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Commercial Market Analysis for Downtown Grand Rapids Arts and Entertainment Strategy

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Commercial Market Analysis for Downtown Grand Rapids Arts and Entertainment Strategy

1.0 Introduction

Arts and entertainment can be critical ingredients in the success of American Downtowns. The different venues and activities create excitement and vitality that leads to direct and indirect spin-off effects for other Downtown commercial businesses. An arts and entertainment strategy can work successfully to animate Downtown neighborhoods, improve public safety, increase Downtown residential populations, enhance streetscapes, and restore heritage buildings. Finally, businesses and corporations (especially those in the creative sector) actively seek to locate their businesses in artistically alive communities to help attract and retain skilled employees.

The City of Grand Rapids, the Downtown Development Authority, Downtown Alliance, and concerned groups have been working over the past several years to create a healthy Downtown environment with a particular emphasis on arts and entertainment. The product of their hard work is a diverse offering that boasts the following:

- Four notable performance venues that offer hundreds of events each year including DeVos Performance Hall, Civic Theatre, Spectrum Theater, and Royce Auditorium/St. Cecilia's
- Dynamic live performance groups: Actor's Theatre, Broadway Theatre Guild, Jewish Theatre of Grand Rapids, Heritage Theatre, Grand Rapids Ballet, Grand Rapids Symphony[1], and St. Cecilia Music Society
- Grand Rapids Art Museum, Public Museum of Grand Rapids, Gerald R. Ford Presidential Museum, Children's Museum, Urban Institute of Contemporary Art, other galleries at colleges and universities
- VanAndel Arena, which is home to two national sports teams (Griffins – American Hockey League and Rampage – Arena Football) along with international concert tours, family events, college/university events

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[1] Some Grand Rapids Symphony performances are Downtown but most are at the Helen DeVos Auditorium

- DeVos Convention Center
- Festivals and events such as Art Festival of Grand Rapids, Blues on the Mall, Macker Jam, among others

In addition, Downtown Grand Rapids is the heart of the region and boasts a significant daytime working population of approximately 40,000. Finally, the number of colleges and universities in Downtown and the City provide an additional target market for businesses. There are more than 27,000 full-time and part-time students in Downtown Grand Rapids and a further 22,000 elsewhere in the City.

1.1 Recent Planning Efforts

Downtown Grand Rapids has gained a reputation in West Michigan for providing quality and innovative arts and entertainment programming. Capital commitments have resulted in the relatively recent additions including the VanAndel Arena. The 12,000 seat, multi-purpose sports and entertainment facility, constructed by the Downtown Development Authority (DDA) in 1996, attracts over 1,000,000 visitors annually. DeVos Performance Hall and DeVos Convention Center provide another arts and entertainment element to Downtown. DeVos Hall is the premier location for Broadway shows, Grand Rapids Opera, and the Grand Rapids Ballet among other performances. The convention center, upon completion in 2005, will contain over 1,000,000 square feet of floor area attracting over 800,000 visitors annually.

One other major project to be completed is the relocation of the Grand Rapids Arts Museum.

Over the past twelve years, since the DDA commissioned the Downtown planning process that came to be known as *Voices & Vision,* numerous projects have been completed. Following is a select list of major accomplishments:

Year	Project	Comments
1992	Downtown Boardwalk construction	DDA
1993	Bridgewater Place	New commercial office
	Helen DeVos Children's Hospital	New construction
1994	VanAndel Museum Center – GR Public Museum	New construction
	Spectrum Health – Musculoskeltal Center	New construction
1995	Law Building	New construction
	Mary Free Bed Hospital Professional Building	New construction
1996	VanAndel Arena	New construction

Year	Project	Comments
	Helen DeVos Women's & Children's Pavilion	New construction
1997	The B.O.B. – entertainment facility	Building renovation
	Aldrich Place	Building renovation
	Tannery Row	Building renovation
	Renaissance Zone – Industrial area	Encourage building renovation (residential, office, retail)
1998	Plaza Towers	Building renovation
	Urban Institute for Contemporary Art	Building renovation
	Mary Free Bed Hospital Professional Building	Building renovation
1999	VanAndel Institute	New construction
	Spectrum Health – Runicci Hospitality House	New construction
	Peck Building	Building renovation
	St. Mary's Wege Center for Health and Living	New construction
	US Xchange	Building renovation and addition
2000	GVSU – Richard M DeVos Center	New construction
	GVSU – Secchia Residence Hall	New construction
	GVSU – Keller Engineering Building	Addition to Eberhard Center
	St. Cecilia Music Society	Building renovation
	Design Plus	Building renovation and addition
	United Way Center	Building renovation
	Brass Works Building	Renovation to offices
	Boardwalk – mixed use development	Building renovation and parking
	Monroe Terrace Condos	Building renovation
2001	Kent County Courthouse	New construction
	GRCC Natural Science Building	New construction
	Grand Rapids Police Department HQ	Building renovation
2002	Western Michigan University	Building renovation and addition
	Mary Free Bed Hospital – Mary Ives Hunting	New construction
	SmartZone established Downtown	New construction – especially bio-medical
2003	DeVos Place Convention Center	Building renovation and addition
	GVSU – Cook-DeVos Center for Health Science	New construction
	Grand Rapids Public Library	Building renovation
	Second Renaissance Zone	Encouraging redevelopment along Monroe Center

Other projects include:
- expansion of Kendall School of Art and Design – Ferris University to the vacated Grand Rapids Art Museum on Pearl Street;
- new restaurants, businesses, and bars opening, especially south of Fulton Street; and,
- future hotel on the current site of Israel's Furniture.

1.2 The Grand Rapids Arts and Entertainment Planning Process

The Downtown Grand Rapids Arts and Entertainment Strategy was created with input from and guidance of stakeholders and interest groups including the City of Grand Rapids, business owners, the Grand Rapids Arts Council, Downtown Development Authority, and Downtown Alliance. A Steering Committee of stakeholders was assembled to oversee the work, to develop consensus on planning direction, and to establish priority strategies. Additional community feedback and input was collected through intercept and telephone surveys of consumers and at Town Hall meetings.

Urban Marketing Collaborative, The Cohn Marketing Group, and Kinzelman Kline Gossman were contracted to develop the strategic plan. This team's specific scope of work was to assess the Downtown's strengths, weaknesses, opportunities, and threats in relation to an arts and entertainment strategy, which would lead to an action plan incorporating:
- arts and entertainment identity for Downtown;
- area boundaries;
- targeted uses and markets;
- public improvements;
- development opportunities;
- management scenarios; and,
- program implementation.

