking lot in front of the Living Arts and Science Center into a public park, as shown in the illustration on the left. The creation of this neighborhood park will help establish a central focal point to orient residents and visitors.

The neighborhood is home to several schools and is an ideal address for families looking for good schools for their children.





### East End

This historically important neighborhood is located west of Midland Avenue and north of the Downtown Core. Although the East End has been neglected for a long time, the framework for rebirth is solid.

The robust street network and close proximity to downtown make this an ideal neighborhood for investment and revitalization.

The illustration on the right shows the historic commercial street in both its existing condition and proposed development. Care should be taken to provide a varied housing stock in the revitalization process, making the neighborhood attractive to a wide range of income groups as well as socially diverse multi-generational residents.

### PROPOSED LAND USE

The following table tabulates additional area proposed within the East End by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	-1,077	
Institutional	82,922	
Office	56,686	
Parking	n/a	
Residential - MF	218,231	70
Residential - SFA	76,824	46
Residential - SFD	43,076	28
Retail	43,035	
TOTAL	519,696	

### STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the East End:

Street Width	Street Length	Parking Spaces
≤ 31	9,734	487
32 - 40	4,977	0
41 - 45	n/a	n/a
≥ 46	1,351	68
TOTAL	16,062	554



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red



Existing view of Third Street's commercial district



Proposed development on Third Street, including street-level retail with residential above





Existing view looking north towards Rupp Arena's surface parking lot, adjacent to West Maxwell Street



Illustration showing proposed street connecting West Maxwell to West High Street with mixed-use development supporting Rupp Arena



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red

The Design Team noted: that development of this key piece of real estate adjacent to the Downtown Core is critical to the future success of Lexington. The large land parcel should be subdivided into manageable blocks that are porous and permit pedestrian activity. Vibrant street activity is crucial to attract visitors from the Rupp Arena and the Convention Center to explore this neighborhood.

### PROPOSED LAND USE

The following table tabulates additional area proposed within the Woodward Heights by use:

Building Use	GSF	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	-4,498	
Institutional	n/a	
Office	31,809	
Parking	1,700,870	
Residential - MF	754,239	686
Residential - SFA	155,581	42
Residential - SFD	8,222	4
Retail	135,164	
TOTAL	2,741,387	

### STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Woodward Heights:

Street Width	Street Length	Parking Spaces
≤ 31	3,342	167
32 - 40	1,760	123
41 - 45	436	22
≥ 46	516	30
TOTAL	6,054	342



### Woodward Heights

The petite neighborhood of Woodward Heights is located southwest of the Downtown Core. The residential core is bounded by a pair of one-way streets – High Street and South Maxwell Street – used by daily commuters. To minimize the impact of this commuter traffic, speeds should be lowered on the two thoroughfares. The existing residential fabric consists of charming houses with a public realm that will need to be repaired and maintained by the city.

Close to 50 percent of the land area of this neighborhood is vacant land used for surface parking by the Rupp Arena, creating a gaping hole in the fabric of the city.

The master plan proposes replacing the surface parking with residential, commercial, retail, hospitality, and entertainment uses that will support the Rupp Arena activities. The plan calls for building sufficient structured parking to meet the needs of the Rupp Arena, new residents, and retail.





South Hill

Located adjacent to the University of Kentucky and south of the Downtown Core, the historic neighborhood of South Hill is experiencing a transformation.

This neighborhood consists of many homes that were once owned by free African Americans at a time when slavery was still an institution in Kentucky. Prosperous whites lived alongside prosperous African Americans, with many middle-class citizens also residing in the district. The oldest home in Lexington, the Adam Rankin House, is located in this district on South Mill Street.

The northern portion of the neighborhood, north of Pine Street, has few vacant properties. The master plan suggests that auxiliary residential units may be added to the rear of existing properties to increase density, given the close proximity and adjacency to the Downtown Core. The southern portion of the neighborhood contains several vacant parcels that are ideal for infill development, along with abandoned tobacco warehouses that can be retrofitted into loft units.

PROPOSED LAND USE

The following table tabulates additional area proposed within the South Hill by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	n/a	
Institutional	-7,101	
Office	96,537	
Parking	76,704	
Residential - MF	268,582	244
Residential - SFA	51,751	22
Residential - SFD	92,616	32
Retail	154,120	
TOTAL	733,120	

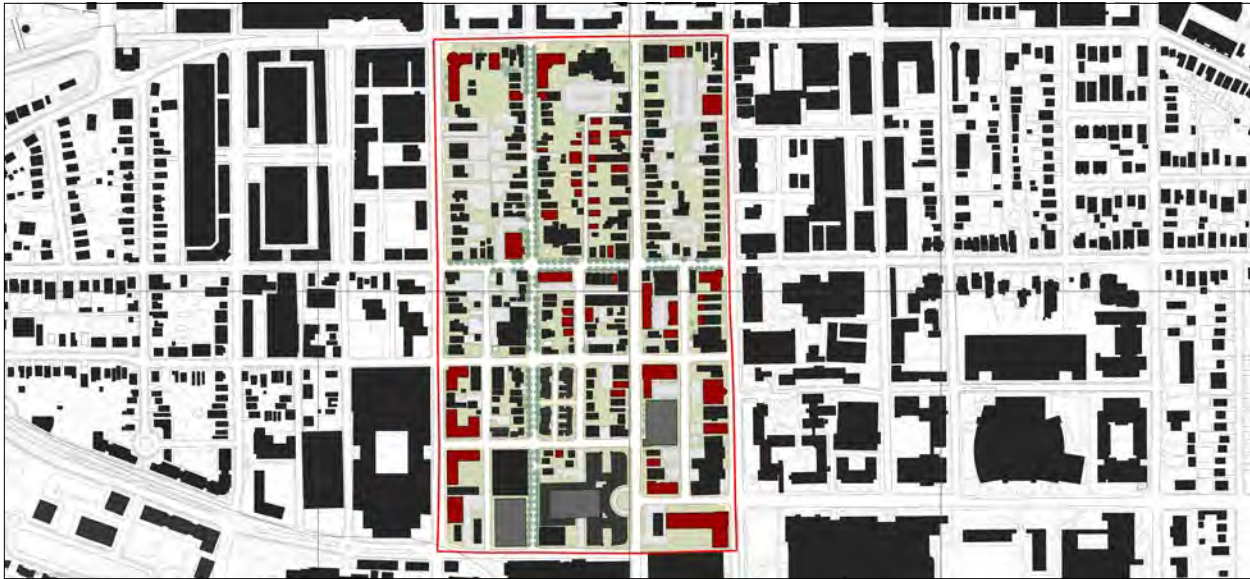
STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the South Hill:

Street Width	Street Length	Parking Spaces
≤ 31	5,049	252
32-40	2,524	252
41-45	649	48
≥ 46	1,258	63
TOTAL	9,480	615



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red





*Rendering of center court for the new condominium project being built in South Hill neighborhood. Source: South Hill Group*





Pleasant Green Hill

Pleasant Green Hill is located adjacent to and south of Woodward Heights, and west of South Hill.

It is the neighborhood most effected by the alignment of the Newtown Pike Extension.

A very good Small Area Plan has been developed to guide this area's redevelopment once the Newtown Pike Extension is complete.

PROPOSED LAND USE

The following table tabulates additional area proposed within the Pleasant Green Hill by use:

Bldg. Use	GSF	Units
Civic	16,729	
Flex/L.I.	n/a	
Industrial	(347,015)	
Institutional	5,416	
Office	31,863	
Parking	205,272	
Residential - MF	234,423	213
Residential - SFA	83,758	68
Residential - SFD	(7,042)	45
Retail	134,115	
TOTAL	357,160	

STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Pleasant Green Hill:

Street Width	Street Length	Parking Spaces
≤ 31	9,987	499
32-40	2,236	192
41-45	383	25
= 46	1,329	85
TOTAL	13,934	802



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red





*Proposed view of infill building on West Maxwell Street*



*Existing view of vacant lot on West Maxwell Street*



*Plan view of vacant lot on West Maxwell Street*





### Speigle Heights

The Speigle Heights area is located to the southwest of the Downtown Core.

The design team concluded that the potential growth in this area will likely be in two forms. The commercial will be light industrial and office, while the residential will take the form of multifamily homes (rented and owned) and townhouses.

#### PROPOSED LAND USE

The following table tabulates additional area proposed within the Speigle Heights by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	31,838	
Industrial	-23,576	
Institutional	n/a	
Office	30,513	
Parking	n/a	
Residential - MF	170,359	155
Residential - SFA	69,346	41
Residential - SFD	-8,319	-2
Retail	-107,018	
TOTAL	163,144	

#### STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Speigle Heights:

Street Width	Street Length	Parking Spaces
≤ 31	4,712	236
32-40	983	84
41-45	n/a	n/a
≥ 46	694	35
TOTAL	6,390	354



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red





*Proposed gateway graphic at underpass, announcing entry into the City of Lexington*





Aylesford

The Aylesford neighborhood is located adjacent to and southeast of the Downtown Core.

The neighborhood consists of a wide range of housing types, including a beautiful collection of homes around Transylvania Park.

The southeast corner of Aylesford is anchored by Woodland Park, an invaluable asset to the area.

For the most part, little needs to be done in this successful neighborhood, as there are no vacant land parcels except in the blocks adjacent to the downtown. These vacant sites can be infilled with mixed-use buildings, as shown in the illustration on the facing page.

PROPOSED LAND USE

The following table tabulates additional area proposed within the Aylesford by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	n/a	
Institutional	n/a	
Office	86,245	
Parking	n/a	
Residential - MF	166,247	151
Residential - SFA	n/a	
Residential - SFD	4,314	2
Retail	30,576	
TOTAL	88,340	

STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Aylesford:

Street Width	Street Length	Parking Spaces
≤ 31	7,562	378
32-40	10,507	1,004
41-45	2,019	168
≥ 46	3,889	381
TOTAL	23,977	1,931



Proposed Precinct Master Plan - new buildings are depicted in red





Existing view looking northwest on High Street at a vacant lot



Existing view looking northwest on East Vine Street at underutilized land parcels



Intersection of East Euclid and East High Street



Live-work infill buildings on High Street, compatible in scale with existing buildings



Proposed infill development along East Vine Street



Proposed entry gateway sculpture at the intersection of East Euclid and East High Street





### Gratz Park

Located just south of Transylvania University, Gratz Park is one of the most well-known addresses in Lexington.

Several vacant sites exist a block or two away from the park. These vacant land parcels should be carefully monitored to ensure that the historic character and scale of the neighborhood is maintained.

The illustration on the right shows the termination of Second Street at the Sayre School. Converting all one-way streets to two-way is an integral part of this master plan, and Second Street is no exception.

The illustration suggests that trimming the trees in front of the Sayre School may be a strategy to highlight and celebrate this civic institution. Additionally, illuminating the facade at dusk will create a neighborhood beacon for this terminated vista.

### PROPOSED LAND USE

The following table tabulates additional area proposed within the Gratz Park by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	n/a	
Institutional	n/a	
Office	129,821	
Parking	64,549	
Residential - MF	114,153	104
Residential - SFA	n/a	
Residential - SFD	n/a	
Retail	73,820	
TOTAL	382,363	

### STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Gratz Park:

Street Width	Street Length	Parking Spaces
≤ 31	4,562	228
32-40	2,105	172
41-45	221	11
≥ 46	718	36
TOTAL	7,607	447



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red



Existing view looking east on Second Street towards the Sayre School



Second Street converted to two-way traffic and improved as an east-west pedestrian corridor





Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red



Western Suburb

Located northwest and adjacent to the Downtown Core, the Western Suburb neighborhood is an eclectic collection of buildings. Few opportunities exist for infill development, although the area could benefit from additional convenience retail.

Similar to other neighborhoods in Lexington, the Western Suburb lacks a central open space where the community can gather and congregate. The master plan suggests converting the corner park at Georgetown Road and Second Street into a public park.

PROPOSED LAND USE

The following table tabulates additional area proposed within the Western Suburb by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	n/a	
Institutional	n/a	
Office	31,795	
Parking	n/a	
Residential - MF	102,995	94
Residential - SFA	3,600	2
Residential - SFD	13,516	9
Retail	26,039	
TOTAL	177,945	

STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Western Suburb:

Street Width	Street Length	Parking Spaces
≤ 31	5,043	252
32 - 40	2,445	182
41 - 45	790	67
≥ 46	2,392	177
TOTAL	10,672	679





Industrial District

Located at the southwest edge of the city, this area has been home to industrial uses for a long time and now includes many abandoned warehouses. The industrial land use should be retained and some of the existing buildings creatively adapted or re-used.

STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Industrial District:

Street Width	Street Length	Parking Spaces
32-40	2,876	288
41-45	193	19
= 46	493	49
TOTAL	3,563	356



Proposed Precinct Master Plan - new buildings are depicted in red



Bell Court

For the most part, the Bell Court neighborhood is not within the study area for this master-planning effort. However, peripheral vacant sites from the neighborhood fall into the study area, and infill suggestions have been made for those parcels.

PROPOSED LAND USE

The following table tabulates additional area proposed within the Bell Court by use:

Bldg. Use	Footprint	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	n/a	
Institutional	n/a	
Office	31,114	
Parking	n/a	
Residential - MF	n/a	
Residential - SFA	n/a	
Residential - SFD	n/a	
Retail	13,203	
TOTAL	44,317	

STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Bell Court:

Street Width	Street Length	Parking Spaces
≤ 31	1,486	74
32-40	4,232	423
41-45	879	68
≥ 46	n/a	n/a
TOTAL	6,598	566



Proposed Precinct Master Plan - new buildings are depicted in red





Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red

PROPOSED LAND USE

The following table tabulates additional area proposed within the Northside by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	5660	
Institutional	n/a	
Office	66,751	
Parking	n/a	
Residential - MF	20,211	
Residential - SFA	26,380	
Residential - SFD	27,403	
Retail	n/a	
TOTAL	147,405	

STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the Northside:

Street Width	Street Length	Parking Spaces
≤ 31	4,626	231
32-40	8,971	811
41-45	657	66
≥ 46	1098	90
TOTAL	15353	1198



Northside

Located in the northwest of the city, Northside is one of the largest neighborhoods in Lexington. The full extent of the neighborhood is not included in the study area for this master-planning effort.

The south side of the neighborhood is anchored by Transylvania University. Additionally, Northside has many beautiful historic structures, such as the residences that enfront Hampton court.

Broadway is the major north-south arterial that runs through Northside.

As the plan indicates, there are very few infill opportunities with this neighborhood.





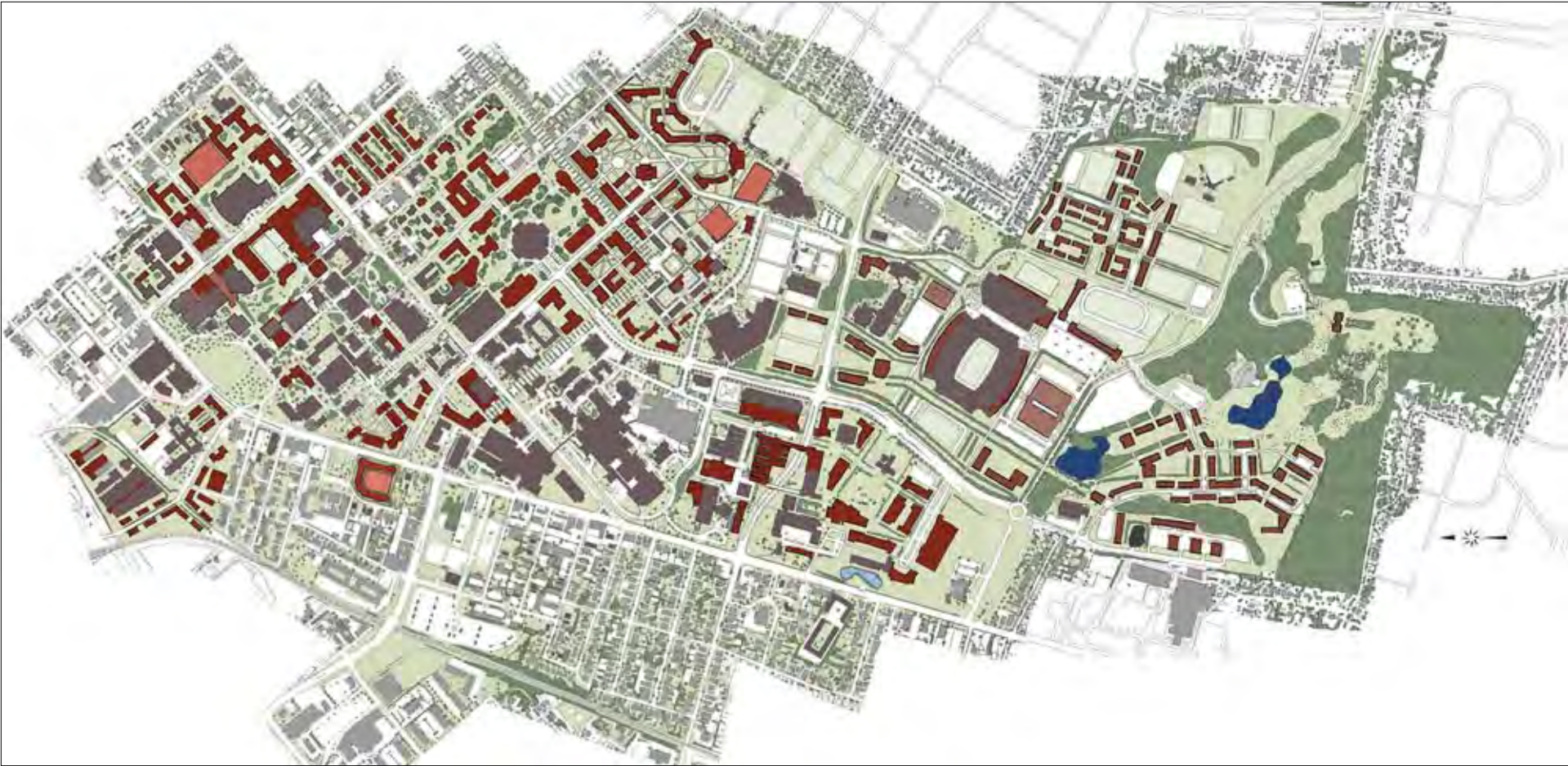
# University of Kentucky Campus

Campus Physical Development Plan  
 Completion: 2002  
 Size: 687 acres

The University of Kentucky's Campus Physical Development Plan sought to achieve a set of ambitious goals mandated by the State of Kentucky, while accommodating a projected increase in the student population. The faculty, staff, and students contributed their respective knowledge, experience, and points of view to create this vision. In addition, the University made an unprecedented effort to join forces with the City of Lexington and campus neighbors to ensure that the entire community was involved in the process. Based on the input from the UK community, the following guiding principles were established:

1. Create academic communities
2. Create a sustainable pattern of growth
3. Create connections to the city

With these principles as a guide, the plan suggests the elimination of boundaries



University of Kentucky Master Plan – new buildings are depicted in red





Rendering of proposed University of Kentucky seen from above.



View of proposed Student Center Atrium



View of Kirwin Building

that compartmentalize functions on campus, while supporting interaction between disciplines and mixing living and learning functions to create a stronger campus. This idea is manifested through the development of smaller communities within the University that contain their own centers of activity, including academic space, housing, student life facilities, and a significant open space. Each open space is directly connected through a network of tree-lined walkways, creating a unified sense of place for the entire University.

The new century brought with it a new sense of connection between the University and the City of Lexington. Recent efforts between the city and the University have been a model for cooperative planning and development, within and around the campus. In this spirit, the Campus Development Plan involved community groups, government officials, and University officials, leading to many mutually beneficial decisions regarding development in and around the campus boundaries. In summary, the campus plan provides a long-term, flexible road map for growth that supports the University's goal of becoming a top-20 research institution.





### College Town

The College Town Master Plan is the most visible component of the collaborative environment between the city and the University. Initiated as a joint venture between the University and Lexington Fayette Urban County Government, the plan seeks to connect the campus with downtown Lexington and revive a historic neighborhood into a vibrant community serving the University and downtown. The plan envisions a lively commercial district centered on South Limestone Street, while reinforcing the residential community through the development of a housing corridor along Martin Luther King Boulevard. Tree-lined streets, storefront dining, shopping, and entertainment characterize a new college town between downtown Lexington and the University.

The plan carefully minimizes alterations and demolition to existing buildings. Proposed new buildings illustrated are based on detailed housing and retail analysis. Building footprints reflect particular types of buildings that have been envisioned. Schematic designs have been tested

#### PROPOSED LAND USE

The following table tabulates additional area proposed within the College Town by use:

Bldg. Use	GSF	Units
Civic	n/a	
Flex/L.I.	n/a	
Industrial	n/a	
Institutional	1,116,615	
Office	50,185	
Parking	469,893	
Residential - MF	-23,998	-37
Residential - SFA	40,680	48
Residential - SFD	n/a	
Retail	13,860	
TOTAL	1,667,235	

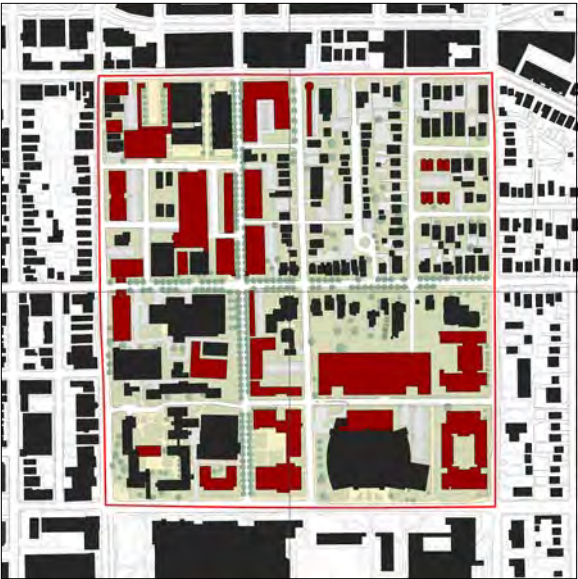
#### STREET LENGTH AND POTENTIAL PARKING

The following table tabulates all streets by width and length and speculates on potential on-street parking within the College Town:

Street Width	Street Length	Parking Spaces
≤ 31	3,845	192
32-40	6,704	573
41-45	103	5
≥ 46	670	34
TOTAL	11,324	804



Precinct Plan - existing conditions



Proposed Precinct Master Plan - new buildings are depicted in red



Proposed infill loft building on South Limestone – retail on street level and residences above



Proposed three-story residential building on South MLK Boulevard and the corner of East High Street





*Proposed expansion of U.S. Post Office on the corner of East High Street and Lexington Avenue – addition anchors the corner*



*Proposed sculpture of 'Secretariat' at the terminus of South MLK Boulevard in front of the Student Union, University of Kentucky*



*Proposed addition of metered on-street parking on Jersey Street*



*Proposed extension of Chrysalis Court connecting South Limestone to MLK Boulevard – new retail/residential loft building illustrated on right*



*Proposed conference center above transit-center parking deck with bridge spanning MLK Boulevard, as seen from Main Street*



*Proposed infill of residential townhouses and cyber cafe on Jersey Street*

for these individual sites. The residential buildings proposed provide a diverse range of unit types, sizes, and price points.

The study suggests extending Chrysalis Court from South Limestone Street to Martin Luther King Boulevard to create an alternate route through this large impenetrable block.

Lexington's College Town is one with a rich, dynamic history, and handsome architectural identity. It is surrounded by distinct neighborhoods and districts that will be positively influenced through streetscape improvements, new developments, and enhanced transportation systems. Situated between the northeast edge of campus and downtown Lexington, the area is a logical focus for a community that is looking to build upon its charm and offer more services within the quaint and vibrant environment that college towns are known for.

The area represents a mix of opportunities and challenges, within a sound architectural and commercial footing. Important to the successful development of the area is the retention of old and historic buildings and the development of housing and retail space that not only increases density, but also responds to the surrounding architectural character. Parking, traffic, and transit will play a major role in the development. The increase in density, demand on parking, and increase in traffic can be mitigated by enhancing transit service and a cooperative approach to managing parking.





### Retail Opportunities on South Limestone Street

South Limestone Street is the existing retail corridor connecting the University and downtown. The College Town study proposes to further develop, support, and strengthen the retail businesses along this corridor. Transforming the visual character of the street will help further establish the street as a connector. Additionally, the location of the new courthouse complex, arts center, library, and related open spaces along South Limestone will help to bolster pedestrian activities along this primary retail corridor.

Based on a detailed study conducted by ZHA, the existing College Town retail market can absorb approximately 55,000 square feet of retail space over a five-year time span. The study proposes that the location of this additional retail space be along the Limestone Street corridor.



- Retail Space at Corner – Presently a surface parking lot at a busy intersection.
- Traffic – Convert High Street to two-way traffic.
- Retail Space – 5,900-ft2 footprint; church-owned property that could be developed with street-level retail and office space above.
- Retail Space – 4,600-ft2 footprint; church-owned property that could be developed with street-level retail and office space above.
- Mixed Use – Presently a surface parking lot with development potential of 9,200 ft2 of retail fronting Limestone Street, 27 loft units on three floors, and parking in the rear.
- Residential - Rehabilitate existing abandoned houses and historic structures on the street.
- Mixed Use - Presently a surface parking lot, with potential for development of 15,200 ft2 of retail on street level, 51 loft units on 3 floors, and parking in the rear.
- Institutional - Renovate Kimbell House Motel for institutional use.
- Retail Space - 2,900 ft2 within new medical office building on hospital property.
- Retail Space - 2,000 ft2 building will fill prominent corner site on Maxwell Street.
- Retail Space - 8,100 ft2 at street level of new medical office building on hospital property.
- Critical Corner - Proposed new porch and entry on Two Keys Tavern.
- Parking Deck - Existing hospital parking deck has the structural capacity to be expanded.
- Retail Space - 2,000-ft2 infill development along primary retail corridor fills the missing gaps in the pedestrian experience.
- Retail Space - 2,300-ft2 infill development
- Retail Space - 4,000-ft2 infill development
- Traffic - Convert South Limestone Street to two-way traffic; provide metered on-street parallel parking, sidewalks, and crosswalks.
- Public Space - Outdoor meeting space at intersection of South Limestone Street and Avenue of Champions.



*Proposed two-story infill retail on the corner of South Limestone and East High Street*



*Proposed pharmacy and medical office building on South Limestone in front of the Samaritan Hospital*

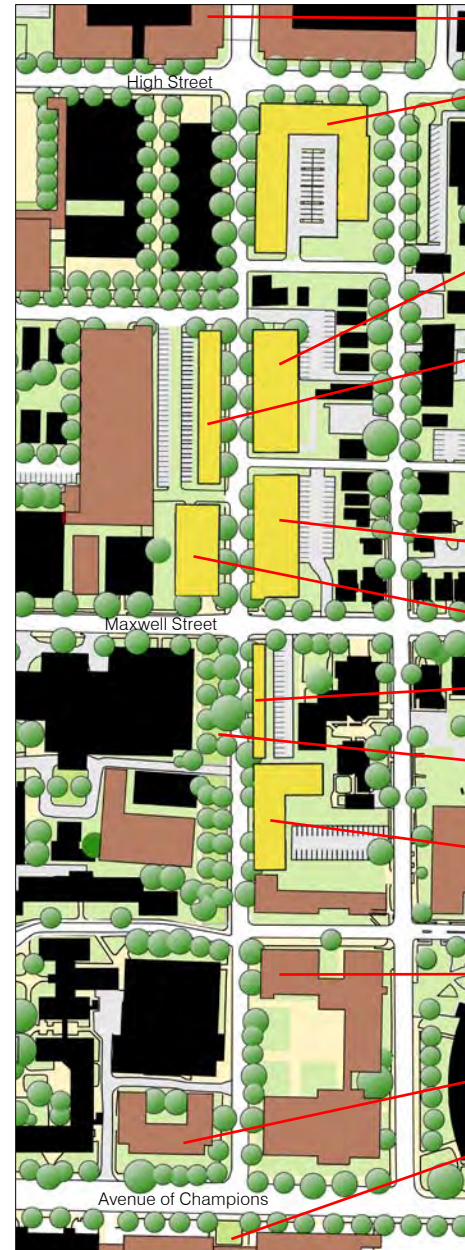




Proposed restoration of historic homes on South Limestone, including street improvements and burying utility lines



Proposed extension of Chrysalis Court connecting MLK Boulevard to South Limestone – new townhomes and mid-block parking structure



Transit Center – Air rights above the transit center should be considered for University use.

Former L.R. Cooke Site – The 66,000-ft<sup>2</sup> site is large enough to accommodate a variety of uses. A vacant building occupies the site. The residential building shown has 88 units, and 138 parking spaces. An alternate plan (not shown) proposes locating the Business School's Professional Development Center on High Street, with a residential building located to the rear of the site.

Loft Building – The 25,000-ft<sup>2</sup> vacant site, owned by the city, can accommodate 30 two-bedroom and 5 one-bedroom for-sale units with one parking for every unit.

Townhomes – The one-acre site is an aggregation of several single-family house sites. The site may be developed to accommodate 11 for-sale townhouses and 11 basement units. All 22 units have off-street parking provided behind each unit. The site presently has five residences that do not address Martin Luther King Boulevard. These structures will need to be purchased and demolished.

Loft Building – Sited on a 28,000-ft<sup>2</sup> vacant site, this building includes 37 for-sale units.

Loft Building – The 20,000-ft<sup>2</sup> vacant site can accommodate 30 rental units that include a mix of studios and lofts.

Live/Work Building – This building consists of four 3,000-ft<sup>2</sup> office/retail spaces on the lower level with residential space above.

Linear Park – This open public space is created through straightening Martin Luther King Boulevard and adds a much needed amenity to the area.

Residential Building – The 43,000-ft<sup>2</sup> vacant site, owned by the hospital, can accommodate 45 units ranging from studios to three-bedroom units, with parking located in the rear. The site is presently underutilized as a surface parking lot.

Business School – Site for the new Gatton College of Business and Economics. The site is presently being used as a surface parking lot.

Student Housing – Proposed site for additional university student housing, on a vacant site.

Outdoor Meeting Space – Proposed meeting space in front of the student union, at the terminus of Martin Luther King Boulevard.



## Residential Opportunities on Martin Luther King Boulevard

Martin Luther King Boulevard is identified as a residential corridor connecting the University to the edge of the Downtown Core. Streetscape and traffic-calming improvements to the Boulevard offer the potential to invigorate the area. Residential development shall be done in tandem with the retail corridor development on South Limestone Street so that the two streets complement each other.

Based on a detailed study conducted by Zimmerman Volk Associates, the existing College Town residential market can absorb approximately 800 units over a five-year time span. The intervention of housing would infill the vacant sites along the boulevard and help rejuvenate the neighborhood. The College Town study illustrates opportunities to demolish, infill, and rebuild sites so that all buildings address the street on which they are located.



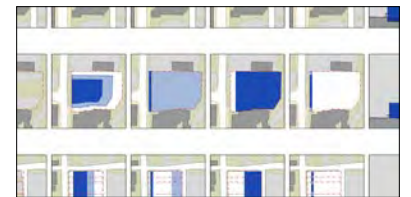
OBSERVATIONS



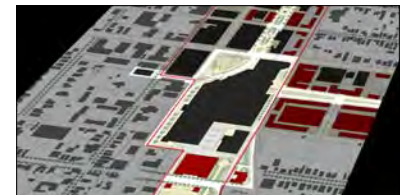
CONCEPT DEVELOPMENT



RECOMMENDATIONS



PRECINCT STUDIES



APPENDIX









## APPENDIX ONE

# RETAIL AND MULTI-TENENT OPPORTUNITIES

Downtown Lexington Masterplan  
Lexington-Fayette County, Kentucky

PREPARED BY  
MS. SARAH WOODWORTH  
ZHA, INC.



Introduction and Context

LOCATION

The boundary for the downtown study area is shown in figure 1. Lexington's downtown is located in the center of the Metropolitan Statistical Area (MSA), and in the center of the Lexington-Fayette Urban County (LFUC).

The Lexington MSA is connected to neighboring Louisville and Cincinnati and the rest of the United States through Inter-states 75 and 64.

Lexington, the state's second largest metro area, is only about one hour and 15 minutes by car from Louisville, Kentucky's largest metropolitan area. Lexington is one and one-half hours by car from Cincinnati, Ohio (see figure 2).

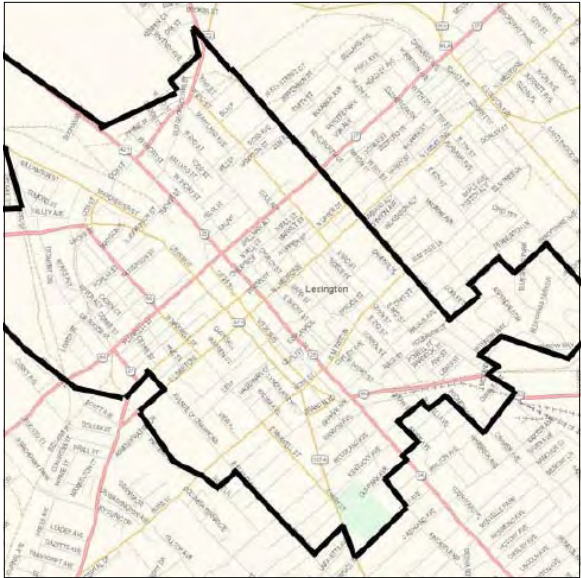


Figure 1. Downtown Lexington Study Area

As shown in figure 3, Lexington is also within a day's drive of many of the country's larger metropolitan areas; 54 percent of the U.S. population is within a 600-mile radius of Lexington.

POPULATION AND GROWTH

Among 280 MSAs nationwide, the Lexington MSA was the 96th largest in population in 2000, and 74th in growth rate between 1990 and 2000.

Population 1990 - 2004

	1990	2000	2004
Lexington	225,366	260,512	266,052
Lexington MSA	405,936	479,198	497,633

Source: Claritas, Inc.; ZHA, Inc.

The Lexington MSA has experienced steady growth, increasing at an average rate of 1 to 2 percent annually between both 1990-2000 and 2000-2004 (see figure 4). While growth has slowed somewhat in the past several years, Lexington has not suffered the fate of some other metropolitan areas of its size by losing population.

The maps from the U.S. Census (figure 5A and 5B) illustrate average per capita income by census tract. The darker the color, the higher the per capita income. Wealth is concentrated in the southern portion of the metro area. The eastern side of the metro area gained wealth between 1990 and 2000. The per capita income in the central business district is low.



Figure 2. Lexington Regional Context



Figure 3: 600-Mile Radius of Lexington  
Source: Kentucky Cabinet for Economic Development

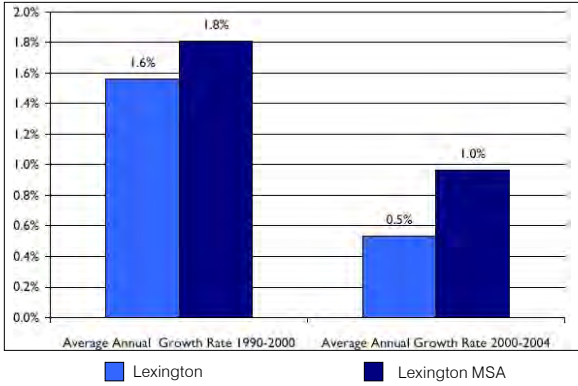


Figure 4. Average Annual Population Growth 1990-2000 and 2000-2004  
Source: Claritas, Inc.; ZHA, Inc.

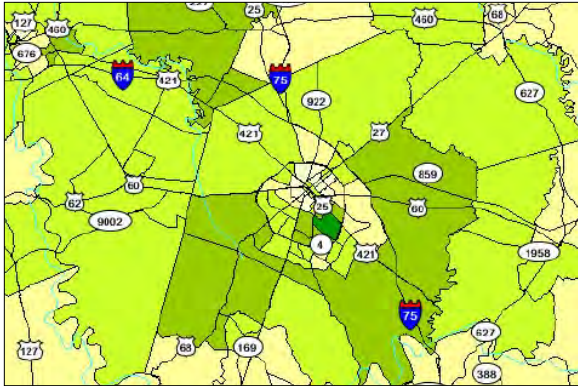


Figure 5A. Average Per Capita Income by Census Tract 1990  
Source: United States Census; ZHA, Inc.



Lexington and the Lexington MSA both have fairly healthy median incomes – close to the U.S. median household income of \$46,015 and above Kentucky's median household income of \$36,728.

Median Household Income 1990-2004

	1990	2000	2004
Lexington	\$28,063	\$39,847	\$42,389
Lexington MSA	\$26,855	\$39,457	\$42,213

Source: Claritas, Inc.; ZHA, Inc.

The MSA experienced an average annual increase of 0.6 percent in real income growth (discounting inflation), while the Lexington experienced a 0.3 percent average annual increase in median household income. Most of the growth in income occurred during the 1990s.

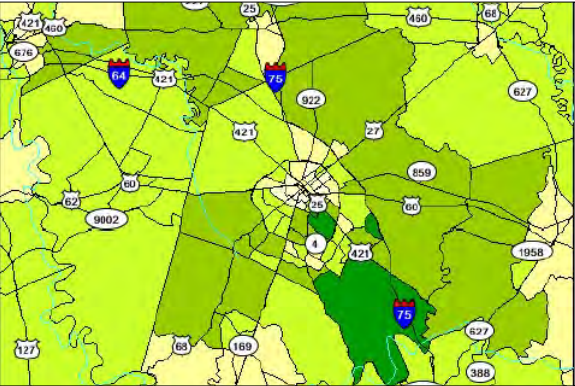


Figure 5B. Average Per Capita Income by Census Tract 2000  
Source: United States Census; ZHA, Inc.

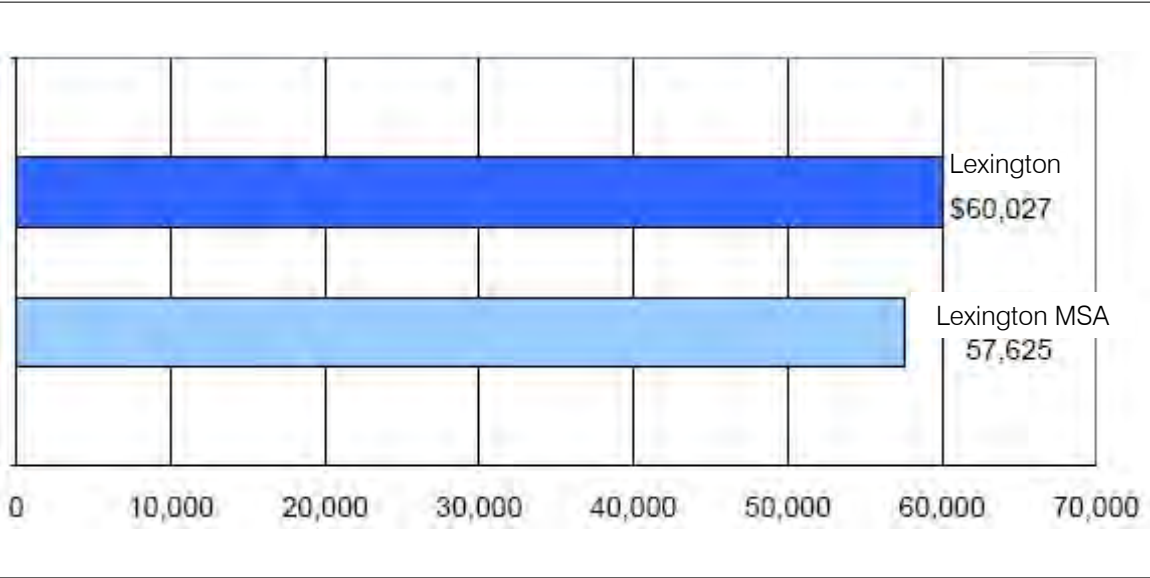


Figure 6. Average Household Income, Lexington and Lexington MSA, 2000  
Source: Claritas, Inc.; ZHA, Inc.

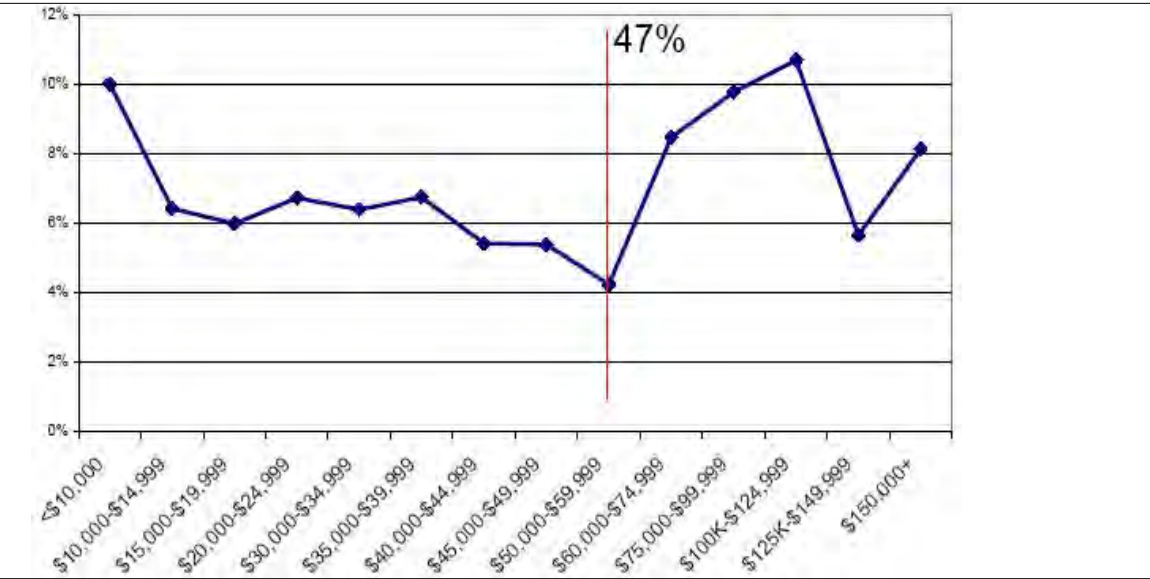


Figure 7. Earnings, 15-Minute Drive Time  
Source: Claritas, Inc.; ZHA

The average household incomes for Lexington and the MSA demonstrate that there are a number of households with very high incomes in Lexington, as seen in figure 6. This concentration of upper incomes is confirmed by looking at the percentage of households in each income category – almost half of all households earn \$50,000 or above within a 15-minute drive of downtown, as seen in figure 7.

The Lexington metropolitan area also ranks 75th of all U.S. metro areas for the percentage of households earning above \$150,000. And, because the area also ranks 24th of 150 in cost of living, income in the area goes further than in some of the other metro areas.