1.3 Report Organization

This document presents a long-term vision and strategic action plan to guide the development and evolution of arts and entertainment in Downtown. It lays out a clearly organized agenda for a series of immediate and near term actions and projects to help Downtown realize its full potential as a vital, distinctive, and exciting arts and entertainment destination.

1.4 Mission and Roles of the Organization Groups

Downtown Development Authority (DDA)

Purpose:	To ensure that Downtown Grand Rapids becomes a healthy, vibrant and attractive focal point for the metropolitan community
Responsibilities:	Prepares Tax Increment Financing Plan Implements projects as specified in the plan May buy, sell, or lease property, construct public facilities, sell bonds, etc.
Type:	Public Authority per DDA Act (125.1651) and City Code Sec 1.901
Membership:	Nine Members including Mayor, one resident, and five persons with a financial interest in Downtown, appointed by Mayor
Primary Revenue:	Tax Increment Financing

Downtown Improvement District Board (DID)

Purpose:	To advise the City Commission on recommended services for the improvement of the Downtown area
Responsibilities:	On an annual basis, to recommend to the City Commission a list of enhanced services to be provided within the DID district; to recommend a budget for the provision of these services; to recommend agencies or organizations to be the provider of these services and to evaluate the services provided
Type:	Public Business Improvement District pre PA 120 of 1961. Established by resolution of the City Commission Resolution #67692
Membership:	Nine Members, appointed by the Mayor
Primary Revenue:	Special Assessment on properties benefiting from enhanced services

Grand Rapids Downtown Alliance, Inc. (DA)

Purpose:	The Downtown Alliance is an organization designed, governed, and implemented by Downtown stakeholders to strengthen the Downtown area. This is done by advocating for the interests of Downtown, providing a clean, friendly and attractive area, creating a more productive business and community environment, and preserving and enhancing the Downtown character, all of which are essential to Downtown's success as a place to work, live, shop, and recreate. Currently works as an arm of the Chamber of Commerce
Responsibilities:	Under contract to the City: maintenance, beautification, marketing, communications and representation
Type:	Non-profit corporation – 501(C4)

Membership:	Elected board representing various categories of members
Primary Revenue:	Contract for services using DID special assessment revenue

Grand Action

Purpose:	Urban core economic development and revitalization
Responsibilities:	To implement the "Grand Action" for Downtown, particularly by soliciting and collecting private donations for construction of the VanAndel Arena and DeVos Place Convention Center projects
Type:	Private foundation
Primary Revenue:	Private donations

Heartside Mainstreet

Purpose:	To revitalize Division Avenue into a focal point for Heartside, the City, and the region characterized by a blend of neighborhood and regional businesses, arts and entertainment, housing opportunities, and community services which are accessible, safe, and sustainable
Responsibilities:	Design, promotions, economic restructuring
Type:	
Membership:	23 Member advisory committee and three active committees
Primary Revenue:	Private donations

Monroe North Tax Increment Financing Authority

Purpose:	To halt a decline in property values, increase property tax valuation, eliminate the cause of the decline in property values, to promote growth of the Monroe North district, and to exercise all powers as authorized
Type:	Public Authority per Act 450 of the Public Acts of 1980 and City Code Sec. 1.925
Membership:	11 Members, appointed by the Mayor
Primary Revenue:	Tax Increment Financing

Smart Zone Tax Increment Financing Authority

Purpose:	To utilize the singular strength of the VanAndel Institute, the sustained rebirth of Downtown Grand Rapids, and the commitment of regional institutes of higher education to grow a diversified economy based on life science initiatives, thus evolving into a nationally known cluster of life science commercial growth and activity. This will create new employment opportunities for the citizens of Grand Rapids, West Michigan, and the state of Michigan; and generate a new wealth and tax base for the continued vibrancy of the region
Type:	Public Authority per Local Development Financing Act, Act 281 of 1986 and City Commission resolution #69171
Membership:	11 Members
Primary Revenue:	Tax Increment Financing

Grand Rapids/Kent County Convention/Arena Authority

Purpose:	To own and operate the VanAndel Arena and DeVos Place Convention Center and Performance Hall
Responsibilities:	Public Authority
Type:	Public Authority
Membership:	Seven Members, appointed by city, county, and state
Primary Revenue:	City, County, and State revenues and private contributions for capital construction; facility usage fees for operations and improvements

Business and Neighborhood Associations

Including:	Building Owners and Managers Association, Core Area Property Owners Association, Monroe North Business Association, Heartside Business Association, Heartside/Downtown Neighborhood Association, and East Corridor Cultural Organizations (ECCO)
Purpose:	Generally, to advocate for the common interests of their members and to work for business area improvements
Type:	Non-profit associations
Membership:	Varies
Primary Revenue:	Membership fees

Other major stakeholders include:

- City of Grand Rapids (planning and economic development);
- Arts Council of Grand Rapids; and,
- colleges and university.

2.0 Fact-finding and Analysis

The fact-finding and analysis step is vital to the development of a customized and comprehensive action plan. This section of the report provides general demographic and consumer profile data on the target markets for Downtown specifically related to developing a comprehensive arts and entertainment strategy.

2.1 Downtown Grand Rapids Trade Area Delineation

Trade area delineation is a fundamental part of any market analysis. This section of the report delineates a trade area for Downtown Grand Rapids based on location factors of the site, the natural and man-made barriers, the direct competitive retail environment, the travel time distance, and the intercept survey.

Factors Influencing the Trade Area Delineation

The trade area is considered to be the geographic region from which a majority of the Downtown visitors originate. The boundaries of the trade area are influenced by the following factors:

- The size and type of the existing arts and entertainment and commercial environment
- Accessibility and visibility
- Travel time features
- Relative location and strength of competitive retail facilities
- Natural and man-made barriers

In order to complement the above trade area analysis, customer-origin data was collected from the Downtown intercept survey.

While each of these factors in isolation has a bearing on the trade area boundaries, it is their cumulative effect that leads to the definition of the trade area. The importance of each of these factors was considered for the trade area boundaries. For Downtown Grand Rapids, the trade area delineation is a composite trade area for the existing 259 commercial operations.

The size and type of the existing commercial environment can be defined as a historic downtown with well-functioning financial, civic, and cultural amenities.

Downtown Grand Rapids is the cultural, civic, and financial heart of the community. It is home to City, County, State, and Federal offices. It is the financial center for the community. Finally, it is the cultural center as well. At the hub are the VanAndel Arena, Royce Auditorium, Civic Theatre, and DeVos Convention Center and Performance Hall. These venues are complemented by a diverse offering of visual arts and museum spaces (Children's Museum, Grand Rapids Public Museum, to Gerald R. Ford Presidential Museum).