Figure 7 also illustrates that in addition to more than half of the population earning above \$50,000, about one-fifth of all households earn below \$20,000 per year. This is partially attributable to the presence of the University of Kentucky with approximately 25,000 students.

EMPLOYMENT AND BUSINESS



The Lexington metro area is well recognized by the business community as a good place to do business, consistently ranking high in “best places” lists. Most notably, in 2004, Forbes magazine ranked it number nine in the top 10 metros, and ranked it 15th in a list of the Best Small Places to Grow a Company. Additionally, according to the Kentucky Cabinet for Economic Development, Kentucky has the 7th lowest overall business cost in the nation. Affordability makes Kentucky an attractive place for business.

The metro area currently ranks 91st among all U.S. metros in the number of employees, and 114th in job growth. According to the U.S. Census’s County Business Patterns, the metro area has 12,427 business establishments, with 228,224 employees. The majority of these are in smaller companies, indicating that small businesses do thrive in the metropolitan area. Of total employees in the metro area, 169,000 of these are in Lexington. The change from 1998 to 2002 in numbers of employees in select industries is shown in figure 8.

A large percentage of these smaller businesses are in the science/technology industries, indicating that Lexington has proven itself a good environment for these kinds of companies. This industry sector saw the largest growth in total number of employees from 1998 to 2002. While

certain industries lost employees during this time, the technology sector grew, surpassing all other industries in number of employees.

EDUCATIONAL ATTAINMENT AND LIFESTYLE FACTORS

Lexington’s economy benefits from a large percentage of its population having college degrees or higher. Lexington is ranked number six of all metro areas in the proportion of its population having a bachelor’s degree or higher, and number 35 in educational attainment. In comparison with the U.S. as a whole, 20 percent more of Lexington’s population has a bachelor’s degree or higher (see figure 9). Combining this with those who attended some college, approximately 65 percent of Lexington’s population has received some kind of education beyond high school.

The University of Kentucky is an influence in the educational attainment of the population and also provides for additional educational opportunities for the remainder of the population. Its presence also spurs business opportunities for start-up science/technology firms. The University of Kentucky is ranked number 36 in research funding and number 28 in registration of licenses and patents. Additionally, other educational institutions, most notably Transylvania University, also provide an environment of knowledge within the community.

While business-location factors and education are immensely important to the economic health of a region, lifestyle considerations have emerged in the past decade as being at least as important a factor in economic development as taxes and other economic concerns. In this facet, Lexington excels. Lexington is perhaps

best known for its horse industry. It almost goes without saying that this is Lexington’s primary draw for visitors. Fifty-three percent of respondents to a survey by the Lexington Convention and Visitors Bureau said they were interested in getaway packages involving horses, and 58 percent of repeat visitors said that this aspect is what they found most appealing.

Without discounting this important industry, Lexington offers additional opportunities for culture and leisure, including a minor-league baseball team, events at the Lexington Convention Center, University of Kentucky athletics, the Lexington Philharmonic, ballet performances, the Lexington Actors Guild, the Studio Players, the Lexington Musical Theatre, and the Lexington Children’s Theatre.

The downtown is a cultural center with several galleries, venues for live music, and great restaurants. Lexington’s downtown is attractive and walkable and a destination for regional visitors and the Louisville and Cincinnati excursion markets, which, according to a 2004 study for the Lexington Convention and Visitors Bureau, is where the greatest number of inquiries came from.



*The Dame is one venue for live music downtown, adding to the cultural and entertainment draw of the area.*



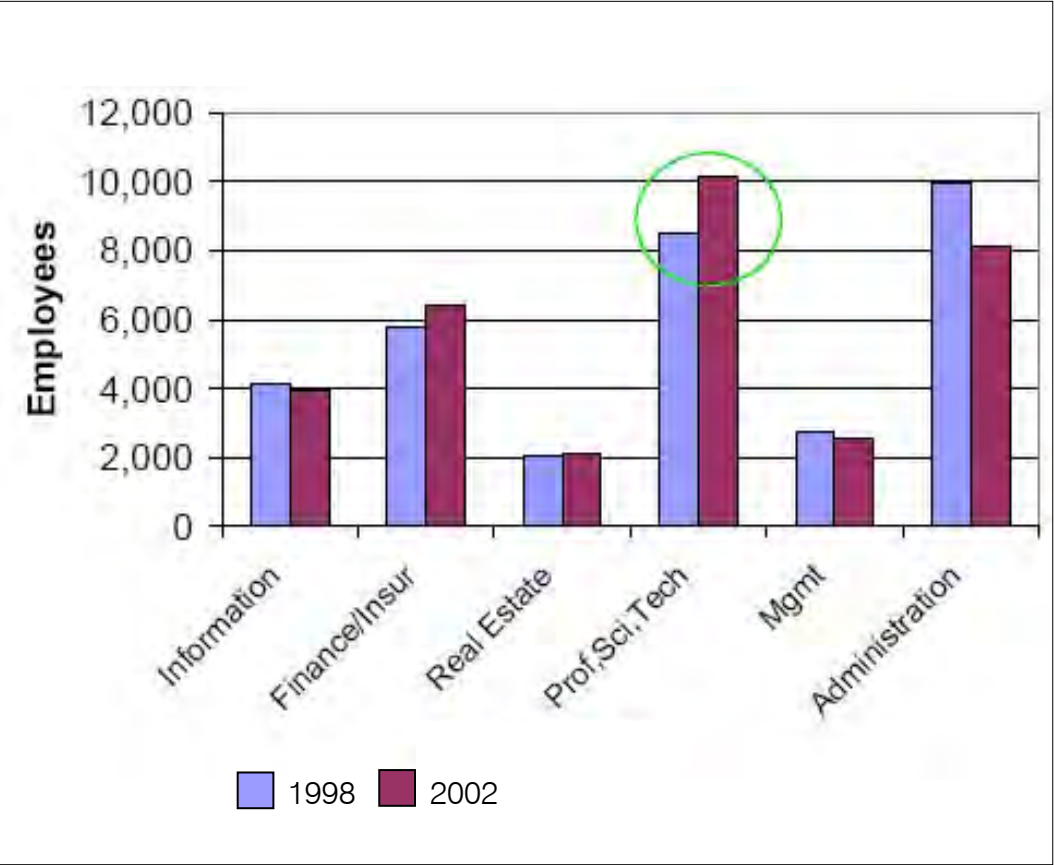


Figure 8. Number of Employees in Select Industry Groups, Lexington  
Source: County Business Patterns, 1998 and 2002; ZHA, Inc.

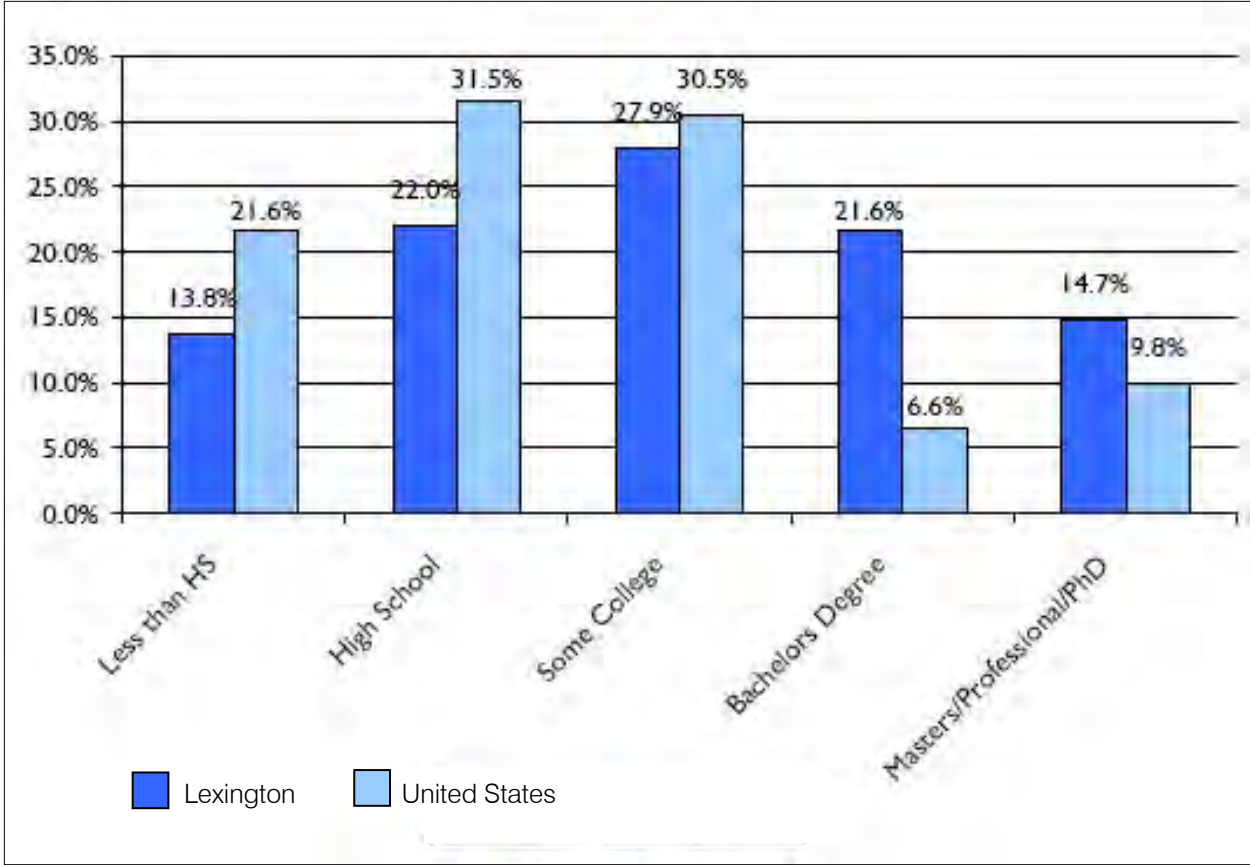


Figure 9. Educational Attainment Lexington and United States  
Source: Claritas, Inc.; ZHA, Inc.



Retail Market Analysis

RETAIL OVERVIEW

For 2004, the Lexington Metro Area had nonautomotive retail sales of \$5,337,045,000, according to Sales and Marketing Management’s “Survey of Buying Power.” The metro area includes Lexington and the counties of Bourbon, Clark, Jessamine, Madison, and Scott. The Lexington is home to the majority of retail space and therefore the majority of sales. Lexington has 54 percent of the metro population, but accounts for 64 percent of metro sales.

A different angle from which to examine retail performance in the MSA and in

Lexington is to consider what the population should typically spend in shopping-center-oriented retail establishments as compared to actual sales (see figure 10). Predictably, both Lexington and its MSA have retail inflows, meaning they attract customers from outside their boundaries to shop.

While Lexington does attract shoppers, the majority of these sales occur outside the downtown area. Of all the sales in Lexington, ZHA estimates that only 5 percent occur downtown (see figure 11).

Later in this report, when we look at retail supply by type, we will see that the downtown area’s market penetration varies widely by store type.

REGIONAL SHOPPING CENTERS

When discussing “regional retail,” we refer to both the regional shopping centers and the associated retail that clusters around these centers. According to the International Council on Shopping Centers, regional shopping centers contain between 400,000 and 800,000 square feet of shopping space, mostly dedicated to full-line department stores, fashion apparel stores, and other General Merchandise, Apparel, Furniture, and Other retailers (GAFO) stores. The tenants in these regional shopping centers are usually full-credit tenants, and nationally known names. Their stores offer breadth and depth of merchandise.

A regional shopping center’s primary trade area – where it gets between 60 and 80 percent of its sales – typically

covers five to 15 miles. Superregional shopping centers are larger than regional ones, including over 800,000 square feet of space; they usually have three or more anchors and a greater variety of additional retailers. The trade area can span up to 25 miles, depending upon the competitive market. Both types of centers have recently been appearing in open-air as well as enclosed formats, but most typically they are still located in the traditional enclosed mall format.

Regional shopping centers typically share the following location characteristics: Regional retail chooses to locate on sites that are highly accessible and highly visible, and that match their corporate plans to penetrate a market. Retailers that locate in regional shopping centers – and the national-chain, big-box, and accompanying retailers that locate near these centers – look for sites that are within easy reach of major highways, especially if they are first entering a market. Areas along highways and other heavily traveled routes with large traffic counts give the retailers greater visibility to passing customers and easy access for customers traveling there to shop. Perhaps even more importantly, a nearby highway provides access to their distribution network, which is crucial in most retailers’ pricing strategies.

When locating in a market, regional shopping center retailers often “surround and attack.” If they add one store, they may choose a site in the middle of the market so that it is accessible to customers from all sides. If they add two, they will put one on either side of the market. Most typically, stores have strategies set in place several years out and plans for how and where they will enter the retail “battlefield.”

The Lexington metro market’s regional retail exhibits the characteristics of typical regional retail. It is oriented

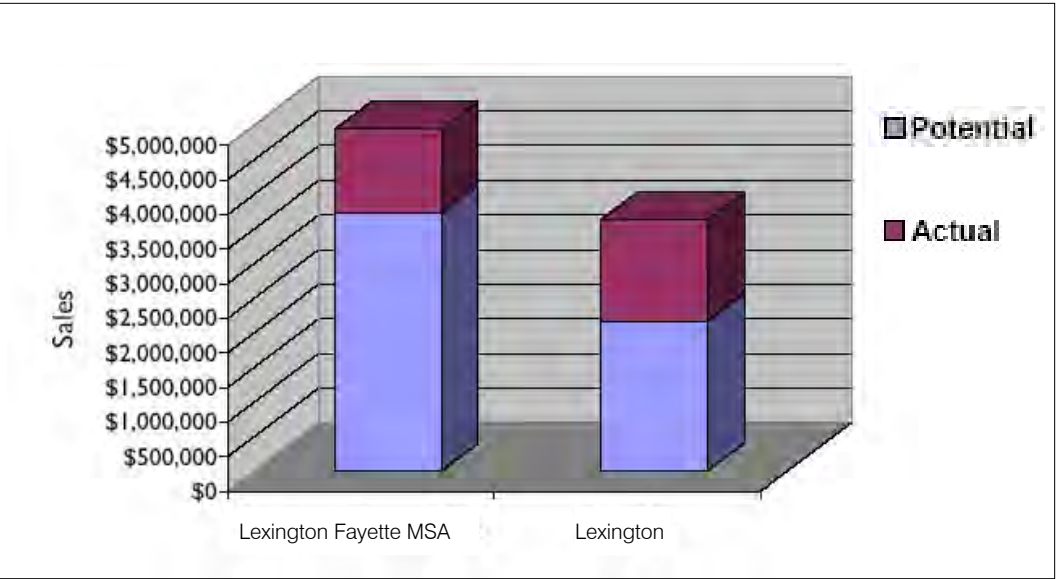


Figure 10. Actual Sales Compared to Sales Potential of Population, Lexington MSA and Lexington  
Source: Sales, Marketing and Management; ZHA, Inc.

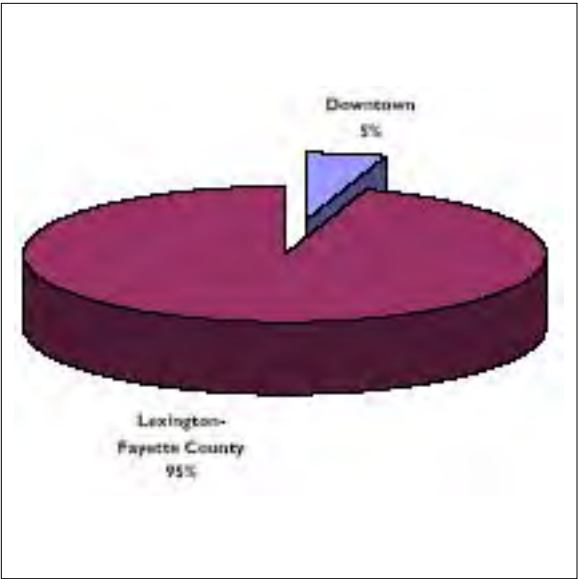


Figure 11. Percent of Shopping Center Oriented Retail Sales by Location  
Source: ZHA, Inc.



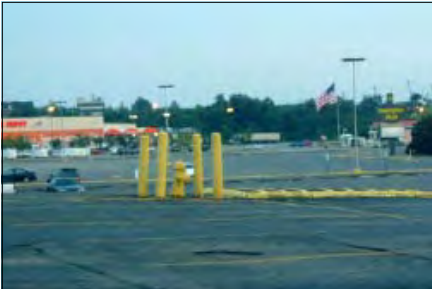


Figure 12. Major Concentrations of Regional Retail (Pink: Regional Retailers; Purple: Downtown)  
Source: ZHA, Inc.

to the mass market; regional retail is located along the major access routes proximate to concentrations of wealth and growth areas. Figure 12 illustrates the major concentrations of regional retail. The pink ovals show the concentrations of regional retailers, while the purple circle shows Lexington’s downtown.

The shopping centers classified by the National Research Bureau’s Shopping Center Directory as “regional” or “superregional” are in the table below. While the Lexington Mall is considered regional because of its overall square footage, the majority of this space, aside from the anchors, is vacant or underutilized.

The “premier” shopping locations, where the best national tenants with the most variety are located, are at Fayette Mall and the newer Hamburg Pavillion. The locations of these two centers flank the south and east sides of the metro area, respectively.



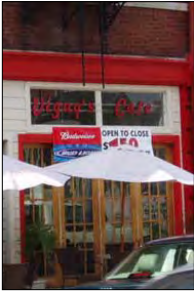
Home Depot is one of a few signs of life in Lexington Mall’s nearly empty parking lot.

Because the regional retail is located on the outside ring around Lexington, it is capable of capturing sales from customers within Lexington and from the surrounding counties, as shown in figure 10 at the beginning of this section, illustrating retail inflow into the area.

Regional Shopping Centers Lexington MSA 2003				
Name	Address	Zip	SF	Anchors
Fayette Mall	3401 Nicolasville Rd	40503	1,220,833	Dillard's, JCPenney, Lazarus, Sears
Hamburg Pavillion	1988 Pavilion Way	40509	1,014,233	Big Box Complex, with a center with some popular mall retailers.
Turfland Mall	2033 Turfland Mall	40504	498,564	Dillard's, Dillard's Home Store, Home Depot, Staples
Lexington Mall	2349 Richmond Rd	40502	432,036	Dillard's Home Depot
South Farm Marketplace	4051 Nicholasville Rd	40504	358,511	Lowe's, Wal-Mart
			3,524,177	

Source: Shopping Center Directory, National Research Bureau, 2003





### CURRENT DOWNTOWN RETAIL

While downtown Lexington does not have the large regional shopping centers of the outer area, it has already distinguished itself as a specialty shopping hub. It has a fairly good selection of antiques, interior decorating, clothing, and gift stores. While these are not overwhelming in square footage, they add to the variety of the downtown experience to create the beginnings of a destination location.

Most of the shoppers' goods in the downtown area are heavily oriented to the Lexington lifestyle of either high culture (antiques, high-end clothing, household furnishings, and accessories) or student life. Retailers tend to be independents and oriented to specific target markets. As such, many of the stores downtown are destinations for their patrons. Specialty retail is a separate kind of "regional" retail – not comprised of large-scale shopping centers, but drawing from a wide trade area nonetheless.

Adding to this destination appeal, there are a number of restaurants, many of which have arrived downtown in the past several years. The eating and drinking market holds great promise for downtown Lexington, capitalizing on both the resident and tourist markets, and reinforcing the destination status of the downtown.

Within the downtown area, several neighborhoods are home to retail clusters. For

the sake of clarity, the areas we define as retail areas are the same as the downtown neighborhoods designated for the downtown plan: Aylesford, College Town, South Hill, Woodward Heights, Western Suburbs, Northside, Gratz Park, Mulberry, Constitution, and East End (see figure 13). Not every neighborhood has retail, and retail not falling into one of these neighborhoods, but within the downtown study area, was referred to simply as "Downtown." This is the category containing most of the retail in the business district core. Also, the downtown study area borders on the specialty center of Chevy Chase. This is close enough to be a complementary destination and is included in the analysis.

The character of downtown retail is markedly different from that in the surrounding area. The square footage per retailer is smaller, and these retailers typically inhabit older retail space. This provides opportunity for the location of unique specialty shops by independent owners, who typically need the small sizes and lower rents that those kinds of retail spaces offer (see photos on left).

Downtown has approximately 400,000 square feet of retail. Neighboring Chevy Chase offers an additional 137,000 square feet to bring

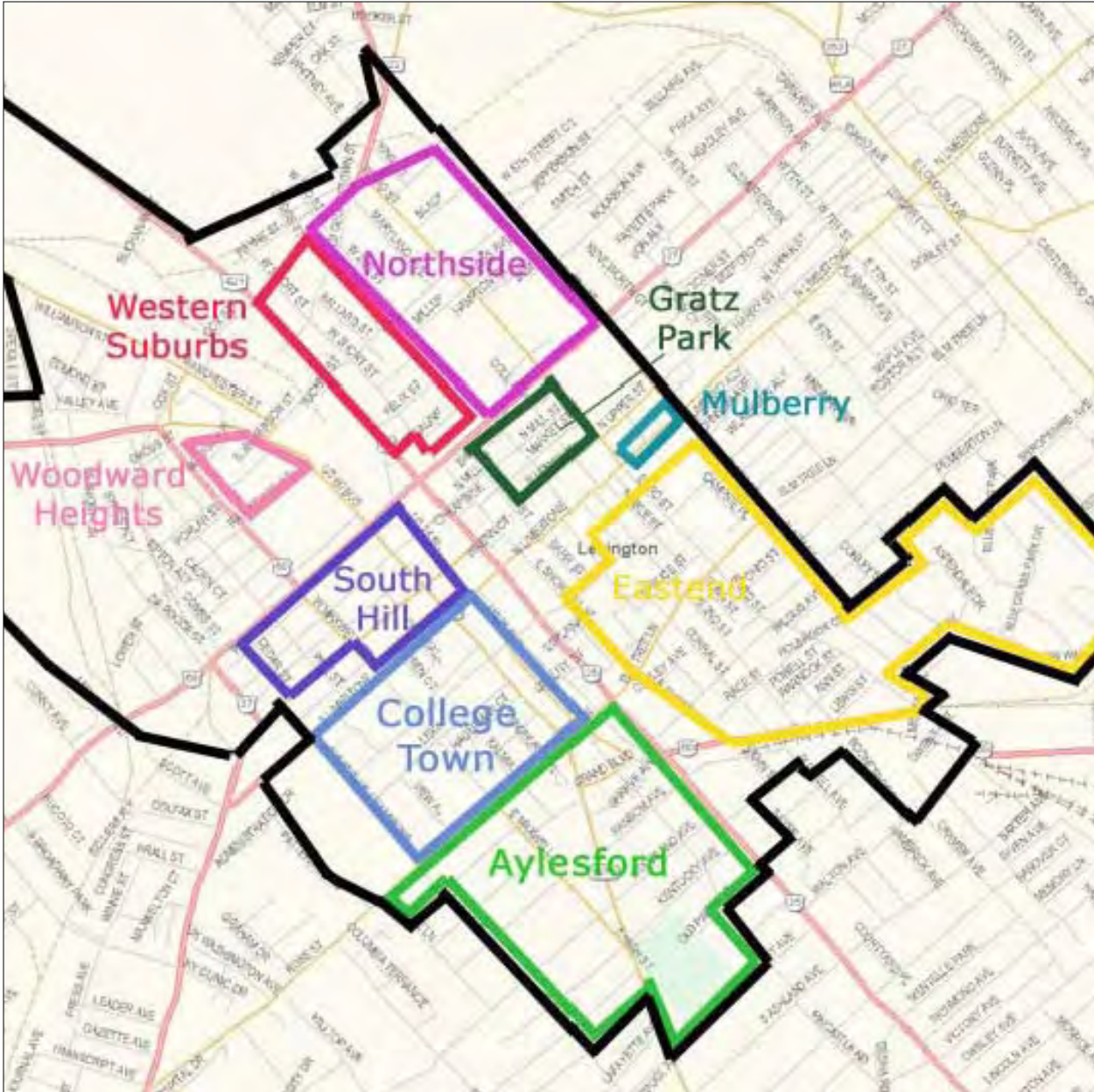


Figure 13. Downtown Neighborhoods



the total to approximately 540,000 square feet. The retail in the study area is broken down by neighborhood in figure 14.

Each neighborhood has a particular niche dependant upon the population it serves. College Town, as the name suggests, serves mainly University of Kentucky students, while the area of Main Street in Downtown and areas near the Convention Center serve a blend of office workers, tourists, and residents. These niches are not immediately apparent through the supply numbers alone. However, a look into how the square footage breaks down into retail types – and further into subtypes – confirms the existence of particular specialties by neighborhood.

**GAFO**

The General Merchandise, Apparel, Furniture, and Other (GAFO) category of retail includes general merchandise stores such as Target and Wal-Mart, fashion boutiques, bookstores, antique shops, electronics stores, and many of the kinds of stores you find in a regional mall. GAFO is where customers do the most “comparison shopping.”

The majority of shopping for general (not specialty) merchandise in Lexington occurs in the regional shopping centers noted above, especially in Fayette Mall and the Hamburg Pavilion. GAFO stores tend to cluster at regional shopping centers where they have access to the greatest number of shoppers – a cluster of these kinds of stores creates a shopping destination for customers.

Of all GAFO sales in the metro area, downtown repre-

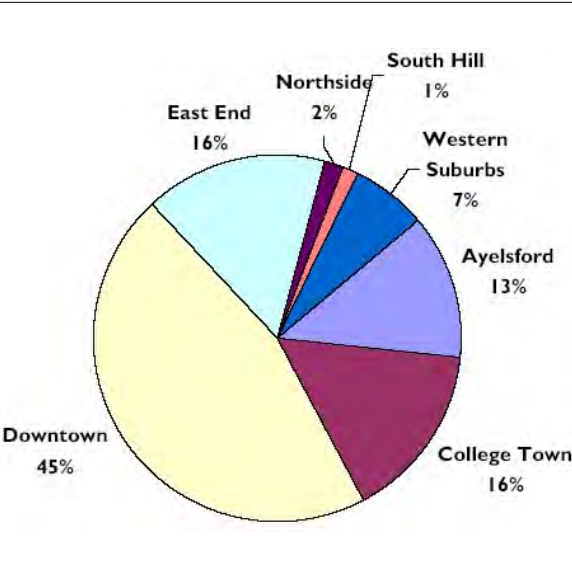


Figure 14. Downtown Study Area Retail by Neighborhood  
Source: ZHA, Inc.



Figure 15. Percentage of GAFO Sales by Area  
Source: ZHA, Inc.

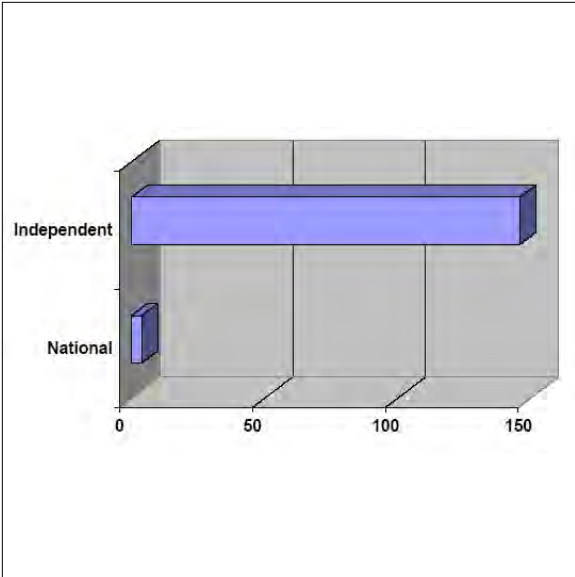


Figure 16. Study Area Stores  
Source: ZHA, Inc.

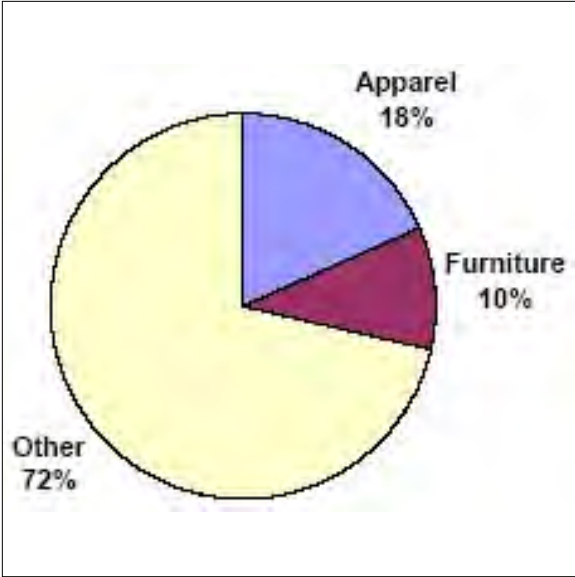


Figure 17. Percentage of GAFO Square Feet by Subtype Lexington Downtown Study Area  
Source: ZHA, Inc.

sents a small percentage, as shown in figure 15. While the GAFO sales in the study area do not constitute a large percentage of Lexington’s overall GAFO sales, for the downtown of a smaller city, Lexington has a good variety of these kinds of stores. There are an estimated 260,000 square feet of GAFO space in the downtown study area. There are an additional 40,000 square feet in nearby Chevy Chase and other close-in areas.

The quality and type of GAFO supply in the downtown study area varies widely, and most are not national chain stores, as shown in figure 16. Most of the GAFO stores in the study area fall under the category of “other.” These include stores selling books, cards, stationery, gifts, art, electronics, and other types of merchandise not in the first three GATO categories. Downtown Lexington does not have any “General Merchandise” stores, which is not uncommon in a downtown. This store type includes department stores, general stores, and dollar stores. Figure 17 shows the breakdown of square feet by type of GAFO merchandise.

**Eating and Drinking**

Eating and drinking retail includes establishments such as restaurants, bars, and cafes. These kinds of uses



tend to cluster, and similar to GAFO establishments have a “destination” effect. Restaurants often can appear to defy traditional demand considerations, because customers will travel outside their trade areas to eat at a particular establishment. Additional restaurants appear to “create” demand by bringing additional customers into an area.

Downtown Lexington has a great array of eating and drinking establishments, and it is in this area that the downtown excels. Downtown has a larger share of overall Lexington sales in this category than in other categories (see figure 18).

From the nascence of a “restaurant row” on North Limestone Street to take-outs, fast-food establishments, and pubs near the university, the eating and drinking supply varies as much as the GAFO supply. There are a total of approximately 206,000 square feet of eating and drinking space in the downtown study area, and an additional 41,000 square feet of eating and drinking space in close-by areas such as Chevy Chase. Figure 19 shows restaurants by type in the downtown study area.

Most of the dining in the downtown area is comprised of fast food, bars/grills, and casual restaurants. This does vary by location. Of all the neighborhoods, Downtown, the East End, and College Town have the

greatest eating and drinking square footage, but the types of restaurants in these three areas differ based upon the markets they serve (see figure 20).

The Downtown and College Town neighborhoods both have relatively few “fine dining” restaurants; instead, their eating and drinking establishments are geared toward providing quick options to workers and students as well as evening options in the form of bars/grills. The East End, on the other hand, has emerged with North Limestone Street as a “Restaurant Row” in recent years, and the greatest percentage of its eating and drinking space consists



Figure 18. Percentage of Eating and Drinking Sales by Location  
Source: ZHA, Inc.

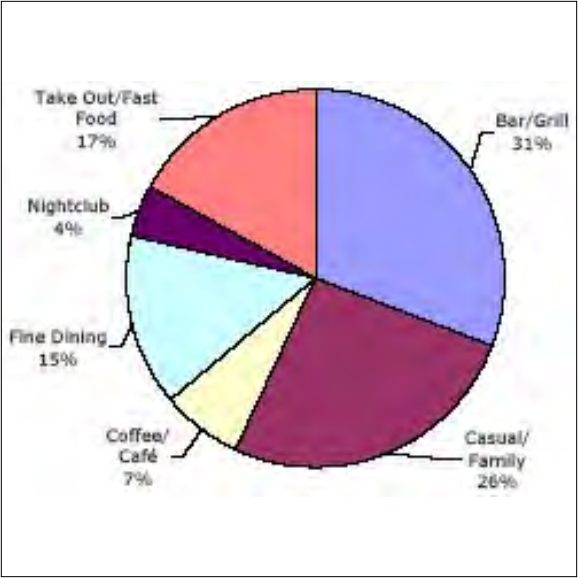


Figure 19. Percentage of Eating and Drinking Space by Subtype  
Source: ZHA, Inc.

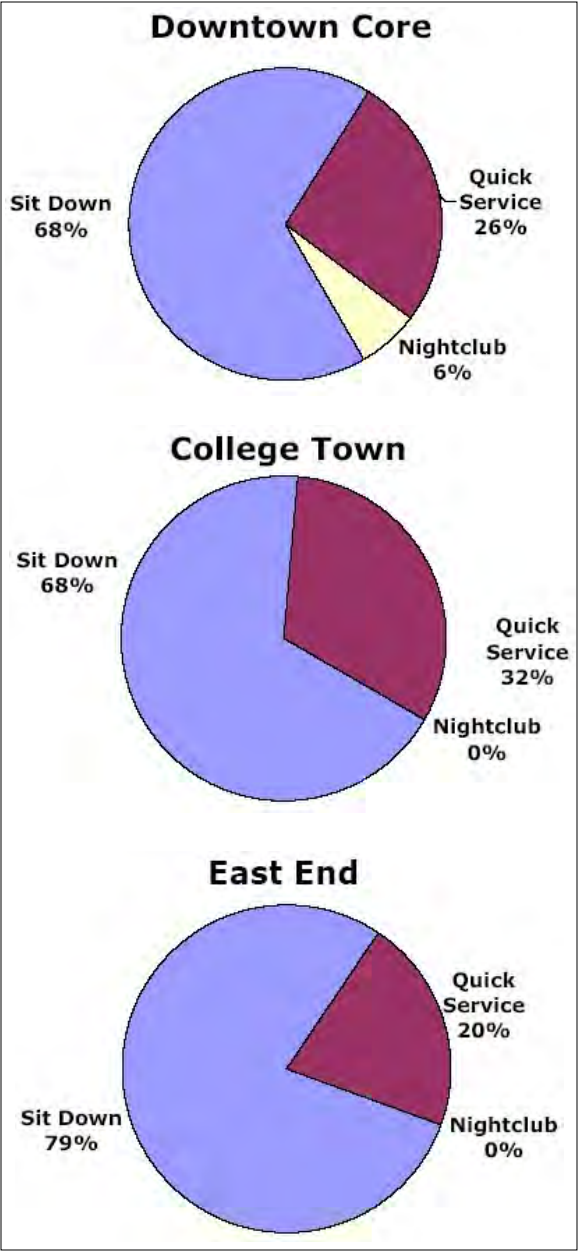


Figure 20. Eating and Drinking Establishment Types by Neighborhood  
Source: ZHA, Inc.



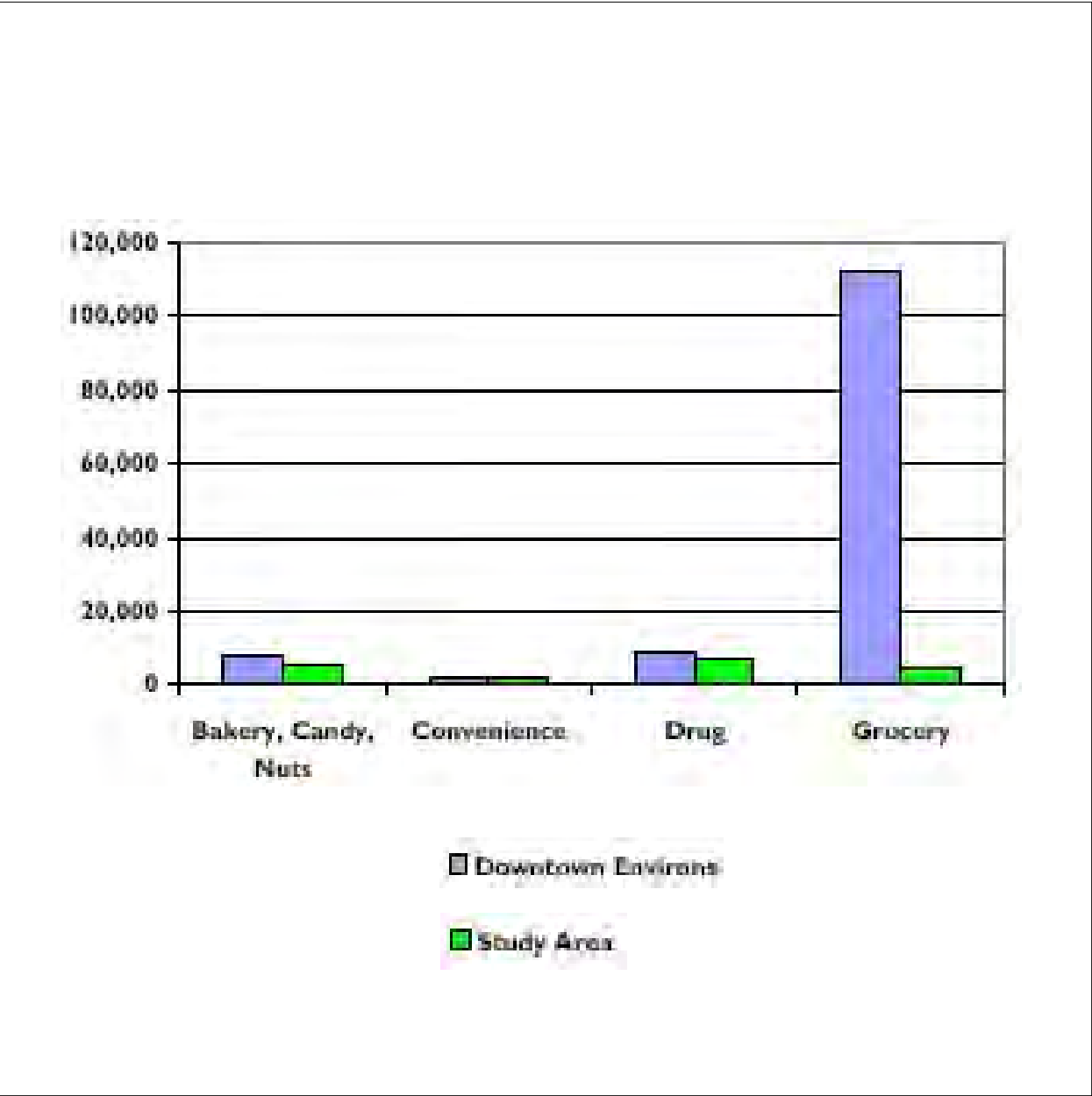


Figure 21. Convenience Square Footage by Type in Downtown Study Area and Surrounding Area  
Source: ZHA, Inc.

of fine-dining establishments. The second highest percentage is in casual/family restaurants.

*Convenience*

The convenience category includes supermarkets, drugstores, and convenience stores, as well as specialty food stores and liquor stores. These types of establishments are highly dependent upon a “captive” market. In other words, people will not travel far for their daily needs; this category of retail is largely dependent on local residents and a daytime population to support it.

There is very little in the way of convenience retail in the downtown study area, and the convenience sales downtown capture barely one percent of all sales in the Lexington MSA.

No major grocery stores or supermarkets are located in the downtown area. There are several corner markets, amounting to approximately 5,000 square feet. The only full-service drugstore in the study area is a Rite Aid at the corner of Main Street and Limestone Street, and this is not the larger store format being developed by drugstore chains nationwide. The remaining square footage of convenience retail consists of several smaller bakeries, a liquor store, candy stores, and a wine shop. In all, there are approximately 22,000 square feet of convenience retail in the study area. The distribution of retail in this category differs greatly in the study area from the area immediately outside it, as shown in figure 21.

Residents living inside the study area boundaries have several nearby choices for food shopping. A

Winn Dixie at 1025 South Broadway and a Kroger at 704 Euclid Street are the closest full-size supermarkets. There is also a Sloane's and a Good Foods Coop on Southland Drive. For drugstore needs, other than the Rite Aid on Main Street, there are Rite Aids on Loudon Avenue (on the edge of the study area) and on East High Street. Of the other major drugstore chains, the closest CVSs are on Southland Drive and New Circle Road and the closest Walgreens are on Nicholasville, Richmond, and New Circle Roads.

Larger supermarkets with a more expansive selection are located further outside the study area. Notable are the Meijer near the Fayette Mall, a Wal-Mart Supercenter at 500 West New Circle Road, and a Wild Oats store, selling natural and organic foods, at the Lexington Green Shopping Center on Nicholasville Road.



To assess the potential for new retail development downtown, customers must be drawn from both the study area and the surrounding area, with the majority of those customers coming from a 15-minute drive time around the study area, shown in figure 22.

Downtown Lexington has already carved out a niche in eating and drinking, serving those who live downtown and in the region, those who visit, and daytime workers. To determine whether additional potential will exist in the next five years, we capture a reasonable percentage of all potential sales from the identified trade areas.

<u>Trade Area</u>	<u>Eating and Drinking Spending Potential (\$)</u>	<u>Capture Rate</u>	<u>Eating and Drinking Supportable Sales (\$)</u>
Downtown Study Area	8,570,128	60%	5,142,077
15-Minute Drive Time	382,929,017	15%	57,439,353
Metro Area	289,421,137	4%	11,576,845
<b>Total</b>	<b>680,920,282</b>	<b>11%</b>	<b>74,158,275</b>

Because of the competition in the surrounding areas, the downtown is not as likely to capture as many sales from those in the 15-minute-drive-time and metro area as from those living nearby.

Net New Supportable Eating and Drinking Square Feet  
Lexington Downtown Plan 2009

Source: Claritas, Inc.; ZHA, Inc.

The downtown can support a net new 32,000 square feet of eating and drinking space. As we saw in the examination of existing supply, not all eating and drinking is created equal; the market differs for different kinds of establishments. Because full-service restaurants best typify a “destination” for eating and drinking, we will analyze this subtype separately to assess the potential for development of full-service restaurants in the next five years.

The target markets for full-service restaurants are those households earning above \$50,000, which tend to spend a larger proportion of their income on eating out. We will target this group specifically when looking at the potential for full-service restaurants.





Eating and drinking Supportable Sales Lexington Downtown Plan 2009					
Trade Area	2009 House-holds	2009 Hshlds 50K+	Full Service Restaurant Potential (\$)	Capture Rate	Full Srvc. Restaurant Sales (\$)
15-Min Drive Time	114,803	49,019	102,939,103	25%	25,734,776
Metro Area	97,203	36,188	75,995,597	10%	7,599,560
Total	212,006	85,207	178,934,700	19%	33,334,335

Source: Claritas, Inc.; ZHA, Inc.