From a commercial business perspective, eating and drinking operations represent the largest use of space in Downtown[2]. Thirty-five percent of the total available square footage is related to eating and drinking primarily in restaurant and restaurant/bar combinations. Retail merchandise represents a further 20%. The smallest sector is convenience goods. There are no drug stores or specialty food retailers in Downtown (except Bite, which is a combination specialty food retailer and restaurant/café). Finally, vacancy is a concern in Downtown. There are a number of vacant units accounting for 33% of the square footage. However, a number of these units are being renovated and in the process of being leased and/or occupied. In addition, the ultimate use of the vacant units can accommodate retail or office uses because many are located in mixed-use areas (e.g., Commerce Street).

Accessibility and Visibility: Good

Downtown Grand Rapids is central and accessible to a wide trade area. I-196, I-96 and Highway 131 provide quick and easy access to Downtown. From the consumer surveys, 71% of the people in the Secondary Trade Area had visited Downtown Grand Rapids in the last six months. This represents more than 123,000 households. Consumers also noted that Downtown is fairly easy to get around but there was noticeable frustration with respect to some of the one-way streets. The pedestrian and vehicular way-finding system that will be installed in the near future will ease people's concerns and assist in circulation.

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[2] The Downtown commercial audit used the boundaries of Wealthy Street to the south, I-196 to the north, Lafayette Street to the east, and Highway 131 on the west.

Relative Location and Strength of Competitive Retail Facilities: Competitive

For arts and entertainment venues there are numerous other options for local residents and visitors:

Performance Venues	
Center for Arts and Worship	Grand Rapids Symphony
Community Circle Theatre	Community Circle Theatre
Wealthy Theatre District	Wealthy Theatre
Cinemas/Movies	
Studio 28	Cinemas
Celebration	Cinemas
College/University Venues	
Aquinas College	Aquinas College Art and Music Center, Performing Arts Center
Calvin College	Calvin College Fine Arts Center
Cornerstone University	Victor M Matthews Auditorium
Forest Hills Public School	Forest Hills Public School Fine Arts Center
GVSU	Louis Armstrong Theatre
Business Districts and Shopping Centers	
28th Street	Restaurants, bars, bookstores, malls and discount malls
Breton Village Shopping Center	40 stores
Bridge Street	Destination eating and drinking
Centerpointe Mall	Discount and factory outlet
Cherry Lake Diamond	Local neighborhood center
East Fulton Business District	Antiques, farmers' market, galleries
Eastown	Small neighborhood shopping, some destination
Gaslight Village	Upscale, local neighborhood shopping
Monroe Street (north of I-196)	Lafontsee Gallery, Founder's Brewery, artist spaces, loft housing, art festival
Rivertown Crossing	120 stores, 20 cinemas
Woodland Shopping Center	120 stores

Local Towns	
Ada	Ada Gallery
Coopersville	Coopersville Farm Museum, Historical Society Museum
Lowell	Showboat, Fallasburgh Fall Festival, Lowell Area Arts Council, Historical Museum, Lowell Performing Arts Center
Rockford	Hush Puppies
Saugatuck	20 galleries, harbor setting, one of the top 10 arts destinations in *American Style* Magazine
Others	Holland, Muskegon
Equal or Bigger Centers	
Lansing (Broadway), Chicago, Detroit	

Natural and Man-made Barriers

Natural and man-made barriers include:

- Grand River;
- I-196 to the north and Highway 131 to the west;
- Heritage Hill;
- a disconnect between parking spaces and venues; and,
- Fulton Street.

Psychological barriers include the loitering issues, especially along Division Avenue.

Downtown Consumer Survey

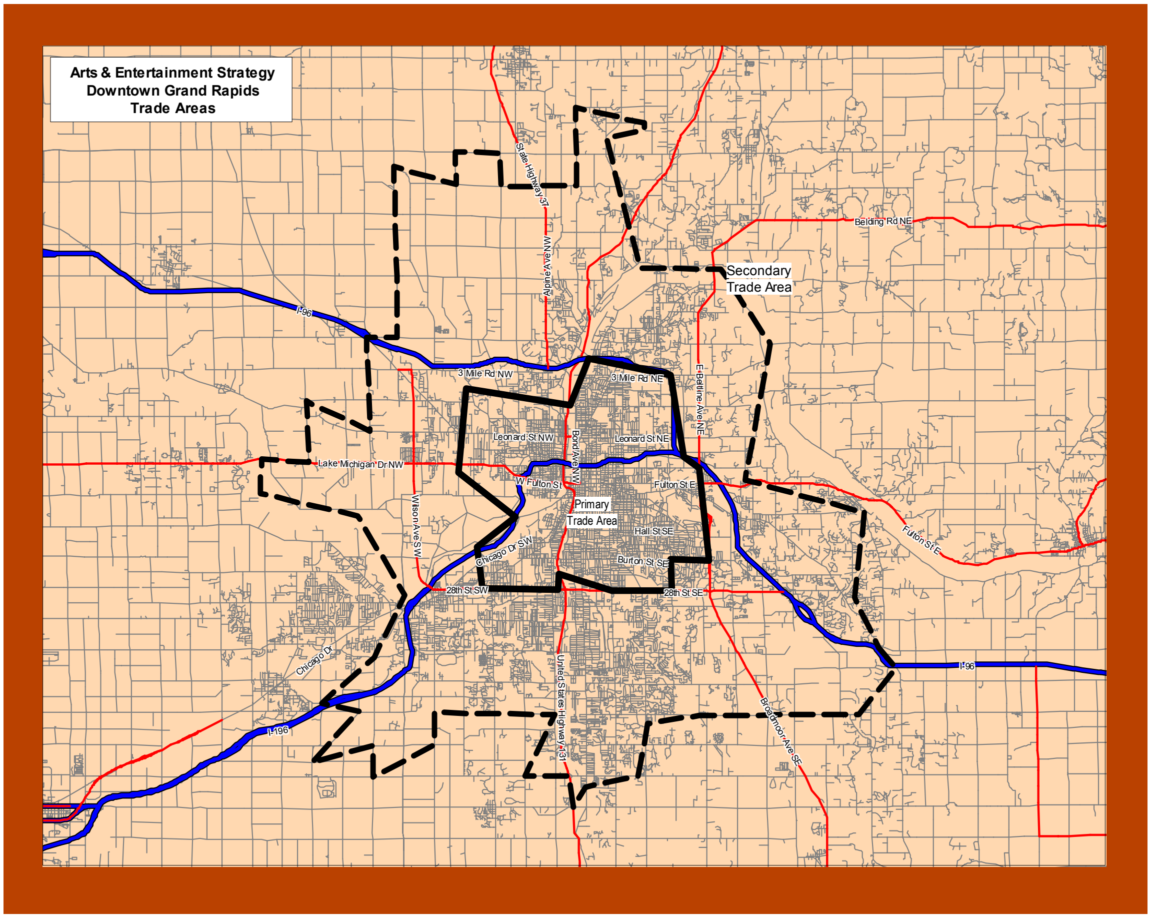
Consumer origins, by way of zip code information, were ascertained from the 200 intercept surveys conducted in Downtown in May and June 2004.