By capturing a percentage of the eating and drinking expenditures of projected 2009 households earning above \$50,000, we can arrive at estimated full-service restaurant sales.

For overall eating and drinking space, we subtract out sales from existing space to arrive at expected sales for 2009.

Net New Supportable Eating and Drinking Square Feet  
Lexington Downtown Plan 2009

Total Supportable Full Service Restaurant \$	\$33,334,000
Est. Existing Full Service Restaurant Sales	(\$25,385,000)
Potential Full Service Restaurant Sales	\$7,950,000

Net New Full Service Restaurant Potential 3 – 5

Source: Claritas, Inc.; ZHA, Inc.

Based upon what a typical full-service restaurant expects to earn in sales for a year, the study area could support three to five new full-service restaurants in the next five years.

In deciding where to locate, full-service restaurants look for access to both a lunch and a dinner market. Additionally, they locate in neighborhoods where the trade area has experienced and is experiencing population and income growth. They also typically look to be near other full-service restaurants, to take advantage of agglomeration. Being near other restaurants brings a ready market of customers; the establishment can capture residual customers from a crowded restaurant, for example, or capture customers who do not have a particular destination in mind but plan to decide where to eat once they arrive in the neighborhood. Being near other restaurants also enhances the establishment's visibility to its target market, another key factor in deciding on a location.

Ideal placement in the downtown study area would be on a site near the restaurant's target markets. For example, a site near the daytime office population would capture a lunch crowd, and if located within easy distance to the Lexington Convention Center would also capture tourists, who are most likely to eat dinner out. Similarly, a site within easy reach of the university would provide not only the student population, but also the faculty and visitors for functions. A site accessible to the 40502 and 40503 ZIP codes would also be desirable, as these neighborhoods have the highest percentage of households earning above \$50,000. The full-service restaurants already within the study area meet some of these criteria.

GAFO Potential

Based upon the current types of GAFO establishments in the study area, supply, and trends in retail development, the downtown is not likely to become a destination for general merchandise. The area could, however, build

upon its current concentration of specialty merchandise. To analyze new opportunities for shoppers' goods, we will first examine how the area is performing currently, and what it is capturing in the total non-general-merchandise shoppers'-goods sales in relation to the MSA and Lexington overall.

Current Capture of Non-General Merchandise  
Shoppers Good Sales  
Downtown Lexington Study Area 2004

Est. MSA Sales W/out General Merchandise	\$1,977,928,000
Study Area Est. Shopper's Goods Sales	\$78,089,100
Capture	3.9%

Estimated Lexington Sales	\$1,687,896,000
Study Area Est. Shopper's Goods Sales	\$78,089,000
Capture	4.6%

Source: ZHA, Inc.

The study area is currently capturing 3.6 percent of the total potential in the MSA and 4.2 percent of the total potential in Lexington.

To gauge potential growth in establishments selling shoppers' goods, we can look at the overall estimated sales in 2009, and based upon experience of current capture rates, estimate how many sales the area could attract in the future.

Total GAFO Spending Potential  
Lexington MSA 2009

MSA 2009 Population	521,078
MSA GAFO Spending Potential	\$1,930,573,147

Source: Claritas, Inc.; ZHA, Inc.

Retail can develop in two ways: incrementally – which

is essentially one store opening either on street-level retail by itself or filling out existing space – or in a shopping center. A shopping center creates a “magnet” that attracts additional shoppers and changes the capture of sales that a store can achieve. Looking at the development of new GAFO in an incremental approach, we take the estimated amount of captured sales based upon projected MSA spending in GAFO in 2009 and remove existing GAFO sales in downtown to arrive at new supportable square feet.

Net New Supportable GAFO Square Feet  
Lexington Downtown Plan 2009

Supportable GAFO Sales	\$83,014,645
Existing Sales	\$78,089,100
Net New GAFO Sales	\$4,925,545

Net New GAFO Square Feet 16,000  
Source: Claritas, Inc.; ZHA, Inc.

In this projection, ZHA has concluded that an incremental approach to GAFO investment is not likely to shift the downtown's capture of Lexington spending significantly. To change shopping and spending patterns, a critical mass of shoppers' and specialty goods must be developed in the downtown area. Preferably a mix of national credit tenants as well as independents can be assembled to capitalize on the market's strength and broaden the downtown's appeal to a wider variety of shoppers.



To test downtown Lexington's ability to broaden its retail mix, ZHA compared downtown Lexington's market characteristics to six locations with "lifestyle" shopping centers. The attributes of a lifestyle shopping center are as follows:

- They are generally significantly smaller than regional malls;
- They are comprised of upscale stores, restaurants, and entertainment venues;
- They are attracted to markets that are growing quickly with high average incomes;
- They position themselves as more convenient than the regional mall in terms of both location and ease of access; and,
- Safety is a key attribute of these centers.

This comparison is not intended to test the market feasibility of a "lifestyle center," but instead to demonstrate that downtown Lexington possesses market characteristics that may satisfy high-end, credit-tenant requirements.

Lexington's market is small as compared to most of the investment locations (see figure 23). Downtown residential development will be important to attract credit retail tenants to the area (see figure 24). The downtown market's

average household income compares favorably to other investment locations (see figure 25).

These comparisons reinforce the need to increase households in and around the downtown area to support existing and potential retail investment. These indicators, coupled with the presence of the University of Kentucky students, lead ZHA to conclude that a critical mass of new retail may be supportable in downtown Lexington.

*Convenience Potential*

Convenience stores require a captive market, and look for areas of high growth when locating. Convenience establishments typically have a smaller trade area

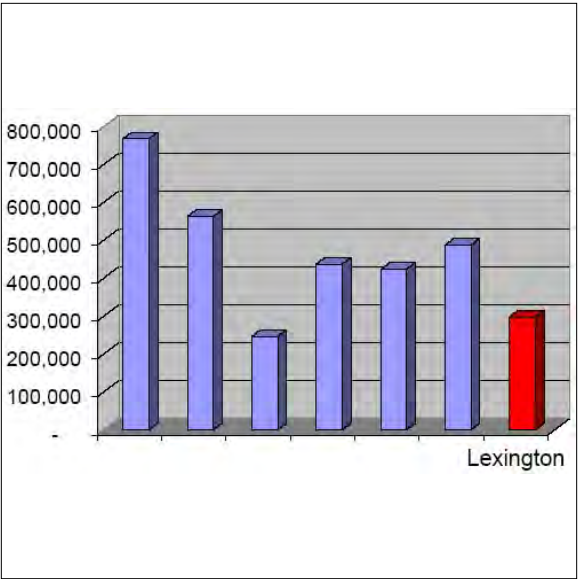


Figure 23. Population, 15-Minute Drive  
Source: Claritas, Inc.; ZHA, Inc.

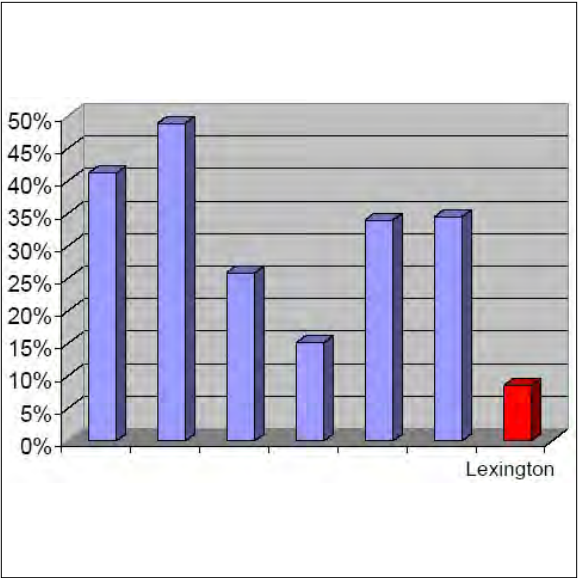


Figure 24. Population Growth, 15-Minute Drive  
Source: Claritas, Inc.; ZHA, Inc.

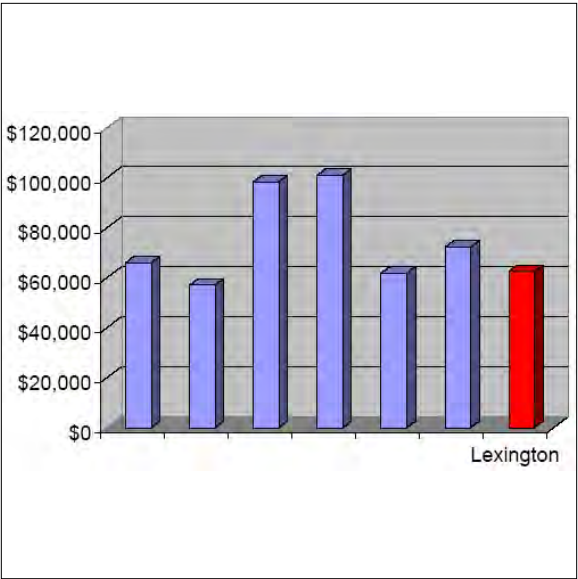


Figure 25. Average Household Income, 15-Minute Drive  
Source: Claritas, Inc.; ZHA, Inc.

than shoppers' goods stores and eating and drinking establishments. The table below shows the current demographics for the study area and the area within a five-minute drive of the study area.

Convenience Store Issues  
Demographics in Downtown Study Area 2004

	Study Area	5-Minute Drive
Population	11,304	65,371
Households	4,844	27,751
Per Capita Income	\$15,163	\$20,835

Source: Claritas, Inc.

More growth is needed in the downtown before significant development of convenience retail can occur. Looking at potential demand from an incremental standpoint, capturing a quarter of the spending potential in the trade area, the downtown could support an additional 10,700 square feet of convenience retail. This is the size of a typical newly built freestanding national chain drugstore. Because there are several supermarkets just outside of the downtown area, adding a supermarket downtown would likely require one of these stores to relocate. If that were to happen, an additional 60,000 square feet could be accommodated.

Net New Convenience Square Footage  
Downtown Lexington 2009

	Incremental	Relocation
Spending Potential	\$12,855,191	
Capture 25%	\$3,213,798	
Sq. Ft. Supportable	10,700 - 60,000	

Source: ZHA, Inc.



RETAIL CONCLUSIONS

Retailers and developers of retail search for certain characteristics when looking to locate a project or store. First and foremost, they require a growth in households and income. The higher-income housing growth in Lexington is taking place outside of downtown. As more housing is built downtown, the area will become a more attractive location for additional retail. In addition to residents, the university, daytime workers, and visitors all impact the market.

Currently, the downtown has several retail clusters, making it a specialty shopping area. However, for the downtown to draw a significant number of new customers, a critical mass would need to be developed, something that is difficult to do incrementally in street-level retail. The feasibility of developing a critical mass of shoppers' goods retail will depend on the opportunities for clustering new retail in a "district." Attracting national tenants unique to the area and with recognized names could draw customers to the downtown, and in turn support existing specialty retail.

The target tenant mix is as follows:

- A grocery store anchor (60,000+ square feet)
- A bookstore anchor (40,000 square feet)
- Eating and entertainment establishments (three to five)
- Higher-end apparel/home furnishings stores (30,000+ square feet)

Incrementally, the area would be less able to attract shoppers' goods, but could still maintain the same level of eating and drinking space in the form of full-service restaurants.

Downtown Lexington Retail Development Conclusions

	Square Feet	
	<u>Incremental</u>	<u>Center</u>
Eating/Drinking	39,000	39,000
Shopper's Goods	16,000	30,000-70,000
Convenience	10,700-60,000	60,000+

*Source: ZHA, Inc.*

The shopping district's location needs to take advantage of the multiple "demand centers" for the downtown area – downtown households and the households in the 40502 ZIP code, the University, the Lexington Center, and the offices in the central business district.

While retail is important, it is also important that Lexington maintain and enhance its position as a cultural center for the region. Cultural and arts venues, entertainment facilities, and tourism attractions generate additional traffic that bring customers for the retail and also make the downtown an attractive place to live and work. This, in turn, generates more customers and enables additional retail to thrive.



Office Market Analysis

OFFICE SUPPLY

The downtown study area has a strong presence in the office market. Among buildings with leased space, slightly less than 50 percent of all office space in Lexington is in the downtown (see figure 26).

A closer examination of the market, however, reveals that this percentage most likely has shrunk in recent years. There has been no office development in the downtown study area in the past 13 years (see figure 27). The last new multi-tenant office space in the downtown was constructed in 1991. The majority of new inventory has been constructed in the suburbs. Downtown has also regularly experienced a higher vacancy rate than the suburbs in recent years, with the suburbs' vacancy climbing to meet it in 2004 (see figure 28).

The increasing vacancy in the suburbs is perhaps due to the development of additional supply there, resulting in an over-supply in the market. Figure 29 illustrates how, in the Lexington market overall, the supply outpaced demand between 1998 and 2002.

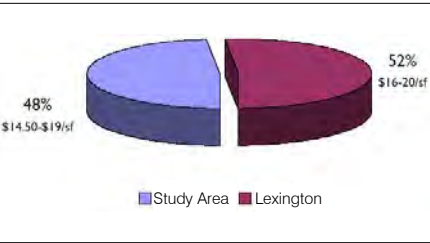


Figure 26. Percent of Office Supply by Location  
Source: Galloway Appraisal Lexington; ZHA, Inc.

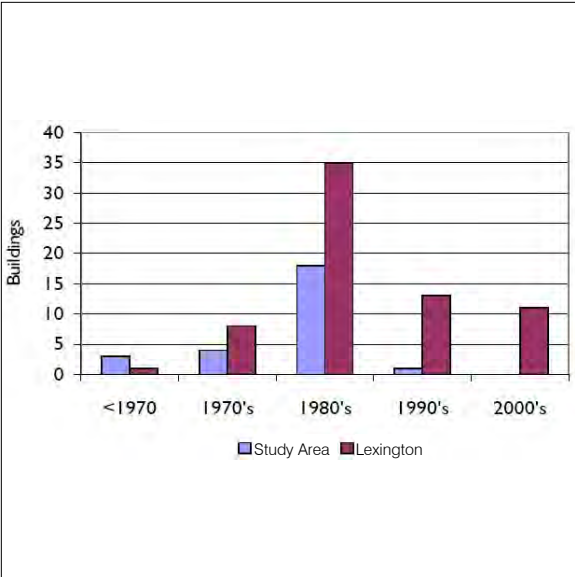


Figure 27. Office Buildings by Decade Built  
Source: Galloway Appraisal Lexington; ZHA, Inc.

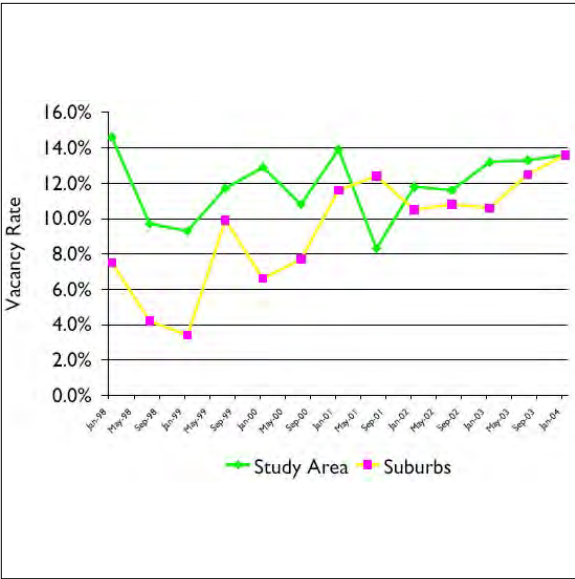


Figure 28. Office Vacancy Rates, 1998 to 2004  
Source: Galloway Appraisal Lexington; ZHA, Inc.

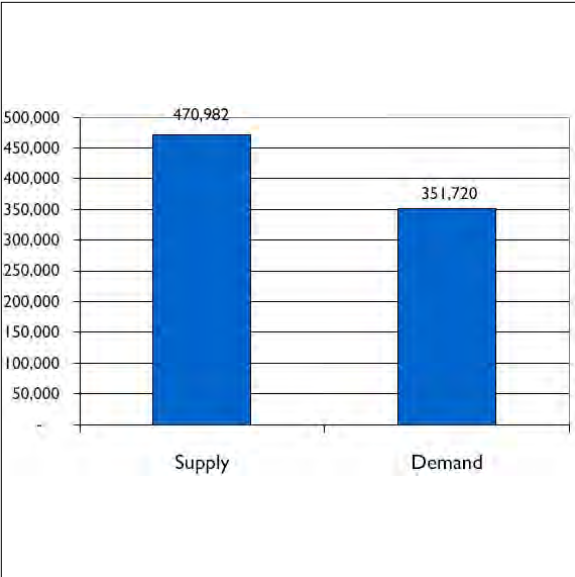


Figure 29. Lexington Market Supply and Demand, 1998 to 2002  
Source: Galloway Appraisal Lexington; ZHA, Inc.

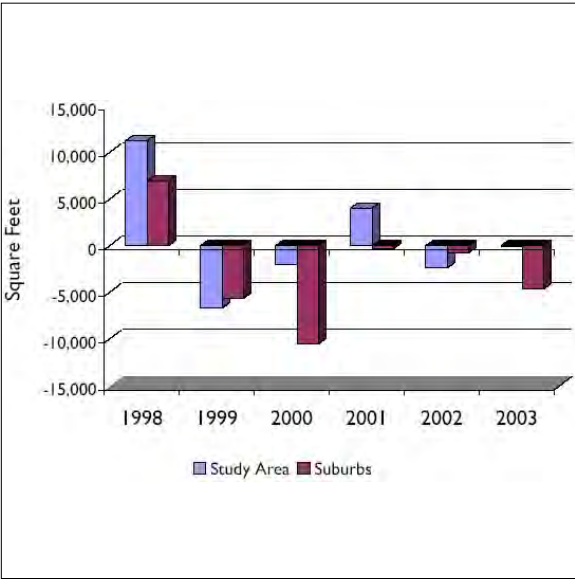


Figure 30. Monthly Office Absorption  
Source: Galloway Appraisal Lexington; ZHA, Inc.

Absorption, as well, confirms this trend. Both the study area and the suburbs have had negative absorption in 2002 and 2003, as seen in figure 30.

A condominium office product had become popular in the suburban areas of the Lexington market, largely due to low interest rates and the availability of land in industrial parks, making buying an office a sensible option for some former renters. This took more demand away from the office rental market. Another reason that drove those building and buying condominium offices was the lack of suitable rental space in the market.

While the data seem to imply that there is no need for office product, there is potential in providing variety in the type of product available in the market. As we examined in the "Employment and Business" section, Lexington has experienced growth in the technology industries. While this is positive for Lexington's short- and long-term economic development, it also indicates the need for a different kind of office product than the traditional high-rise office tower, primarily because technology firms are smaller than traditional office uses. Most of Lexington's employers, especially in the tech firms, have less than 20 employees, and in many industries, a majority has less than five.

Establishments by Number of Employees		
Industry	Employees	
	≤ 5	< 20
Information	44%	77%
Finance/Insur	54%	89%
Real Estate	65%	96%
Prof, Sci, Tech	62%	90%
Mgmt	39%	72%
Administration	54%	79%



Source: U.S. Census

Assuming each employee uses approximately 250 square feet of space, on average, a firm of five employees would need only 1,250 square feet. An office with 20 employees would require 5,000 square feet. These are not the kinds of spaces served by office towers. Additionally, cutting-edge firms often need more flexible workspace or desire a workspace that diverges from older office towers.

Office potential could exist for a product that fits smaller firms' needs. These spaces should be between 750 and 3,000 square feet, renting for \$19.00 per square foot in a low- to mid-rise building, optimally in a loft or flexible space that could be easily changed for different tenants' needs with a minimum of fit-out work.

Another consideration for new office space is its position relative to the "environment." One of the primary considerations in attracting knowledge workers, who typically have smaller start-up firms, is providing an environment that supports their schedule and their "work hard, play hard" philosophy. This is ideally an 18-hour, mixed-use environment with convenience and entertainment options, as well as the potential for employees to live nearby if desired.

Based upon Lexington employment projections for office-inclined industries, a total of 453,600 square feet will be needed by 2009. Applying a capture rate based upon recent trends toward suburban offices yields demand for 68,000 square feet downtown.

Supportable Office Space Downtown Study Area 2009	
Potential SF	453,600
Capture	15%
Supportable SF	68,000

Source: ZHA, Inc.



## APPENDIX TWO

# RESIDENTIAL MARKET POTENTIAL

Downtown Lexington Masterplan  
Lexington-Fayette County, Kentucky

PREPARED BY  
MS. LAURIE VOLK  
ZIMMERMAN/VOLK ASSOCIATES, INC.



# Introduction

The purpose of this study is to identify the market potential for newly introduced market-rate housing units—created both through the adaptive reuse of existing nonresidential buildings and through new construction – to be leased or sold in downtown Lexington. The boundaries of the downtown study area are very irregular and encompass several in-town neighborhoods as well as the Downtown Core. For the purposes of this study, the boundaries of the study area follow Fourth, Grinstead, and West Third Streets in the northeast; Walton, Boonesboro, and Forest Avenues to East Main Street, then along Central and Clay Avenues to East High Street and Oldham Avenue in the southeast; from Euclid Avenue through the University of Kentucky to South Limestone, then to Scott Street and Angliana Avenue to Versailles Road in the southwest and west; and, in the northwest and north, from Bohneron and Driscoll Streets to Old Frankfort Pike, then east to the Newtown Pike. This area encompasses the Downtown Core, as well as the in-town neighborhoods of Northside, Gratz Park, Constitution, the East End, Aylesford, College Town, South Hill, Woodward Heights, and the Western Suburbs, most of which are also historic districts.