2.2 Trade Area Boundaries

Based on the analysis from the previous section, trade areas have been developed for Downtown Grand Rapids.

To identify the importance of the sub-areas, the trade area can be divided to help distinguish the significance of these areas to the retail/commercial sales to Downtown. These areas have been labeled as follows:

- Downtown Grand Rapids – includes Downtown, North Monroe Street, Heritage Hill, Heartside, and the west side of the Grand River
- Primary Trade Area – includes the City of Grand Rapids, East Grand Rapids and the portion of Wyoming north of 28th Street
- Secondary Trade Area – built up area of greater Grand Rapids


Arts & Entertainment Strategy
Downtown Grand Rapids
Trade Areas
Secondary
Trade Area
Primary
Trade Area
State Highway 37
Alpine Ave NW
Belding Rd NE
I-96
3 Mile Rd NW
3 Mile Rd NE
E Beltline Ave NE
Leonard St NW
Leonard St NE
Bond Ave NW
Lake Michigan Dr NW
W Fulton St
Fulton St E
Wilson Ave SW
Hall St SE
Chicago Dr SW
Burton St SE
28th St SW
28th St SE
Fulton St E
Chicago Dr
I-196
United States Highway 131
Broadmoor Ave SE

2.3 Trade Area Population Characteristics

An analysis of the demographic composition of neighborhood area residents and employees provides the most accurate description of the target markets that will be generating the demand for business products and services in the area. The following analysis is based upon the preceding trade area analysis for Downtown.

Downtown Residents

For statistical purposes, Downtown Grand Rapids is the composition of a number of smaller census tracts and block groups. The census tracts and block groups that make up Downtown include:

- 20 – Downtown Grand Rapids: Grand River and Highway 131 to Jefferson Avenue and I-196 to Fulton as well as parts of South Division Street;
- 21 – Heritage Hill: Jefferson Avenue to College Avenue north of Wealthy Street;
- 14.1 – North Monroe: Grand River to Colt Avenue and I-196 to Leonard Street;
- 29.1 – West Downtown: Grand River to Lexington Avenue and I-196 to Fulton Street;
- 27.1 – South West Downtown: Grand River to Straight Avenue and south of Fulton Avenue; and,
- 26.1 – South Downtown: Grand River to Highway 131 and south to Franklin Street.

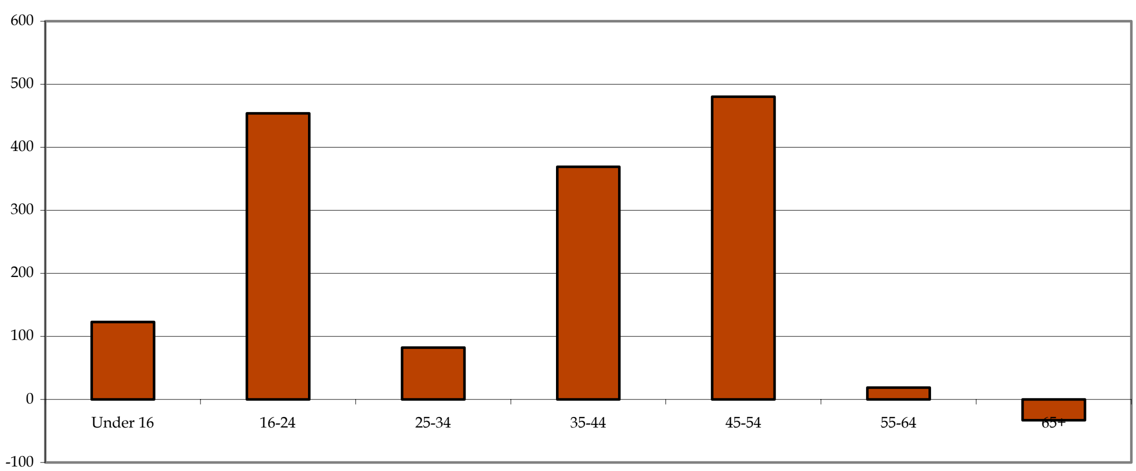
	20	21	27.1	19.1	26.1	14.1	Downtown	Increase from 1990
Under 16	104	200	250	85	324	108	1,071	123
16-24	260	799	193	62	195	120	1,629	454
25-34	240	796	203	75	185	143	1,642	82
35-44	323	432	203	58	129	99	1,244	369
45-54	264	419	108	31	78	80	980	480
55-64	179	203	46	24	37	28	517	19
65+	286	271	57	42	52	27	735	-33
Total Population	1,656	3,120	1,060	377	1,000	605	7,818	1494
Median Age	42.2	30.9	29.3	29.6	24.2	29.8		
Households	936	1,906	286	151	257	293	3,829	749
Household Size	1.28	1.52	3.1	2.5	3.89	2.06		
Group Quarters	456	228	184	0	0	0		

Overall, there are 7,818 residents in close proximity to Downtown's amenities. The increase from 1990 is 1,494.

Other salient findings include the following:

- The largest increase was in North Monroe (north of I-196). In 1990, the Census recorded no residents and by 2000, there were 608
- Downtown Grand Rapids gained 387 new residents since 1990
- Heritage Hill lost 87 residents
- West Downtown grew by 187 new residents and South Downtown grew by 251 new residents
- Downtown population is predominantly 35 to 54 years of age (35%) as well as having a significant proportion of seniors (17%)
- Over 51% of Heritage Hill is 16 to 34 years of age
- North Monroe is predominantly under 35 years of age (61%)
- West Downtown is 59% under 35 years of age but also 11% are over 65 years of age
- In South West Downtown, 80% are under 44 years of age and of that 24% are under 16 years of age
- In South Downtown, 70% are under 35 years of age and almost half (32%) of those are under 16 years of age

Downtown Net Change in Population 1990 to 2000



Source: U.S. Census

Residents

Within the Primary Trade Area there are 236,232 residents. While population has increased in the last few years, it is projected to decrease slightly by 0.2% annually. The Secondary Trade Area contains just less than 500,000 residents and is projected to grow at the same annual rate as Michigan (0.4%). The West Michigan area encompassing Grand Rapids is projected to grow faster than Michigan (0.6%). There are just less than 2.8 million residents.