The extent and characteristics of the potential market for downtown housing units were identified using Zimmerman/Volk Associates’ proprietary target-market methodology. This methodology was developed in response to the challenges that are inherent in the application of conventional supply/demand analysis to urban development and redevelopment. Supply/demand analysis ignores the potential impact of newly introduced housing supply on settlement patterns, which can be substantial when that supply is specifically targeted to match the housing preferences and economic capabilities of the draw-area households.

In contrast to conventional supply/demand analysis, then – which is based on supply-side dynamics and baseline demographic projections – target-market analysis determines the depth and breadth of the potential market derived from the housing preferences and

socioeconomic characteristics of households in the defined draw area. Because it considers not only basic demographic characteristics, such as income qualification and age, but also less frequently analyzed attributes such as mobility rates, lifestyle patterns, and household compatibility issues, the target-market methodology is particularly effective in defining a realistic housing potential for urban development and redevelopment.

In brief, using the target-market methodology, Zimmerman/Volk Associates determined:

- *Where* the potential renters and buyers for new housing units in downtown Lexington are likely to move from (the draw areas)
- *Who* currently lives in the draw areas and what they are like (the target markets)
- *How many* have the potential to move to downtown Lexington if appropriate housing units were to be made available (depth and breadth of the market)
- *What* their housing preferences are in aggregate (rental or ownership, multifamily or single family)
- *What* their alternatives are (new construction or existing housing stock in downtown Lexington and adjacent neighborhoods)
- *What* they will pay to live in downtown Lexington (market-rate rents and prices)
- *How* quickly they will rent or purchase the new units (absorption forecasts)

The target-market methodology is described in detail in the “Methodology” section at the end of this study.

## MARKET POTENTIAL

American households, perhaps more than any other nation’s, have always demonstrated extraordinary mobility. Last year, depending on region, between 15 and 20 percent of American households moved from one dwelling unit to another. Household mobility is higher in urban areas. A higher percentage of renters move than owners; a higher percentage of younger households move than older households.

Analysis of migration, mobility, and geodemographic characteristics of households currently living within defined draw areas is therefore integral to the determination of the depth and breadth of the potential market for market-rate housing units within downtown Lexington.

Analysis of City of Lexington / Fayette County migration and mobility patterns from 1998 through 2002 – the latest data available from the Internal Revenue Service – shows that the number of households moving into the city/county has dropped from more than 9,000 households in 1998 to 8,160 households in 2002. Over the study period, the number of households moving out of Lexington/Fayette ranged from a high of 8,265 households in 2000 to just under 7,500 households in 2002. The net gain for Lexington/Fayette has ranged from just 90 households in 2000 to more than 1,100 households in 1998. Although net migration provides insights into a city or county’s historic ability to attract or retain households compared to other locations, it is those households likely to move into an area (gross in-migration) that represent that area’s external market potential.

This study therefore identifies the depth and breadth of the potential market for market-rate housing units within both Lexington / Fayette County and downtown Lexington, including those households already living in the city/county and those households that are likely to move into the area if appropriate housing options were to be made available.



Draw Areas

Where will the potential market for housing in the city of Lexington / Fayette County move from?

The depth and breadth of the potential market for market-rate housing units in the City of Lexington / Fayette County was determined through migration, mobility, and target-market analyses of households currently living within defined draw areas. Based on migration analysis, the draw areas for the City of Lexington / Fayette County have been delineated as follows:

- The *local* (internal) draw area, covering households currently living within the City of Lexington, as well as those currently living in the balance of Fayette County. Between 10 and 15 percent of the households living in the city move to another residence within the city each year. Approximately 10,160 households with the financial capacity to rent or purchase market-rate dwelling units move from one residence to another within the City of Lexington / Fayette County each year.
- The *regional* draw area, covering households with the potential to move to the City of Lexington / Fayette County from surrounding counties (Jessamine, Madison, Scott, Clark, and Woodford Counties). Households moving to Lexington/Fayette from these five counties comprise just under 20 percent of the city/county's total in-migration..
- The *metropolitan* draw area, covering households with the potential to move to the City of Lexington / Fayette County from Jefferson County (Louisville) and Franklin County (Frankfort) in Kentucky, and Hamilton County (Cincinnati) in Ohio. Households moving to Lexington/Fayette from these three counties comprise another 7.5 percent of the city/county's total in-migration..
- The *national* draw area, covering households with the potential to move to the City of Lexington / Fayette County from all other U.S. counties. Approximately 3,900 households with the financial capacity to rent or purchase a market-rate dwelling unit, move into

the City of Lexington / Fayette County from elsewhere in the United States each year; a small additional number are households moving from outside the United States.

DRAW AREA FOR CITY/COUNTY

As derived from migration, mobility, and target-market analysis, then, the draw-area distribution of market potential (those households with the potential to move within or to the City of Lexington / Fayette County with the financial capacity to rent or purchase new and existing market rate dwelling units) would be as follows:

Market Potential By Draw Area  
CITY/COUNTY  
*City of Lexington, Fayette County, Kentucky*

City of Lexington/Fayette County(Local Draw Area):	64.8 percent
Adjacent Counties (Regional Draw Area):	7.3 percent
Nearby Cities (Metropolitan Draw Area):	3.1 percent
Balance of US (National Draw Area):	24.8 percent
Total:	100.0 percent

Source: Zimmerman/Volk Associates, Inc., 2004.

DRAW AREA FOR DOWNTOWN LEXINGTON

The target-market methodology identifies those households with a preference for downtown living. After discounting for those segments of the city's potential market that have preferences for suburban and/or

rural locations, the distribution of draw-area market potential for new and existing units in downtown Lexington would be as follows:

Market Potential By Draw Area  
DOWNTOWN LEXINGTON  
*City of Lexington/Fayette County, Kentucky*

City of Lexington/Fayette County(Local Draw Area):	69.8 percent
Adjacent Counties (Regional Draw Area):	1.4 percent
Nearby Cities (Metropolitan Draw Area):	2.4 percent
Balance of US (National Draw Area):	26.4 percent
Total:	100.0 percent

Source: Zimmerman/Volk Associates, Inc., 2004.

The local and national draw areas represent considerably larger proportions of market potential for new housing for the downtown area than for the city/county as a whole. Conversely, the regional and metropolitan draw areas represents somewhat smaller segments of market potential for downtown than for the city/county as a whole.



Depth and Breadth of Market

How many households are likely to move to downtown Lexington?

As determined by the target-market methodology, which accounts for household mobility within the City of Lexington and the balance of Fayette County, as well as mobility patterns for households currently living in all other cities and counties, in the year 2004, up to 5,520 younger singles and couples, empty-nesters and retirees, and family-oriented households currently living in the draw areas represent the potential market for new and existing market-rate housing units within downtown Lexington. The housing preferences of these draw-area households – according to tenure (rental or for-sale) and broad financial capacity – can be arrayed as follows (see also table 1):

Potential Market For New Housing Units		
DOWNTOWN LEXINGTON		
City of Lexington/Fayette County, Kentucky		
HOUSING TYPE	NUMBER OF HOUSEHOLDS	PERCENT OF TOTAL
Multi-family for-rent	1,120	20.3%
Multi-family for-sale	950	17.2%
Single-family attached for-sale	720	13.0%
Low-range single-family detached	990	17.9%
Mid-range single-family detached	990	17.9%
High-range single-family detached	<u>750</u>	<u>13.7 %</u>
Total	5,520	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2004.

These 5,520 households comprise approximately 35 percent of the nearly 15,700 households that represent the potential market for all of the City of Lexington / Fayette County, a share of the total market that is consistent with Zimmerman/Volk Associates’ experience in other cities. For example, in recent analyses, the downtown market was found to represent approximately 26 percent of the city’s total potential market

in Norfolk, Virginia, Redding, California, and Spokane, Washington; 30 percent in Detroit and Grand Rapids, Michigan, and Baltimore, Maryland; and 36 percent and 38 percent in Louisville, Kentucky, and New Haven, Connecticut, respectively.

The market *potential* numbers indicate the depth of the potential market for new housing units within downtown Lexington, not housing *need* and not *projections* of household change. These are the households that are likely to move within or to downtown *if appropriate housing options are made available*.

From the perspective of draw-area target-market propensities and compatibility, and within the context of the new housing marketplace in the downtown Lexington market area, the potential market for new housing units within the downtown study area includes the full range of housing types, from rental multifamily to for-sale single-family detached. However, new construction should concentrate on higher-density housing types, which support civic and commercial urban development and redevelopment most efficiently and include:

- Rental lofts and apartments (multifamily for-rent)
- For-sale lofts and apartments (multifamily for-sale)
- Townhouses, rowhouses, live-work (single-family attached for-sale)
- Houses on urban lots (single-family detached for-sale)

This analysis has therefore determined that in the year 2004 up to 3,200 households currently living in the defined draw areas represent the pool of potential renters/buyers of new and existing market-rate housing units (new construction and/or adaptive reuse of formerly nonresidential structures), excluding suburban single-family detached units, within the downtown Lexington study area (see again table 1).

Again, these numbers indicate the depth of the potential market for market-rate housing units within downtown Lexington based on a variety of appropriate housing options. Without an appropriate range of available housing options throughout the study area, these households will either move elsewhere or will move less frequently than their typical mobility rates would predict.



Market Capture

How fast will the units lease or sell?

After more than a decade’s experience in various cities across the country, and in the context of the target-market methodology, Zimmerman/Volk Associates has determined that an annual capture of between 10 and 15 percent of the potential downtown market within a region of this size and scale and depending on housing type is achievable. Based on a 15 percent capture of the potential market for multifamily units, and a 10 percent capture of single-family units, downtown Lexington could support more than 420 new units per year, as follows:

Annual Capture of Market Potential			
DOWNTOWN LEXINGTON			
City of Lexington/Fayette County, Kentucky			
HOUSING TYPE	NUMBER OF HOUSEHOLDS	CAPTURE RATE	NUMBER OF NEW UNITS
Multi-family for-rent (lofts/apartments, leaseholder)	1,120	15%	168
Multi-family for-sale (lofts/apartments, condo/co-op ownership)	950	15%	143
Single-family attached for-sale (townhouses/rowhouses, fee-simple/ condominium ownership)	720	10%	72
Single-family detached for-sale (houses, fee-simple ownership)	410	10%	41
Total	3,200		424

SOURCE: Zimmerman/Volk Associates, Inc., 2004

Based on the migration and mobility analyses, and dependent on the creation of appropriate new housing units, more than 30 percent of the annual market potential of 424 new dwelling units in downtown

Lexington, or approximately 125 units per year, could be from households moving from outside the City of Lexington / Fayette County. Over five years, the realization of that market potential could lead to an increase of more than 625 households living in downtown Lexington that moved from elsewhere in the region or the country.

This analysis examines market potential over the next five years. Because of the dramatic changes in the composition of American households that occurred during the 1990s (see “Target Markets”), and the likelihood that significant changes will continue, both the depth and breadth of the potential market for downtown living is likely to increase. The experience of other American cities has been that, once the downtown residential alternative has been firmly established, the percentage of households that will consider downtown housing typically increases.

NOTE: Target-market capture rates are a unique and highly refined measure of feasibility. Target-market capture rates are *not* equivalent to – and should not be confused with – penetration rates or traffic conversion rates.

The target-market capture rate is derived by dividing the *annual* forecast absorption – in aggregate and by housing type – by the number of households that have the potential to purchase or rent new housing within a specified area *in a given year*.

The penetration rate is derived by dividing the total number of dwelling units planned for a property by the total number of draw-area households, sometimes qualified by income.

The traffic conversion rate is derived by dividing the total number of buyers or renters by the total number of prospects that have visited a site.

Because the prospective market for a location is more precisely defined, target-market capture rates are higher than the more grossly derived penetration rates. However, the resulting higher capture rates are well within the range of prudent feasibility.

Table 1. Potential Housing Market  
Derived from New Unit Purchase and Rental Propensities of Draw-Area Households with the Potential to Move to the Downtown in 2004  
DOWNTOWN LEXINGTON City of Lexington, Fayette County, Kentucky

Total Target Market Households With Potential To Rent/Purchase In The City of Lexington/Fayette County, Kentucky	15,690
Total Target Market Households With Potential To Rent/Purchase In Downtown Lexington	5,520

Potential Housing Market							
	Multi-Family		Single-Family				
			Attached		Detached		
	For-Rent	For-Sale	All Ranges	Low-Range	Mid-Range	High-Range	Total
Total Households:	1,120	950	720	990	990	750	5,520
{Mix Distribution}:	20.3%	17.2%	13.0%	17.9%	17.9%	13.7%	100.0%

Downtown Residential Mix (Excluding Large-Lot Single-Family Detached)					
	Multi-Family		Single-Family		
			Attached		Detached
	For-Rent	For-Sale	All Ranges	Urban	Total
Total Households:	1,120	950	720	410	3,200
{Mix Distribution}:	35.0%	29.7%	22.5%	12.8%	100.0%

Derived From New Unit Purchase And Rental Propensities Of Draw Area Households With The Potential To Move To The Downtown in 2004

City of Lexington/Fayette County; Adjacent Counties (Jessamine, Madison, Scott, Clark and Woodford) Nearby Cities (Jefferson and Franklin Counties, Kentucky, Hamilton County, Ohio); All Other US Counties Draw Areas

NOTE: Reference Appendix One, Tables 1 through 10.  
SOURCE: Claritas, Inc.; Zimmerman/Volk Associates, Inc.



Target Markets

Who is the potential market?

As determined by this analysis, the potential market for new and existing market-rate housing units in downtown Lexington can be characterized by general household (see table 2).

- The largest general market segment is composed of younger, mostly childless households (younger singles and couples). These households typically choose to live in neighborhoods that contain a diverse mix of people, housing types, and uses.

The largest potential markets for downtown Lexington in this segment are *University/College Affiliates*, *The VIPs*, and *Fast-Track Professionals* – graduate students, teachers or other higher-education affiliates, young professionals, office workers, small business owners, and artists or artisans. These households are true urbanites who prefer to live downtown for its diversity, as well as for the availability of a variety of activities, including employment and cultural opportunities and restaurants and clubs.

- The next largest market segment is comprised of older households (empty-nesters and retirees). A significant number of these households have children who have grown up and moved away; another large percentage are retirees, with incomes from pensions, savings and investments, and social security.

The largest potential markets for downtown Lexington in this segment are *Affluent Empty-Nesters* and *Middle-Class Move-Downs*, predominantly empty-nest couples (many of whom lived in downtown locations in their youth) who are likely to be attracted to appropriately designed housing in a vibrant downtown. Additional significant empty-nester markets are *The Social Register*, *Nouveau Money*, *Post-War Suburban Pioneers*, and *Active Retirees*. In other cities, these households have been among the first to move into

downtown units, particularly once larger and more amenity-oriented condominiums have become available.

- The third general market segment is very small, and is comprised of family-oriented households (traditional and nontraditional families).

Although, at just 4 percent, this is the smallest market segment, the households within the four family groups – *Cosmopolitan Families*, *Unibox Transferee*, *Full-Nest Urbanites*, and *Multicultural Families* – are households that have a preference for urban living. Most of the adults in these households were raised in or near an urban center and have rejected the suburban alternative; most will already have made appropriate school accommodations – public, charter, parochial, or private.

Table 2. Downtown Residential Mix By Household Type  
*Derived from New Unit Purchase and Rental Propensities of Draw-Area Households with The Potential to Move to the Downtown in 2004*  
DOWNTOWN LEXINGTON  
*City of Lexington, Fayette County, Kentucky*

	... Multi-Family ...			... Single-Family ...	
				... Attached ...	Detached ...
	Total	For-Rent	For-Sale	All Ranges	Urban
Number of Households:	3,200	1,120	950	720	410
Empty Nesters & Retirees	24%	21%	19%	24%	31%
Traditional & Non-Traditional Families	4%	4%	2%	6%	5%
Younger Singles & Couples	72%	75%	79%	70%	64%
	100%	100%	100%	100%	100%

SOURCE: Claritas, Inc.; Zimmerman/Volk Associates, Inc.

The market for urban housing, particularly within downtowns, is now being fueled by the convergence of the two largest generations in the history of America: the 82 million Baby Boomers born between 1946 and 1964, and the 78 million Millennials born from 1977 to 1996.

Boomer households have been moving from the full-nest to the empty-nest life stage at an accelerating pace that will peak sometime in the next decade and continue beyond 2020. Since the first Boomer turned 50 in 1996, empty-nesters have had a substantial impact on urban – particularly downtown – housing. After fueling the dramatic diffusion of the population into ever-lower-density exurbs for nearly three decades, Boomers, particularly affluent Boomers, are rediscovering the merits and pleasures of downtown living.

Meanwhile, Millennials are just leaving the nest. The Millennials are the first generation to have been largely raised in the post-seventies world of the cul-de-sac as neighborhood, the mall as village center, and the driver’s license as the main means of liberation. As has been the case with predecessor generations, significant numbers of Millennials are heading for the city. They are not just moving to New York, Chicago, San Francisco, and the other large American cities; often priced out of these larger cities, Millennials are discovering second-, third-, and fourth-tier urban centers.

The convergence of two generations of this size – each reaching a point when urban housing matches their life stage – is unprecedented. This year, there are about 40 million Americans between the ages of 20 and 29, forecast to grow to 44 million by 2015. In that same year, the population aged 50 to 59 will have also reached 44 million, from 36 million today. The synchronization of these two demographic waves will mean that there will be 12 million potential urban housing consumers 11 years from now.

Downtown Market-Rate Rent and Price Ranges

The target-market analysis indicates that there is a growing number of younger and older, single and two-person households who already live within the city limits, and a significant market with the potential to move from other urban areas in Kentucky and Ohio.

What is the market currently able to pay?

Based on the tenure preferences of draw-area households and their income and equity levels, the general range of rents and prices for newly developed market-rate residential units that could currently be sustained by the market is shown in Table 3.

Table 3. Optimum Market Position  
DOWNTOWN LEXINGTON  
City of Lexington, Fayette County, Kentucky  
November, 2004

<u>Housing Type</u>	<u>Percent Mix</u>	<u>Base Rent/ Price Range*</u>	<u>Base Unit Size Range</u>	<u>Base Rent/ Price Per Sq. Ft.*</u>
Multi-Family For-Rent				
Hard Lofts\$ Open Floorplans	60%	\$600 to \$1,200	450 to 1,000	\$1.20 to \$1.33
Soft Lofts™ Studios to 2-Bedrooms	30%	\$800 to \$1,500	500 to 1,100	\$1.36 to \$1.60
Luxury Apartments 1 to 3-Bedrooms	10%	\$1,600 to \$3,000	900 to 1,800	\$1.67 to \$1.78
Multi-Family For-Sale				
Hard Lofts\$ Open Floorplans	30%	\$75,000 to \$145,000	550 to 1,100	\$132 to \$136
Soft Lofts† 1 and 2-Bedrooms	30%	\$110,000 to \$185,000	700 to 1,200	\$154 to \$157
Townhouses Over Flats 1 and 2-Bedrooms	20%	\$125,000 Flat \$235,000 TH	750 1 br 1,450 2 br	\$162 to \$167
Luxury Apartments 2 and 3-Bedrooms	20%	\$275,000 to \$750,000	1,200 to 3,000	\$229 to \$250
Single-Family Attached For-Sale				
Rowhouses 2 and 3-Bedrooms		\$195,000 to \$500,000	1,100 to 2,400	\$177 to \$208
Single-Family Detached For-Sale				
Urban Houses 2 to 4-Bedrooms		\$135,000 to \$600,000	900 to 2,800	\$150 to \$214

NOTE: Base rents/prices in year 2004 dollars and exclude floor, view or lot premiums, options or upgrades.

§ Unit interiors of "hard lofts" typically have high ceilings and commercial windows and are either minimally finished, limited to architectural elements such as columns and fin walls, or unfinished, with no interior partitions except those for bathrooms.  
† Unit interiors of "soft lofts" may or may not have high ceilings and are fully finished, with the interiors partitioned into separate rooms.

SOURCE: Zimmerman/Volk Associates, Inc.

The rents and prices in Table 3 are in year 2004 dollars and are exclusive of consumer options and upgrades, or floor or location premiums. Significant premiums are typically achievable on units that face parks or greens, or are located on high floors with view potential. Discounts may also be required on units or buildings that are developed in less stable or more fragile blocks.

These rents and prices are "market rates" – that is, within the economic context of both older and more recently constructed market-rate rental units, and relative to price ranges and prices per square foot of existing units as well as new construction in the downtown and elsewhere in the city (see tables 4 through 6).