Household sizes are consistent across the different geographic areas but are slightly higher in the Primary Trade Area than elsewhere.

The stagnant population growth means that Downtown Grand Rapids must encourage existing visitors to come more often and/or stay longer when they are there, as growth will not come from population growth.

	Primary Trade Area	Secondary Trade Area	West Michigan	Michigan
Population	236,232	456,771	2,782,942	10,109,402
Households	88,185	173,369	1,043,137	3,876,363
Annual Population Growth	-0.2%	0.4%	0.6%	0.4%
Annual Household Growth	-0.1%	0.5%	0.6%	0.6%
Average HH Size[3]	2.58	2.56	2.57	2.54
Gender				
Male	49.4%	49%	49%	49.1%
Female	50.6%	51%	51%	50.9%

Source: U.S. Census, Claritas

[3] Household size and growth does not include students living in college/university dormitories, as they are not considered household units.

Age Profile

The Primary and Secondary Trade Areas contain a higher proportion of young children and young adults compared to West Michigan and Michigan overall. Twenty-three percent of Primary Trade Area residents are under 14 years of age, and approximately one-third are between 15 and 34 years of age. The number of those 55 to 64 years of age is 7.0%, which is less than the state average (9.7%). As stated, the Secondary Trade Area is very similar to the Primary Trade Area.

The median age is less in the Secondary Trade Area compared to West Michigan and Michigan (32.62). Many of the arts and entertainment activities that are geared to older audiences (e.g., Grand Rapids Opera) are experiencing difficulty attracting audiences but other activities (e.g., Children's Museum) remain relatively strong.

Age

	Primary Trade Area	Secondary Trade Area	West Michigan	Michigan
0 to 14	22.7%	22.4%	21.1%	20.9%
15 to 24	16.5%	15.8%	16.3%	14.2%
25 to 34	16.8%	15.5%	13.1%	13.0%
35 to 44	14.1%	14.7%	14.8%	15.3%
45 to 54	12.2%	13.1%	14.1%	14.6%
55 to 64	7.0%	7.7%	9.2%	9.7%
65 and over	10.7%	10.8%	11.6%	12.4%
Median age	34.11	32.62	34.67	36.95

Source: U.S. Census, Claritas

Ethnicity and Education

The Primary and Secondary Trade Areas for Downtown Grand Rapids are more ethnically diverse than West Michigan and Michigan. Sixty-three percent of the Primary Trade Area is White compared to 83% in West Michigan and 78% in Michigan. The proportion of African American and Hispanic residents in the Primary Trade Area is approximately 16% each. The proportion of Hispanic residents is greater than West Michigan and Michigan.

In terms of education, the Primary Trade Area contains both well-educated residents, 24% have a Bachelor Degree or more, along with less educated residents, 21% have less than a High School diploma.

Ethnicity	Primary Trade Area	Secondary Trade Area	West Michigan	Michigan
White	63.3%	73.0%	83.4%	77.6%
African American	16.3%	11.4%	7.2%	14.1%
Hispanic	15.5%	10.2%	5.3%	3.6%
Other	3.3%	2.9%	2.5%	2.6%
Asian	1.6%	2.5%	1.6%	2.1%

Source: U.S. Census, Claritas

Education	Primary Trade Area	Secondary Trade Area	West Michigan	Michigan
Less than High School	21.1%	16.5%	15.2%	16.4%
High School Graduate	27.0%	27.3%	31.9%	31.3%
Some College	21.3%	22.5%	23.5%	23.4%
Associate Degree	7.0%	7.5%	7.5%	7.0%
Bachelor Degree	15.6%	17.7%	14.2%	13.8%
Post Graduate	8.0%	8.5%	7.8%	8.1%

Source: U.S. Census, Claritas

Household Income

The proportion of the working population by profession is approximately the same in the different trade areas and with Michigan. Proportionately, there are more Production, Transportation, and Material Moving workers and fewer Managerial/Professional workers compared to Michigan.

The Primary Trade Area has proportionately more middle income households and fewer higher income households than elsewhere in the state. In the Primary Trade Area, 32% of households earn between $25,000 to $49,999. Less than 20% earn more than $75,000. In addition, more than 15% of households earn less than $15,000.

The median household income of the Primary Trade Area is 9% less than the Secondary Trade Area and 13% less than Michigan. The median household income is $41,892.

Profession	Primary Trade Area	Secondary Trade Area	West Michigan	Michigan
Managerial/Professional	28.9%	31.1%	29.8%	31.7%
Technical, Sales, Admin.	25.4%	27.0%	25.2%	25.6%
Production, Transportation, and Material Moving	22.1%	20.1%	20.9%	18.4%
Service	15.5%	13.8%	14.6%	14.7%
Construction, Extraction, and Maintenance	7.4%	7.1%	8.8%	9.2%
Farming, Forestry, Fishing	0.7%	0.5%	0.8%	0.5%

Household Income	Primary Trade Area	Secondary Trade Area	West Michigan	Michigan
Less than $15,000	15.2%	12.3%	13.1%	13.3%
$15,000 to $24,999	12.7%	11.8%	11.63%	11.1%
$25,000 to $49,999	31.7%	30.5%	29.4%	27.8%
$50,000 to $74,999	20.7%	21.4%	21.3%	19.9%
$75,000 to $99,999	10.4%	11.8%	12.2%	12.6%
$100,000 or more	9.3%	12.2%	12.4%	15.7%
Median	$41,892	$46,059	$46,245	$48,188
Per Capita Income	$20,211	$22,598	$22,202	$24,471

Source: U.S. Census, Claritas

2.4 Consumer Expenditure and Attitude Analysis

The estimates of consumer spending by major category for the delineated trade areas are derived from the combination of (a) an analysis of income characteristics, and (b) an analysis of consumer expenditure and lifestyle information as determined by MapInfo.

The amount of consumer spending and consumer attitudes is a function of many influencing factors such as income, family size, and age. Of all the influencing factors, income is the most important because the more money people make, the more able and likely they are to spend. While the relationship between income and expenditures is strong, it is not a direct proportional relationship. As incomes rise (in real terms), a greater share of the income is spent on services, vacations, investments, and other non-consumable items.

The table on the following page provides a breakdown of major spending categories and selected shopping behavior and attitudes that relate to pinpointing those households that would demand products and services from a well functioning arts and entertainment district. Expenditure and behavior information on a household basis for the trade areas, Grand Rapids CMSA, West Michigan, and Michigan are shown in this table.

Generally, the expenditure and consumer attitudes statistics highlight the fact that median incomes are less in the Primary Trade Area than elsewhere in the region and the state. As a result, expenditures tend to be slightly less than elsewhere. However, in terms of their proportionate expenditures, items such as arts and entertainment factor strongly into their budgets including complementary businesses such as eating and drinking. This information is extremely useful to retailers to evaluate market viability.

Annual Household Consumer Expenditure

	Primary Trade Area	Secondary Trade Area	Grand Rapids	West Michigan	Michigan
Retail Merchandise					
Apparel	$2,421	$2,562	$2,847	$2,528	$2,671
Men's	$450	$476	$489	$470	$497
Women's	$805	$854	$879	$844	$891
Children's	$400	$422	$436	$418	$442
Footwear	$454	$477	$490	$469	$497
Accessories	$312	$331	$342	$327	$343
Home Furnishings	$1,316	$1,403	$1,452	$1,392	$1,466
Home Furniture	$434	$463	$481	$459	$481
Gifts	$1,340	$1,423	$1,468	$1,411	$1,486
Recreation Equipment	$1,726	$1,837	$1,898	$1,815	$1,908
Toys	$194	$206	$213	$205	$218
Books	$238	$252	$259	$249	$262
Musical Instruments	$38	$40	$41	$39	$42
Photographic Equipment and Services	$110	$117	$121	$116	$122
Pet Supplies	$242	$258	$267	$256	$269
Food and Drug					
Food at Home	$4,355	$4,607	$4,742	$4,543	$4,783
Alcohol at Home	$242	$258	$267	$256	$268
Health Care Supplies & Equipment	$588	$629	$654	$636	$669
Eating and Drinking					
Lunch	$726	$770	$794	$761	$801
Dinner	$974	$1,037	$1,074	$1,026	$1,166
Other Food	$460	$487	$500	$482	$546
Alcohol Away from Home	$182	$194	$199	$191	$200
Services					
Performing Arts and Movies	$107	$114	$118	$113	$118
Sporting Shows	$35	$38	$39	$38	$39
Recreation Lessons	$81	$86	$88	$84	$88

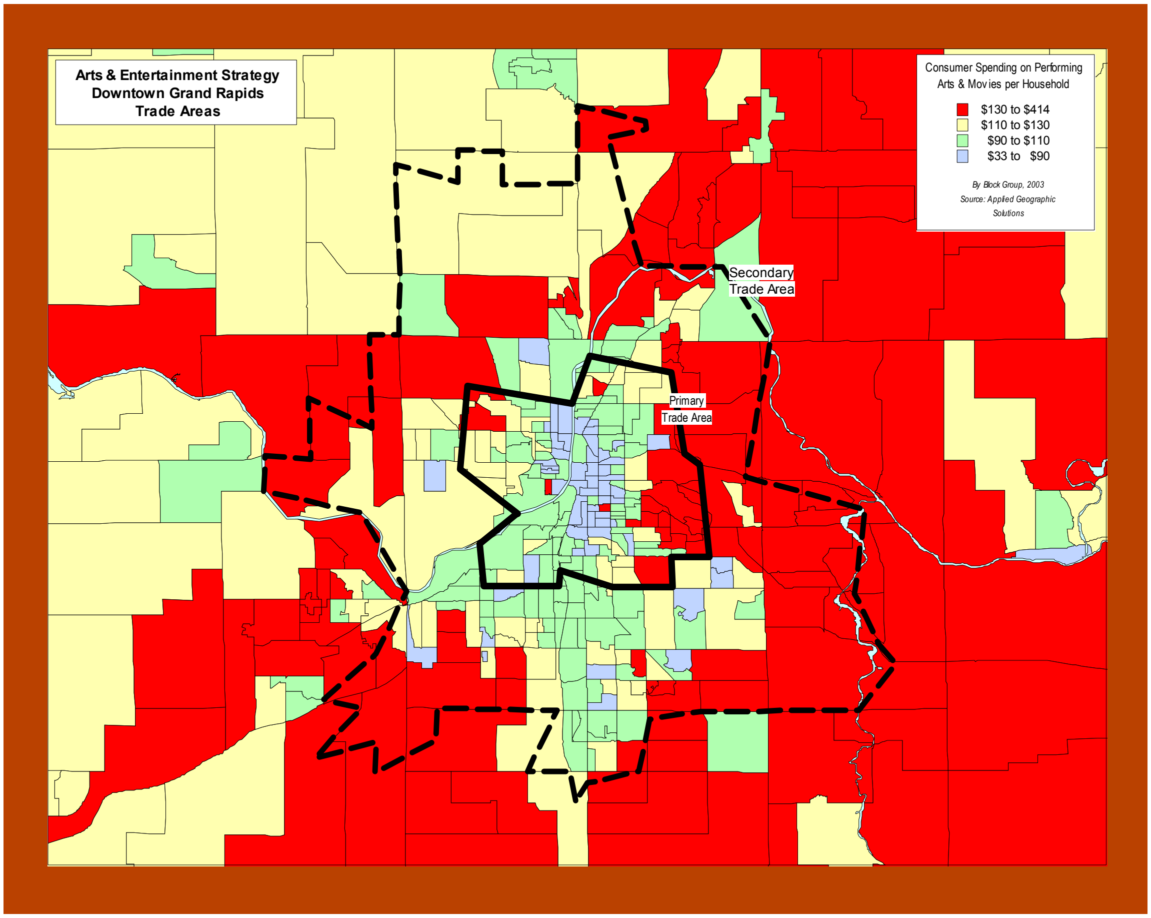
Source: U.S. Census, Applied Geographic Solutions, GeoMarketing

Consumer Attitudes and Shopping Behavior

	Primary Trade Area	Secondary Trade Area	Grand Rapids	West Michigan	Michigan
Watch Cable Channel					
A&E	24%	26%	25%	24%	24%
Discovery	33%	34%	34%	33%	34%
ESPN	26%	28%	28%	27%	28%
TLC	14%	16%	16%	15%	15%
HGTV	9%	11%	11%	11%	11%
Bravo	3%	3%	3%	2%	3%
Food Network	7%	7%	6%	6%	7%
Watched Pay-Per-View Movies in last 12 months	10%	11%	12%	12%	12%
Watched Pay-Per-View Sports in last 12 months	4%	4%	4%	4%	4%
Gone to casino in last 12 months	20%	22%	21%	20%	21%
Dined at a family restaurant in last 30 days					
Heavy users	24%	27%	27%	26%	26%
Medium users	20%	21%	21%	21%	21%
Light users	23%	24%	25%	25%	25%
Ate dinner out in the last six months	49%	54%	55%	54%	54%
Attended a musical performance in the last year	**22%**	**24%**	**23%**	**22%**	**23%**
Attended a dance performance in the last year	**6%**	**5%**	**5%**	**5%**	**5%**
Attended a theatrical performance in the last year	**14%**	**15%**	**14%**	**14%**	**14%**