Table 4. Summary of Selected Rental Properties  
City of Lexington, Fayette County, Kentucky  
October, 2004

<u>Property Location</u>	<u>Number of Units</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
..... Downtown .....					
Park Plaza (1987) 120 East Main St. Studio	201				88% occupancy
		\$645 to \$795	437 to 482	\$1.48 to \$1.65	Pool, spa, fitness center. Utilities included.
1BR/1BA		\$735 to \$820	563 to 742	\$1.11 to \$1.31	
2BR/2BA		\$835 to \$990	762 to 1,006	\$0.98 to \$1.10	\$500 off first month's rent
2BR/2BA		\$1,150	1,200	\$0.96	
University Lofts (2004) Adaptive Re-Use 236 Bolivar Lofts	86				
		\$800 to \$1,500	530 to 1,258	\$1.19 to \$1.51	Utilities included.
..... Proposed Downtown .....					
500s on Main 500 Block, West Main St. Mixed-Use Loft/Studios	46				
		\$950	1,100	\$0.86	
..... South of Downtown/Within New Circle Road. ....					
Limestone Square (1986) 129 Transcript Avenue Studio	85				
		\$450	400	\$1.13	Adjacent to UK Medical Center
1BR/1BA		\$470 to \$585	550 to 600	\$0.85 to \$0.98	
3BR/2BA		\$960	950	\$1.01	
Arbors at Brookhaven (1969) 2504 Larkin Road 1BR/1BA	309				
		\$445 to \$470	750	\$0.59 to \$0.63	Pool, spa, clubhouse, tennis.
2BR/1BA		\$510 to \$665	950 to 1,050	\$0.54 to \$0.63	Utilities included.
Clermont 828 Malabu Drive 1BR/1BA					90% occupancy
		\$425	717	\$0.59	

Table 4. (continued)

<u>Property</u>	<u>Number of Units</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
Kirklevington Hills (1975) 3050 Kirklevington Drive 1BR/1BA	126				
		\$570 to \$595	640 to 720	\$0.83 to \$0.89	Pool, clubhouse, fitness center.
2BR/1 1/2BA TH		\$830 to \$860	1,250	\$0.66 to \$0.69	Utilities Included.
Chinoe Creek (1984) 3522 Creekwood Drive 1BR/1BA	356				99% occupancy
		\$575	676	\$0.85	Pool, tennis, fitness center, sports courts.
1BR/1BA w/Den		\$615	840	\$0.73	
2BR/1BA		\$645	845	\$0.76	
2BR/2BA		\$720	1,000	\$0.72	
Merrick Place (1970) 3380 Tates Creek Road 1BR/1BA	457				
		\$605 to \$685	652	\$0.93 to \$1.05	Pool, tennis, sports courts, playground.
2BR/1BA		\$715	925	\$0.77	
2BR/2BA		\$810 to \$825	1,080 to 1,120	\$0.75 to \$0.74	Merrick Inn restaurant
3BR/2 1/2BA		\$1,025 to \$1,030	1,205	\$0.85 to \$0.85	
..... Southwest of Downtown/Within New Circle Road. ....					
Cabana Royal Arms 2044 Georgian Way 1BR/1BA	204				
		\$473 to \$483	600	\$0.79 to \$0.81	Pools, clubhouse.
2BR/1BA		\$618	1,023	\$0.81	
2BR/1 1/2BA		\$548 to \$558	850	\$0.64 to \$0.66	
2BR/1 1/2BA		\$810 to \$825	1,066	\$0.76 to \$0.77	
3BR/2BA		\$748 to \$758	1,296	\$0.58 to \$0.58	
Hunnington (1985) 951 Red Mile Court 1BR/1BA	132				96% occupancy.
		\$485	550	\$0.88	Pool, clubhouse, fitness center.
2BR/2BA		\$730	1,200	\$0.61	
2BR/2 1/2BA -TH		\$750	1,200	\$0.63	

Table 4. (continued)

<u>Property</u>	<u>Number of Units</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
..... Southeast of Downtown/Within New Circle Road. ....					
Stone Bridge (1972) 1261 Village Drive 2BR/2BA	113				
		\$490	770	\$0.64	Pool
Sonnet Cove (1974) 495 Laketower Drive 1BR/1BA	332				
		\$449 to \$549	650 to 936	\$0.59 to \$0.69	Pool, weight room.
2BR/1 1/2BA		\$559	850	\$0.66	
2BR/2BA		\$649	1,258	\$0.52	
3BR/2BA		\$659 to \$669	1,150	\$0.57 to \$0.61	
Heritage 2150 Richmond Road 1BR/1BA	180				89% occupancy.
		\$479 to \$489	700 to 800	\$0.61 to \$0.68	Pool, spa.
2BR/1BA		\$544 to \$554	950	\$0.57 to \$0.58	Utilities included
3BR/2BA		\$689 to \$699	1,150	\$0.60 to \$0.61	
The Landings (1973) 2414 Lake Park Road 1BR/1BA	102				95% occupancy.
		\$529	710	\$0.75	Clubhouse, pool, tennis, Lake
2BR/2BA		\$659	1,150	\$0.57	
2BR/1.5BA TH		\$809	1,450	\$0.56	
3BR/2BA		\$875	1,500	\$0.58	
Lakepointe (1985) 2334 Lake Park Road 1BR/1BA	118				
		\$564 to \$614	628 to 800	\$0.77 to \$0.90	Clubhouse, pool, tennis.
2BR/2BA		\$749	1,067	\$0.70	
..... Beyond New Circle Road .....					
Bridle Creek (2002) 3800 Nicholasville Road 1BR/1BA	384				
		\$614	741	\$0.83	Gated.
1BR/1BA w/Den		\$739	974	\$0.76	Pool, clubhouse, fitness center.
2BR/2BA		\$769 to \$784	978 to 1,070	\$0.73 to \$0.79	
3BR/2BA		\$999 to \$1,014	1,218	\$0.82 to \$0.83	

Table 4. (continued)

<u>Property</u>	<u>Number of Units</u>	<u>Reported Base Rent</u>	<u>Reported Unit Size</u>	<u>Rent per Sq. Ft.</u>	<u>Additional Information</u>
..... Beyond New Circle Road (continued) .....					
Fountains at Andover (1998) 3200 Todds Road	318				94% occupancy.
1BR/1BA		\$615 to \$740	500 to 704	\$1.05 to \$1.23	Pool, fitness center, tennis,
2BR/2BA		\$895 to \$915	1,050	\$0.85 to \$0.87	Business center.
3BR/2BA		\$1,084 to \$1,104	1,200	\$0.90 to \$0.92	
Grand Reserve (2000) 3200 Todds Road	370				98% occupancy.
1BR/1BA		\$725 to \$750	766 to 836	\$0.90 to \$0.95	Gated, pool, fitness center,
2BR/2BA		\$895	1,191 to 1,227	\$0.73 to \$0.75	tennis, cable, concierge ser- vices.
2BR/2BA -TH		\$1,050	1,330	\$0.79	
2BR/2 1/2BA		\$795 to \$975	1,218 to 1,290	\$0.65 to \$0.76	“lease a 2-BR TH for the price of a 1-BR Flat.
2BR/2 1/2BA -TH		\$875	1,215	\$0.72	
3BR/2BA		\$999	1,451 to 1,548	\$0.65 to \$0.69	
Park Place (1987/2000) 4030 Tates Creek Road	464				94% occupancy.
1BR/1BA		\$725 to \$889	875 to 1,412	\$0.63 to \$0.83	Pool, clubhouse, fitness center,
2BR/2BA		\$950 to \$1,009	1,200 to 1,553	\$0.65 to \$0.79	tennis, cable.
2BR/2BA w/direct ac- cess garages		\$969 to \$1,129	1,300 to 1,400	\$0.75 to \$0.81	New Phase III.
2BR/2 1/2BA		\$1,099 to \$1,299	1,745 to 1,773	\$0.63 to \$0.73	Jacuzzi, basket- ball, racquetball courts.
3BR/2BA		\$1,300 to \$1,399	1,500 to 1,575	\$0.87 to \$0.89	

SOURCE: Zimmerman/Volk Associates, Inc.

Table 5. Summary Of Selected For-Sale Multi-Family Properties

City of Lexington, Fayette County, Kentucky  
October, 2004

<u>Development (Date Opened) Developer/Builder</u>	<u>Unit Type/ Configura- tion</u>	<u>Unit Price Range</u>	<u>Unit Size Range</u>	<u>Per Sq. Ft.</u>	<u>Total Units</u>	<u>Price</u>	<u>Total Sales (Monthly Average)</u>
..... Downtown .....							
South Hill Station Lofts (2004) The McGoodwin Company West Main Street	Lofts	\$100,000 to \$298,900	525 to 1,708	\$175 to \$190	57		27 (3.0) Phase III. Phases 1 and 2 sold out.
The Fairmont on Main (2004) TurfTown West Main Street	CO 1br/1ba 2br/2ba	\$142,000 \$178,000	948 to 1,417 to 1,568	\$147 to \$150 \$126	12		7
	TH 3br/2.5ba 3br/2.5ba	\$295,000 * \$290,000	2,236 2,428	\$132 \$119			
South Hill Crossing EA Partners South Mill Street	TH 2br/3ba 2br/3ba 2br/3ba 2br/3ba 3br/3ba 3br/3ba 3br/3ba 3br/3ba	\$249,500 \$256,500 5 \$355,000 2 \$439,500 2 \$465,000 3 \$557,500 \$622,500 \$615,000	1,200 1,200 1,667 2,646 2,436 3,010 3,586 3,586	\$208 \$214 \$213 \$166 \$191 \$185 \$174 \$208	19		11
CenterCourt South Mill Street City Courts Boulevard Centro MLK between High & Maxwell	CO Loft CO				125		
			610 to 926				
..... Proposed Downtown .....							
Gameday Center Gameday Centers Southeastern, LLC High & S. Broadway	CO Studio 1br/1ba 1br/1ba 2br/2ba 2br/2ba 2br/2ba Penthouses	\$130,000 up \$160,000 up \$200,000 up \$230,000 up \$240,000 up \$250,000 up \$280,000 to \$800,000 up			188	Pre-construcction Pricing	

Table 5. (continued)

<u>Development (Date Opened) Developer/Builder</u>	<u>Unit Type/ Configura- tion</u>	<u>Unit Price Range</u>	<u>Unit Size Range</u>	<u>Price Per Sq. Ft.</u>	<u>Total Units</u>	<u>Total Sales (Monthly Average)</u>
..... Outside Downtown .....						
Lorillard Lofts (2004) The McGoodwin Company Price Road	Lofts	\$76,560 to \$249,600	638 to 2,496	\$100 to \$120	43	
			..... Hamburg .....			
Hamburg Park Townhomes The Boulder Group, LLC	TH Bellingham Amherst Belmont Beacon Hill Cambridge Cambridge Notting Hill	Sold out Sold out Sold out \$266,950 \$299,900 \$324,175 \$338,262	1,230 2,042 2,042 2,725 2,725 2,725 3,034			

SOURCE: Zimmerman/Volk Associates, Inc.

Table 6. Summary of Selected Re-Sale Attached Properties

City of Lexington, Fayette County Kentucky  
October, 2004

<u>Property Name</u>	<u>Housing Type</u>	<u>Listed Price</u>	<u>Unit Size</u>	<u>Price Per Square Foot</u>	<u>Unit Configuration</u>
..... Downtown Lexington .....					
Hampton Court	CO	\$189,000	2,030	\$93	3BR/2BA
The Woodlands	CO	\$175,000 \$289,000 \$399,000 \$465,000 \$1,100,000	1,045 1,577 1,850 1,850 3,750	\$167 \$183 \$216 \$251 \$293	1BR/1BA 2BR/2BA 2BR/2BA 2BR/2BA 3BR/3BA
		..... Other .....			
Harrods Hill	TH	\$229,900	2,300	\$100	4BR/3BA
Lansdowne	TH	\$287,500	2,448	\$117	2BR/3BA
Four Pines	CO	\$455,000	2,340	\$194	3BR/3BA
Greenbrier	TH	\$695,000	3,510	\$198	3BR/4BA

SOURCE: Multiple Listing Service; Zimmerman/Volk Associates, Inc.



RENTAL DISTRIBUTION

Based on the target household mix (listed on Table 7) and the financial capacities of the target households, the distribution by rent range of the 168 new rental units that could be absorbed each year over the next five years in downtown Lexington is as follows:

Loft/Apartment Distribution By Rent Range		
DOWNTOWN LEXINGTON		
City of Lexington/Fayette County, Kentucky		
MONTHLY RENT RANGE	NUMBER OF UNITS	PERCENTAGE
\$500–\$750	30	17.8%
\$750–\$1,000	51	30.4%
\$1,000–\$1,250	42	25.0%
\$1,250–\$1,500	31	18.5%
\$1,500 and up	14	8.3%
Total:	168	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2004.

Table 7. Target Groups For Rental Lofts/Apartments

DOWNTOWN LEXINGTON

City of Lexington, Fayette County, Kentucky

	<i>Number of Households</i>	<i>At 15 Percent Capture</i>
Empty Nesters & Retirees		
Urban Establishment	10	2
Rowhouse Retirees	20	3
Post-War Suburban Pioneers	10	2
Affluent Empty Nesters	60	9
Middle-Class Move-Downs	110	15
Active Retirees	<u>20</u>	<u>3</u>
Subtotal:	230	34
Traditional & Non-Traditional Families		
Full-Nest Urbanites	10	2
Multi-Cultural Families	10	2
Unibox Transferees	<u>20</u>	<u>3</u>
Subtotal:	40	7
Younger Singles & Couples		
Urban Elite	10	2
e-Types	20	3
Urban Achievers	20	3
New Bohemians	60	9
The VIPs	110	17
Fast-Track Professionals	400	58
Twentysomethings	70	11
University/College Affiliates	<u>160</u>	<u>24</u>
Subtotal:	850	127
Total Households:	1,120	168

SOURCE: Claritas, Inc.; Zimmerman/Volk Associates, Inc.

FOR-SALE DISTRIBUTION

Based on the target household mix (listed on Table 8) and financial capacities of the target households, the distribution by price range of the 143 market-rate for-sale apartments that could be absorbed each year over the next five years in downtown Lexington is as follows:

Loft/Apartment Distribution By Price Range		
DOWNTOWN LEXINGTON		
City of Lexington/Fayette County, Kentucky		
PRICE RANGE	NUMBER OF UNITS	PERCENTAGE
\$75,000–\$125,000	35	24.5%
\$125,000–\$175,000	35	24.5%
\$175,000–\$225,000	33	23.0%
\$225,000–\$275,000	22	15.4%
\$275,000 and up	18	12.6%
Total:	143	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2004.

Table 8. Target Groups For-Sale Apartments  
DOWNTOWN LEXINGTON  
City of Lexington, Fayette County, Kentucky

	<i>Number of Households</i>	<i>At 15 Percent Capture</i>
Empty Nesters & Retirees		
Urban Establishment	10	2
Rowhouse Retirees	10	2
The Social Register	30	5
Nouveau Money	10	2
Post-War Suburban Pioneers	10	2
Affluent Empty Nesters	50	8
Middle-Class Move-Downs	30	5
Active Retirees	<u>30</u>	<u>5</u>
Subtotal:	180	31
Traditional & Non-Traditional Families		
Cosmopolitan Families	10	1
Unibox Transferees	<u>10</u>	<u>1</u>
Subtotal:	20	2
Younger Singles & Couples		
Urban Elite	20	3
e-Types	20	3
Urban Achievers	20	3
New Bohemians	20	3
The VIPs	170	26
Fast-Track Professionals	250	34
Twentysomethings	30	5
University/College Affiliates	<u>220</u>	<u>33</u>
Subtotal:	750	110
Total Households:	950	143

SOURCE: Claritas, Inc.; Zimmerman/Volk Associates, Inc.

Based on the target household mix (listed on Table 9) and financial capacities of the target households, the distribution by price range of the 72 market-rate townhouses/rowhouses/live-work units that could be absorbed each year over the next five years in downtown Lexington is as follows:

Townhouse/Rowhouse/Live-Work Distribution By Price Range		
DOWNTOWN LEXINGTON		
City of Lexington/Fayette County, Kentucky		
PRICE RANGE	NUMBER OF UNITS	PERCENTAGE
\$175,000–\$225,000	30	41.6%
\$225,000–\$275,000	21	29.2%
\$275,000–\$325,000	11	15.3%
\$325,000 and up	10	13.9%
Total:	72	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2004.

Table 9. Target Groups For-Sale Townhouses/Rowhouses/Live-Work  
Downtown Lexington City of Lexington/Fayette County, Kentucky

	<i>Number of Households</i>	<i>At 10 Percent Capture</i>
Empty Nesters & Retirees		
Urban Establishment	10	1
Rowhouse Retirees	10	1
The Social Register	10	1
Nouveau Money	10	1
Post-War Suburban Pioneers	10	1
Affluent Empty Nesters	40	4
Middle-Class Move-Downs	60	6
Active Retirees	<u>20</u>	<u>2</u>
Subtotal:	170	17
Traditional & Non-Traditional Families		
Full-Nest Urbanites	10	1
Multi-Cultural Families	10	1
Cosmopolitan Families	10	1
Unibox Transferees	<u>10</u>	<u>1</u>
Subtotal:	40	4
Younger Singles & Couples		
e-Types	10	1
Urban Achievers	20	2
New Bohemians	10	1
The VIPs	120	12
Fast-Track Professionals	150	15
Twentysomethings	20	2
University/College Affiliates	<u>180</u>	<u>18</u>
Subtotal:	510	51
Total Households:	720	72

SOURCE: Claritas, Inc.; Zimmerman/Volk Associates, Inc.



Based on the target household mix (listed on table 10) and financial capacities of the target groups, the distribution by price range of the 41 market-rate urban houses that could be absorbed each year over the next five years in downtown Lexington is as follows:

Urban Detached House Distribution By Price Range		
DOWNTOWN LEXINGTON		
City of Lexington/Fayette County, Kentucky		
PRICE RANGE	NUMBER OF UNITS	PERCENTAGE
\$125,000–\$175,000	9	22.0%
\$175,000–\$225,000	9	22.0%
\$225,000-\$275,000	10	24.3%
\$275,000–\$325,000	7	17.1%
\$325,000 and up	6	14.6%
Total:	41	100.0%

SOURCE: Zimmerman/Volk Associates, Inc., 2004.

Table 10. Target Groups For Urban Houses

Downtown Lexington City of Lexington/Fayette County, Kentucky

	<i>Number of Households</i>	<i>At 10 Percent Capture</i>
Empty Nesters & Retirees		
Urban Establishment	10	1
Nouveau Money	20	2
Post-War Suburban Pioneers	30	3
Affluent Empty Nesters	50	5
Middle-Class Move-Downs	10	1
Active Retirees	<u>10</u>	<u>1</u>
Subtotal:	130	13
Traditional & Non-Traditional Families		
Full-Nest Urbanites	10	1
Cosmopolitan Families	<u>10</u>	<u>1</u>
Subtotal:	20	2
Younger Singles & Couples		
e-Types	10	1
The VIPs	90	9
Fast-Track Professionals	100	10
Urban Achievers	20	2
University/College Affiliates	<u>40</u>	<u>4</u>
Subtotal:	260	26
Total Households:	410	41

SOURCE: Claritas, Inc.; Zimmerman/Volk Associates, Inc.

## Downtown Housing Types

### *What are the alternatives?*

The residential reuse of existing nonresidential structures is one of the most beneficial downtown redevelopment types because it creates and enhances a pedestrian-oriented street environment at a familiar, and often historic, urban scale. In downtown locations, buildings that contain more potential adaptive reuse square footage than can be absorbed for housing within a feasible time frame can be redeveloped with a mix of uses, including retail and office.

A range of building and unit types have been used successfully in residential redevelopment or new residential construction in other downtowns comparable in size and scale to downtown Lexington.

### COURTYARD APARTMENT BUILDING

In new construction, a courtyard apartment building is an urban, pedestrian-oriented equivalent to conventional garden apartments. At four or more stories, it is often combined with nonresidential uses on the ground floor. The building should be built to the sidewalk edge and, to provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk. Parking is either below grade, at grade behind or interior to the building, or in an integral structure.

The building's apartments can be leased, as in a conventional income property, or sold to individual buyers, under condominium or cooperative ownership, in which the owner pays a monthly maintenance fee in addition to the purchase price.

### LOFT APARTMENT BUILDING

A loft apartment can be either an adaptive reuse of an older warehouse or manufacturing building or a new-construction building type inspired by those buildings. The lofts, whether for rent or for sale, new construction or adaptive reuse, should include work space as

a permitted use. The new-construction version is usually elevator-served with double-loaded corridors.

**Hard Lofts:** Unit interiors typically have high ceilings and commercial windows and are minimally finished (with limited architectural elements such as columns and fin walls) or unfinished (with no interior partitions except those for bathrooms).

The raw-space version of a hard loft is adaptable for a wide range of nonresidential uses – from an art or music studio to a small office – as well as residential living areas. The loft is not dependent upon building form, other than that it is almost always within a multiunit building.

**Soft Lofts:** Unit interiors typically have high ceilings and are fully finished and partitioned into individual rooms. Units may also contain architectural elements reminiscent of “hard lofts,” such as brick walls and iron railings, particularly if the building is an adaptive reuse of an existing industrial structure.

The building's loft apartments can be leased, as in a conventional income property, or sold to individual buyers, under condominium or cooperative ownership, in which the owner pays a monthly maintenance fee in addition to the purchase price. (Loft apartments can also be incorporated into multifamily buildings along with conventionally finished apartment units.)

#### MAISONETTE APARTMENT BUILDING

A maisonette apartment building (townhouse over flat) is a three-story building with an elevation that resembles a row of townhouses; the interior, however, combines single-level and two-level apartments. Each unit has its own street entrance, as well as attached or detached garage or open on-site parking, accessed from the rear of the building.

#### MANSION APARTMENT BUILDING

A two- to four-story flexible-use structure with a street façade resembling a large detached house (hence “mansion”) can accommodate a variety of uses – from rental or for-sale apartments, to professional offices, to apartments or offices over ground-floor retail, to a bed-and-breakfast inn or a large single-family detached house. Its physical structure complements other buildings within a neighborhood.

Parking behind the mansion buildings can be either alley-loaded or front-loaded, served by shared drives. The form of the parking can be in open lots, in garages with units above, or integral to the building.