	Primary Trade Area	Secondary Trade Area	Grand Rapids	West Michigan	Michigan
Radio Format Preference					
Adult Contemporary	18%	19%	18%	18%	18%
Newstalk	16%	17%	17%	15%	16%
Country	16%	19%	23%	25%	22%
Classic Rock	11%	13%	13%	13%	13%
Ethnic/Black	3%	2%	2%	2%	3%
Jazz	5%	5%	4%	4%	4%
All Sports	8%	10%	9%	8%	9%
Urban Contemporary	11%	9%	7%	6%	9%
Heavy book usage (7+) in last year	**19%**	**22%**	**22%**	**21%**	**21%**

Source: U.S. Census, Applied Geographic Solutions, GeoMarketing


Arts & Entertainment Strategy
Downtown Grand Rapids
Trade Areas
Consumer Spending on Performing Arts & Movies per Household
$130 to $414
$110 to $130
$90 to $110
$33 to $90
By Block Group, 2003
Source: Applied Geographic Solutions
Secondary Trade Area
Primary Trade Area

2.5 Consumer Survey – General Overview

Background and Methodology

Two consumer surveys are summarized in this section:

1. Downtown Consumer Intercept Survey – referred to as Intercept Respondents
2. Downtown Trade Area Telephone Survey – referred to as Visitors (visited Downtown within the past six months) and Non-Visitors (have not visited Downtown within the past six months)

These surveys were undertaken as part of the research required to understand the consumer market situation in Downtown including its strengths, weaknesses, opportunities, and threats as it relates to developing a stronger arts and entertainment commercial base. The Intercept Survey can be interpreted to include a sample of those people who visit Downtown on a frequent basis, especially workers, nearby residents, some students, and strong urbanites. The Telephone Survey examines the behavior of a wider cross-section of regional residents who primarily visit Downtown for shopping and entertainment on an occasional basis.

Intercept respondents visit Downtown on a much more frequent basis compared to the predominantly occasional visitation by telephone visitors.

Downtown Visitation

	Intercept	Telephone (Visitor)
Daily	38.7%	10.6%
Two times a week or more	19.6%	16.9%
Once a week	9.0%	10.6%
Less than once a week but more than once a month	6.0%	15.5%
Once a month	13.1%	21.1%
Once every six months	6.5%	22.5%
Once a year	5.0%	2.8%
First time	2.0%	0.0%

How often do you come to Downtown Grand Rapids?

Market Penetration

Of the total household population of 173,369 in the Secondary Trade Area, 71% had visited Downtown in the past six months. This is equivalent to 123,091 households. The Primary Trade Area contains 88,185 households of which 78% had visited in the last six months. This is equivalent to 68,784 households. (Note the Secondary Trade Area includes the Primary Trade Area).

Respondent Profiles

Before proceeding to analyze the survey results, it is important to understand the way in which the profile of the various survey respondents differ from one another, and from the population of Grand Rapids. Differences in demographic characteristics offer important insights that can help explain survey results.

Demographic	Intercept	Telephone Survey (Visitors)	Telephone Survey (Non-visitors)	West Michigan
Base Population	200	142	58	1,076,739
Gender				
Male	61.0%	31.0%	22.4%	49.1%
Female	39.0%	69.0%	77.6%	58.9%
Age (16 years of age and older)				
16 to 24	28.0%	12.0%	1.7%	20.7%
25 to 34	18.0%	15.5%	1.7%	16.5%
35 to 44	19.0%	16.9%	8.6%	18.7%
45 to 54	19.0%	10.6%	8.6%	17.8%
55 to 64	11.5%	16.2%	13.8%	11.4%
65 and older	4.5%	28.9%	65.5%	14.7%

Demographic	Intercept	Telephone Survey (Visitors)	Telephone Survey (Non-visitors)	West Michigan
Base Population	200	142	58	1,076,739
Ethnicity				
Caucasian	73.5%	91.3%	92.9%	83.4%
African American	19.0%	5.1%	1.8%	7.2%
Hispanic	5.5%	1.4%	1.8%	5.3%
Asian	1.5%	2.2%	0.0%	1.6%
Other	0.0%	0.0%	3.6%	2.5%
Household Income				
Under $15,000	27.0%	6.0%	29.7%	13.1%
$15,000 to $24,999	12.6%	11.1%	24.3%	11.6%
$25,000 to $49,999	20.7%	33.4%	26.8%	29.4%
$50,000 to $74,999	10.7%	23.1%	8.1%	21.3%
$75,000 to $99,999	8.2%	13.7%	8.1%	12.2%
$100,000 or more	20.8%	12.8%	2.7%	12.4
Educational Attainment				
Some high school or less	5.6%	2.8%	21.8%	15.2%
High school graduate	20.3%	20.4%	51.0%	31.9%
Some college	29.9%	31.0%	14.5%	23.5%
College graduate or more	44.2%	45.8%	12.7%	29.5%
Working full-time	65.1%	24.5%	5.5%	n/a
Working part-time	16.7%	18.0%	5.5%	n/a
Student	8.1%	2.9%	1.8%	n/a
Not working	6.5%	11.4%	9.0%	n/a
Homemaker	3.2%	10.8%	12.7%	n/a
Retired	0.5%	32.4%	65.5%	n/a
Fashion Attitudes				
Avant Garde	12.5%	8.5%	8.6%	n/a
Contemporary	23.5%	29.6%	17.2%	n/a
Classic	64.0%	62.0%	74.2%	n/a

A summary of some of the most significant differences between the respondent groups is provided below.

Downtown Visitors

- During the Intercept Survey, there were more males in Downtown than females
- Under 34 years of age
- Highly educated and professionally employed
- Middle to high household incomes ($25,000–$74,999)

Non-visitor Telephone Survey

While Downtown attracts all types of demographic groups, those who have a greater probability of not visiting Downtown include a significant proportion of:

- respondents over the age of 55;
- lower to middle household incomes (Less than $50,000 per year); and,
- retired respondents compared to visitors.