Mansion buildings should be strictly regulated in form but flexible in use. However, flexibility in use is somewhat constrained by the handicapped accessibility regulations in both the Fair Housing Act and the Americans with Disabilities Act.

#### TOWNHOUSE / ROWHOUSE

The urban townhouse is similar in form to a conventional suburban townhouse except that the garage – either attached or detached – is located to the rear of the unit and accessed from an alley or auto court. Unlike conventional townhouses, urban townhouses conform to the pattern of streets, typically with shallow front-yard setbacks. To provide privacy and a sense of security, the first floor should be elevated significantly above the sidewalk.

#### LIVE-WORK UNIT

This is a unit or building type that accommodates nonresidential uses in addition to or combined with living quarters. The typical live-work unit is a building, either attached or detached, with a principal dwelling unit that includes flexible space that can be used as office, retail, or studio space, or as an accessory dwelling unit. Live-work units could therefore be developed through adaptation of a rowhouse or

even the combination of two adjacent rowhouses. The nonresidential ground-floor uses could be helpful in establishing a daytime presence in neighborhoods that are largely residential, thereby adding an element of security.

Regardless of the form they take, live-work units should be flexible in order to respond to economic, social, and technological changes over time and to accommodate as wide as possible a range of potential uses. The unit configuration must also be flexible in order to comply with the requirements of the Fair Housing Amendments Act and the Americans with Disabilities Act.

The growing number of home-based businesses in the United States (reported in 1997 as four million) is often cited as a justification for live-work units. However, there is an important distinction between a “home-based business” and a “business-based home.” Most home-based businesses can be accommodated in almost any kind of dwelling unit. In contrast, the business-based home is a true live-work unit: a dwelling unit with a configuration that is influenced or even dictated by the nonresidential activities.

In New Urbanist developments that are currently under construction across the country, true live-work units tend to be most successful in projects that have been underway for several years, within an already established neighborhood or town center. In most of the developments for which information is available, live-work units are likely to be purchased by households for use as dwelling units only, or purchased by investors. A resident investor can lease the flex space for residential, retail, or office use; a nonresident investor can lease both the main residential space or the flex space. Since experience shows that it is uncommon for retail operators to live above the store, live-work units must comply with local codes permitting the legal separation of uses in order to maintain investor flexibility.



## Keys to Successful Downtown Housing

### URBAN HOUSE

An urban house is a two- to three-story single-family detached house on a narrow lot. The garage is located to the rear of the house and accessed from an alley or auto court. Urban houses also conform to the pattern of streets, typically with shallow front-yard setbacks or dooryards.

In order to achieve maximum positive impact with downtown housing, three elements – location, design, and marketing – must be carefully considered and executed.

### TARGET AREAS FOR RESIDENTIAL DEVELOPMENT

Because the downtown Lexington study area is large in size and varied in character, the distinctive neighborhoods that currently exist – Northside, Gratz Park, Constitution, the East End, Aylesford, College Town, South Hill, Woodward Heights, and the Western Suburbs – should be encouraged to maintain their individual characteristics. These in-town neighborhoods contain a wide variety of single-family attached and detached dwelling units, although there are a number of multifamily rental projects and small-scale office buildings scattered throughout the neighborhoods.

The amount of vacant or underutilized parcels of land varies widely from neighborhood to neighborhood. Industrial and large-scale uses occupy most of the area between Angliana Avenue and the railroad tracks and along Walton Avenue in the southeast of the study area.

New neighborhoods are currently being developed within the downtown study area, particularly between High and Second Streets, and in the College Town area. In the Downtown Core, in addition to adaptive reuse of the upper floors of existing buildings, the city should encourage new multifamily and/or mixed-use development on land currently utilized as parking lots. A neighborhood is established when enough “mass” is created – both in number of people and in number of residential buildings. Market-rate rental apartments in particular can be instrumental in the rapid establishment of “critical mass.” Market-rate rentals allow more affluent households to experiment with living in a particular location without the commitment of home ownership, and downtown renters form a pool of potential purchasers of ownership units that may be developed at a later date.

In general, areas or buildings slated for new development or redevelopment should be evaluated relative to the following criteria for successful urban housing initiatives:

- Advantageous adjacency. It is critical to “build on strength,” not only to provide maximum support for any proposed housing initiatives, but also, conversely, so that housing initiatives will reinforce existing or proposed adjacent developments (commercial, retail, or residential).
- Building and/or land availability. At present, several buildings or parcels within the downtown study area are underutilized or vacant. From the city’s perspective, poorly located or under-used surface parking lots are better utilized as sites for new infill mixed-use development.
- Potential for expansion. Each housing initiative should be located in an area where, at the successful completion of the initial project, adjacent or nearby buildings and/or land appropriate for the continuation or extension of the neighborhood, either through new construction or adaptive reuse, would potentially be available. Each housing initiative should be viewed not as a stand-alone project, but rather as a potential catalyst for additional residential development in surrounding areas.
- Anchors/linkage. Each housing initiative must be seen as part of an overall urban strategy to build a critical mass of both housing and related nonresidential uses. “Anchor” locations establish the potential for economic activity in an underutilized area; “linkage” locations build on the strength of two or more established but disconnected assets.

### ENSURE APPROPRIATE URBAN DESIGN

A neighborhood is the sum of a variety of elements: the configuration of the street and block network, the arrangement of lots on those blocks, and the manner in which buildings are disposed on their lots and address the street. A downtown residential neighborhood succeeds when its physical characteristics consistently emphasize urbanity and the qualities of city life; conversely, attempts to introduce

suburban scale and housing types (or, indeed, suburban building forms in general) into urban areas have invariably yielded disappointing results. Therefore, appropriate urban design – which places as much emphasis on creating quality streets and public places as on creating or redeveloping quality buildings – will be essential to success. The important elements can be summarized in several practical interrelated guidelines:

- Preservation or restoration of the urban fabric. Emphasis should be on adaptive reuse, with new construction used as infill among rehabilitated structures.
- Respect for the urban context. Major renovation and new infill construction should maintain the building lot disposition and “build-to” line. When building heights are increased, the new floors should be set back from the historic cornice line. Pedestrian entrances should always be from the sidewalk; automobile entrances should always be minimized. Buildings should never present a blank wall to the street.
- Streets designed for pedestrian comfort. Automobiles are accommodated on great urban streets; however, they are not given precedence over ease of pedestrian movement. The emphasis on streets can have significant, long-term impact on both street safety (providing “eyes on the street”) and usable parks and squares.
- Improvement of the streetscape. Local artists can create a unique physical environment that could be extended to the downtown’s “street furniture” – the trash receptacles, seating areas, public sculptures, and other small street amenities that make the difference between an “automobile-oriented road” and a “neighborhood street.”
- Resident parking on designated streets should be ensured through a permit system; permits should be issued at the cost of administering the program, including the added cost of enforcement.

Throughout downtown Lexington, urban rather than suburban park-

ing ratios should be utilized. Although lack of parking is a recurring complaint in many cities, detailed analysis of parking capacity typically reveals under-utilization of existing parking.

Shared parking should be encouraged in the downtown. The overall number of required parking spaces could be significantly reduced if businesses and residential development shared parking facilities.

#### MARKET AND MONITOR THE DOWNTOWN

A high-profile marketing program should be undertaken to promote the downtown as a viable and exciting housing option. An effective marketing program will require advertising and public relations, merchandising, and promotion. This could be undertaken as an adjunct to the marketing of downtown as a destination for shopping and entertainment.

Marketing efforts are most effective when they are constantly fine-tuned based on results, which requires some means of monitoring marketing impact. In the City of Baltimore, Maryland, the Downtown Partnership maintains a database of all existing residential properties located within the downtown. The Partnership updates, on a quarterly basis, the monthly rents, vacancy, and turnover rates at each rental building; the values and sales of newly developed units in new construction or adaptive reuse of existing buildings; and the values and frequency of resale activity within older condominium buildings, to determine value escalation, if any. In addition, the Partnership monitors the status of all new development proposals. This information is readily available to potential developers via the Partnership's website.

Downtown, and most of Baltimore’s in-town neighborhoods, are actively marketed through another website, linked to the Downtown Partnership website. This site describes in detail each neighborhood’s assets, from cultural institutions to architectural characteristics, and also provides comprehensive listings of available rental and for-sale units (with location, asking rent/price, unit size, and photograph).

#### URBAN AMENITIES

Since the diversity and social and cultural amenities of the city are one of the attractions of urban living, successful downtown housing is not necessarily dependent upon the creation of extensive (and expensive) recreational amenities.

However, locations that are within walking distance of parks, greenways, and entertainment venues – such as theaters, clubs, and restaurants – and that provide convenient access to a variety of retailers including a grocery store, hold a significant market advantage.



# Methodology

The technical analysis of residential market potential for downtown Lexington included delineation of the draw areas and physical evaluation of the study area and the surrounding context.

The delineation of the draw areas for housing within downtown Lexington was based on historic settlement patterns, migration trends for the City of Lexington / Fayette County, and other market dynamics.

The evaluation of market potential for downtown Lexington was derived from target-market analysis of households in the draw areas, and yielded:

- The depth and breadth of the potential housing market by tenure (rental and ownership) and by type (apartments, attached and detached houses)
- The composition of the potential housing market (empty-nesters/retirees, younger singles/couples, traditional and nontraditional families)

Tables specifying all data included in this Methodology section will be provided upon request.

## DELINEATION OF THE DRAW AREAS (MIGRATION ANALYSIS)

Taxpayer migration data provide the framework for the delineation of the draw areas – the principal counties of origin for households that are likely to move to the City of Lexington / Fayette County. These data are maintained at the county and “county equivalent” level by the Internal Revenue Service and provide a clear representation of mobility patterns.

Between 1998 and 2002, the number of households moving into Lexington / Fayette fell from more than 9,000 households in 1998 to 8,160 households in 2002. A significant percentage of the city/county’s in-

migration is regional – households moving to the area from adjacent or nearby counties. Nearly 20 percent of all households who move to Lexington/Fayette move from the adjacent counties of Jessamine, Madison, Scott, Clark, and Woodford.

However, although the number of households moving into the City of Lexington / Fayette County declined between 1998 and 2002, the area experienced net migration gains over the study period – i.e., the city/county gained more households through in-migration than it lost through out-migration. These gains ranged from just 90 households in 2000 to more than 1,100 households in 1998; in only one year, 2001, did Lexington/Fayette lose more households than it gained. Nearly 25 percent of all households moving out of Lexington/Fayette are moving to Jessamine, Madison, Scott, Clark, and Woodford Counties.

NOTE: Although net migration provides insights into the city’s historic ability to attract or retain households compared to other locations, it is those households likely to move into the city (gross in-migration) that represent the city’s external market potential.

Based on the migration data, the local, regional, metropolitan, and national draw areas for the City of Lexington / Fayette County have been delineated, as detailed in the “Draw Areas” section earlier in this report.

Anecdotal information obtained from real estate brokers, sales persons, market analysts, and other knowledgeable sources corresponded to the migration data.

### *Migration Methodology:*

County-to-county migration is based on the year-to-year changes in the addresses shown on the population of returns from the Internal Revenue Service Individual Master File system. Data on migration pat-

terns by county, or county equivalent, for the entire United States include inflows and outflows. The data include the number of returns (which can be used to approximate the number of households) and the median and average incomes reported on the returns.

## TARGET-MARKET CLASSIFICATION OF CITY OF LEXINGTON / FAYETTE COUNTY HOUSEHOLDS

Geodemographic data obtained from Claritas, Inc. provide the framework for the categorization of households, not only by demographic characteristics, but also by lifestyle preferences and socioeconomic factors. For the purposes of this study, only those household groups with median incomes that enable most of the households within each group to qualify for market-rate housing are included in the data. Detailed descriptions of each of these target-market groups is available upon request.

Of the estimated 111,535 households living in the City of Lexington / Fayette County in 2004, approximately 77.9 percent, or 86,850 households, had the capacity to rent or buy market-rate housing. Median income within Lexington/Fayette was \$43,000, approximately 7.5 percent lower than the national median of \$46,500 in 2004. Median home value was \$131,700, approximately 7 percent below the national median of \$141,300. Up to 49.2 percent of Lexington/Fayette’s “market-rate” households can be classified as younger singles and couples, another 28.9 percent are empty-nesters and retirees, and the remaining 22.0 percent are traditional and nontraditional families.

### *Target-Market Methodology :*

The proprietary target-market methodology developed by Zimmerman/Volk Associates is an analytical technique, using the PRIZM geodemographic system, which establishes the optimum market position for residential development of any property – from a specific site to an entire political jurisdiction – through cluster analysis of households living within

designated draw areas. In contrast to classical supply/demand analysis – which is based on supply-side dynamics and baseline demographic projections – target-market analysis establishes the optimum market position derived from the housing and lifestyle preferences of households in the draw area and within the framework of the local housing-market context, even in locations where no close comparables exist.

In geodemographic segmentation, clusters of households (usually between 10 and 15) are grouped according to a variety of significant factors, ranging from basic demographic characteristics such as income qualification and age, to less-frequently considered attributes such as mobility rates, lifestyle patterns, and compatibility issues. Zimmerman/Volk Associates has refined the analysis of these household clusters through the correlation of more than 500 data points related to housing preferences and consumer and lifestyle characteristics.

As a result of this process, Zimmerman/Volk Associates has identified 41 target-market groups with median incomes that enable most of the households within each group to qualify for market-rate housing. The most affluent of the 41 groups can afford the most expensive new ownership units; the least prosperous are candidates for the least expensive existing rental apartments.

Once the draw areas for a property have been defined – through field investigation, analysis of historic migration and development trends, and employment and commutation patterns – the households within those areas are quantified using the target-market methodology. The potential market for new market-rate units is then determined by the correlation of a number of factors – including, but not limited to: household mobility rates, median incomes, lifestyle characteristics and housing preferences, the location of the site, and the competitive environment. The end result of this series of filters is the optimum market position – by tenure, building configuration, and household type,

including specific recommendations for unit sizes, rents, and/or prices – and projections of absorption within the local housing context.

DETERMINATION OF THE POTENTIAL MARKET FOR THE CITY OF LEXINGTON / FAYETTE COUNTY

The available mobility tables, individually and in summaries, indicate the number and type of households that have the potential to move to the City of Lexington / Fayette County in the year 2004. The total number from each county is derived from historic migration trends; the number of households from each group is based on each group's mobility rate.

Zimmerman/Volk Associates uses U.S. Bureau of the Census data, combined with Claritas data, to determine the number of households in each target-market group that will move from one residence to another within a specific jurisdiction in a given year (internal mobility). Using these data, Zimmerman/Volk Associates has determined that up to 10,160 households, currently living in the City of Lexington / Fayette County and with the capacity to rent or purchase market-rate housing, have the potential to move from one residence to another within the city/county this year. Nearly 58 percent of these households are likely to be younger singles and couples (as characterized within five Zimmerman/Volk Associates' target-market groups); another 22.8 percent are likely to be empty-nesters and retirees (in eight market groups); and the remaining 19.3 percent are likely to be traditional and nontraditional families (in 10 market groups).

Zimmerman/Volk Associates has also determined (through a correlation of Claritas data, U.S. Bureau of the Census data, and the Internal Revenue Service migration data) the number of households in each target-market group living in the regional (Jessamine, Madison, Scott, Clark, and Woodford Counties), metropolitan (Jefferson County [Louisville] and Franklin County [Frankfort] in Kentucky, and Hamilton County

[Cincinnati] in Ohio) and national draw areas that are likely to move to the City of Lexington / Fayette County in 2004.

When all this data is summarized, the numbers in the Total column indicate the depth and breadth of the potential market for new and existing market-rate dwelling units in the City of Lexington / Fayette County in the year 2004 originating from households currently living in the draw areas. Nearly 15,700 households with the potential to rent or purchase market-rate housing have the potential to move within or to the City of Lexington / Fayette County in 2004. Younger singles and couples are likely to account for 45.3 percent of these households (in 11 market groups); up to 30.2 percent are likely to be family-oriented households (in 16 groups); and 24.5 percent are likely to be empty-nesters and retirees (in 12 groups).

The distribution of the draw areas as a percentage of the potential market for the City of Lexington / Fayette County is shown in the table in the "Draw Areas for City and County" section earlier in this report.

DETERMINATION OF THE POTENTIAL MARKET FOR DOWNTOWN LEXINGTON

The total potential market for downtown Lexington also includes the local, regional, metropolitan, and national draw areas. Zimmerman/Volk Associates uses U.S. Bureau of the Census data, combined with Claritas data, to determine which target-market groups, as well as how many households within each group, are likely to move to a downtown location in a given year.

As derived by the target-market methodology, more than 6,200 of the 15,690 households that represent the market for new and existing housing units in the City of Lexington / Fayette County are a market for new or existing housing units within downtown Lexington, or nearly 40 percent of the total potential market. Nearly 65 percent of these households are likely to be younger singles and couples (in eight market groups); another 30.1 percent are likely to be empty-nest and retiree households (in



eight groups); and the remaining 5.5 percent are likely to be traditional and nontraditional family households (in four groups).

The distribution of the draw areas as a percentage of the potential market for downtown Lexington is shown in the table in the “Draw Areas for Downtown Lexington” section earlier in this report.

The 6,220 draw-area households that have the potential to move within or to downtown Lexington this year have also been categorized by tenure propensities to determine the appropriate renter/owner ratios. Approximately 29.3 percent of these households (or 1,820 households) comprise the potential market for rental units, of which 1,120 households comprise the potential market for new and existing market-rate rentals. The remaining 70.7 percent (or 4,400 households) comprise the market for market-rate for-sale (ownership) housing units.

Of the 4,400 households that comprise the market for new and existing market-rate for-sale housing units, 21.6 percent (or 950 households) comprise the market for multifamily for-sale units (condominium/cooperative lofts/apartments); another 16.4 percent (720 households) comprise the market for attached single-family (townhouse/rowhouse/live-work) units; and the remaining 62 percent (2,730 households) comprise the market for all ranges of single-family detached houses.

TARGET MARKET DATA

Target-market data are based on the Claritas PRIZM geodemographic system, modified and augmented by Zimmerman/Volk Associates as the basis for its proprietary target-market methodology. Target-market data provides number of households by cluster aggregated into the three main demographic categories – empty-nesters and retirees, traditional and nontraditional families, and younger singles and couples.

Zimmerman/Volk Associates’ target-market classifications are updated periodically to reflect the relentless change in the composition of American households. Because of the nature of geodemographic segmentation, a change in household classification is directly correlated with a change in geography, i.e. – a move from one neighborhood condition to another. However, these changes of classification can also reflect an alteration in one of three additional basic characteristics:

- Age
- Household composition
- Economic status

Age, of course, is the most predictable and easily defined of these changes. Household composition has also been relatively easy to define; recently, with the growth of nontraditional households, however, definitions of a family have had to be expanded and parsed into more highly refined segments. Economic status remains clearly defined through measures of annual income and household wealth.

A change in classification is rarely induced by a change in just one of the four basic characteristics. This is one reason that the target household categories are so highly refined: they take in multiple characteristics. Even so, there are some rough equivalents in household types as they move from one neighborhood condition to another. There is, for example, a strong correlation between the *Suburban Achievers* and the *Urban Achievers*; a move by the *Suburban Achievers* to the urban core can make them *Urban Achievers*, if the move is accompanied by an upward move in socioeconomic status. In contrast, *Suburban Achievers* who move up socioeconomically, but remain within the metropolitan suburbs, may become *Fast-Track Professionals* or *The VIPs*.

Household Classification Methodology:

Household classifications are based on the Claritas PRIZM geodemo-

graphic segmentation system, which was established in 1974 and is the most widely used neighborhood target-marketing system in the United States. Claritas uses 15 unique clustering algorithms to define various domains of affluence and settlement density. These algorithms isolate the key factors in each density-affluence domain that accounted for the most statistical difference among neighborhoods within that group.

Over the past 15 years, Zimmerman/Volk Associates has augmented the PRIZM cluster system for use within the company’s proprietary target-market methodology specific to housing and neighborhood preferences, with additional algorithms, correlation with geo-coded consumer data, aggregation of clusters by broad household definition, and unique cluster names. (See “Target-Market Methodology.”) For purposes of this study, only those household groups with median incomes that enable most of the households within each group to qualify for market-rate housing are included in the tables.

## Assumptions and Limitations

Every effort has been made to ensure the accuracy of the data contained within this analysis. Demographic and economic estimates and projections have been obtained from government agencies at the national, state, and county levels. Market information has been obtained from sources presumed to be reliable, including developers, owners, and/or sales agents. However, this information cannot be warranted by Zimmerman/Volk Associates, Inc. While the methodology employed in this analysis allows for a margin of error in base data, it is assumed that the market data and government estimates and projections are substantially accurate.

Absorption scenarios are based upon the assumption that a normal economic environment will prevail in a relatively steady state during development of the subject property. Absorption paces are likely to be slower during recessionary periods and faster during periods of recovery and high growth. Absorption scenarios are also predicated on the assumption that the product recommendations will be implemented generally as outlined in this report and that the developer will apply high-caliber design, construction, marketing, and management techniques to the development of the property.

Recommendations are subject to compliance with all applicable regulations. Relevant accounting, tax, and legal matters should be substantiated by appropriate counsel.

## Rights and Study Ownership

Zimmerman/Volk Associates, Inc. retains all rights, title, and interest in the methodology and target-market descriptions contained within this study. The specific findings of the analysis are the property of the client and can be distributed at the client's discretion.