The main reasons why residents do not visit Downtown include the following:

- Nothing to do there (34%)
- Not convenient to get to (24%)
- Not enough parking (19%)
- Expensive parking (14%)
- Health reasons (14%)
- Poor selection of shops (12%)
- Too much traffic (12%)
- Does not appeal to my tastes (12%)

Younger respondents are more likely to find visiting Downtown inconvenient, whereas older respondents are more likely to state that there is nothing to do there, as well as addressing the issues related to the lack of parking and the high cost.

Improvements and related comments include:
- better stores (26%);
- parking (25%)
- more parking
- convenient parking;
- improve traffic flow (12%);
- cheaper parking (10%);
- arts and entertainment geared to older residents (5%);
- more festivals (3%);
- more free activities (3%); and,
- nothing (21%).

Activities of Downtown Visitors

People who visit Downtown primarily come for special events, concerts, festivals, and sporting events, work/business/meeting related activities, and eating and drinking activities. The top primary reasons include:

Downtown Intercept Respondents	Downtown Telephone Respondents
• Attend free event or festival (27%)	• Attend special event at arena (18%)
• Work (25%)	• Personal services (12%)
• Go to convention or meeting (12%)	• Go to convention or meeting (8%)
• Live Downtown/resident (6%)	• Downtown on business (7%)
• Dine in a restaurant (4%)	• Go to a bar (7%)

Primary Reason for Visiting Downtown

Reason	Intercept	Telephone (Visitor)
Attend free event or festival	27.0%	4.2%
Work here	25.0%	4.9%
Go to convention center or meeting	12.0%	8.4%
Live here/resident	5.5%	4.2%
Dine in a restaurant	4.0%	0.7%
Attend special event/concert at the Van Andel Arena	3.5%	3.5%
Sightseeing	3.0%	1.4%
Go to the theater/play/cultural event	2.5%	0.7%
Fitness recreation	2.0%	4.2%
Visit friend/family	2.0%	1.4%
Personal services	1.5%	11.9%
Here on business	1.5%	7.0%
Use City, County, State, Federal offices	1.0%	1.4%
Go to a bar	0.5%	7.0%
Student	0.5%	3.5%
Shopping/browsing	0.5%	2.8%
Attend sporting event at the Van Andel Arena	0.0%	18.2%
Go to church	0.0%	2.8%
Visit museum/art gallery	0.0%	2.1%

Typical activities Downtown visitors engage in include (combination of primary, secondary, and other normal activities):

Downtown Intercept Respondents	Downtown Telephone Respondents
• Dine in a restaurant (38%)	• Dine in a restaurant (35%)
• Attend free event or festival (37%)	• Attend sporting event at arena (27%)
• People watching (30%)	• Attend special event at arena (23%)
• Work Downtown (30%)	• Go to theater/play/cultural event (21%)
• Light meal/snack/fast food (19%)	• Go to a bar (15%)
• Attend special event at arena (18%)	• Personal service (15%)
• Go to convention or meeting (16%)	• Shopping (14%)
• Go to a bar (12%)	• Attend free event or festival (14%)
• Sightseeing (12%)	• Professional service (12%)
• Shopping (11%)	• Visit museum or art gallery (12%)
	• Go to convention or meeting (12%)

Those who are in Downtown on a frequent basis, including worker, while not specifically choosing Downtown as their primary purpose for visiting to eat or drink, do engage in activities related to dining out, going to bars, attending special events, concerts, plays, sporting events, and other cultural activities. Shopping includes personal and professional services along with traditional retail such as apparel and shoes. However, this activity is limited. Overall, trade area residents recognize the strength of the quality sporting, theatrical, restaurant, and entertainment draws that Downtown possesses.

Total Reasons for Visiting Downtown Grand Rapids

Reason	Intercept	Telephone (Visitor)
Dine in a restaurant	38.0%	25.0%
Attend free event or festival	36.5%	10.0%
People watching	30.0%	1.5%
Work here	29.5%	4.0%
Light meal/snack/fast food	19.0%	4.5%
Attend special event/concert at the Van Andel Arena	17.5%	16.5%
Go to convention or meeting	16.0%	8.5%
Go to a bar	12.0%	11.0%
Sightseeing	11.5%	4.5%
Shopping/browsing	11.0%	10.0%
Go to the theater/play/cultural event	9.0%	15.0%
Visit friend/family	9.0%	2.5%
Visit museum/art gallery	8.0%	8.5%
Live here/resident	8.0%	3.0%
Other	7.5%	2.0%
Attend sporting event at the Van Andel Arena	7.0%	19.5%
Go to a nightclub	6.5%	4.0%
Student	6.5%	3.5%
Go to the library	6.0%	3.0%
Professional services	5.5%	8.5%
Fitness recreation	5.5%	5.0%
Volunteer work	5.0%	1.5%
Personal services	4.0%	10.5%

Visitation

As mentioned, Intercept respondents visit Downtown more frequently: fifty-eight percent visit at least two times a week or more, not surprising considering the large percentage of Intercept respondents who work and/or live in the area. Thirty-eight percent of Telephone respondents visit Downtown at least once a week. However, 47% visit less frequently – once a month or less.

This pattern is repeated for both evening and weekend visitation. Evening visitations to Downtown fall dramatically among the Intercept and Telephone respondents who visit Downtown daily. Telephone visitors only make a couple of trips to Downtown a year. For evening visitation, younger respondents tend to visit Downtown more frequently than older respondents. This is the result of a well established bar culture in Downtown and the surrounding area.

Over one-quarter of Telephone respondents never come Downtown in the evenings or on weekends.

Downtown Visitation

	Intercept	Telephone (Visitor)
Daily	38.7%	10.6%
Two times a week or more	19.6%	16.9%
Once a week	9.0%	10.6%
Less than once a week but more than once a month	6.0%	15.5%
Once a month	13.1%	21.1%
Once every six months	6.5%	22.5%
Once a year	5.0%	2.8%
First time	2.0%	0.0%

How often do you come to Downtown Grand Rapids?

Downtown Evening Visitation

	Intercept	Telephone (Visitor)
Daily	11.5%	2.1%
Two times a week or more	20.0%	2.8%
Once a week	12.5%	7.0%
Less than once a week but more than once a month	10.5%	12.7%
Once a month	16.0%	21.8%
Once every six months	7.0%	21.8%
Once a year	6.5%	4.9%
First time	2.0%	0.7%
Never	14.0%	26.1%

How often do you visit Downtown Grand Rapids on evenings?

Weekend Visitation to Downtown

	Intercept	Telephone (Visitor)
Two times a weekend or more	18.2%	3.5%
Once a weekend	15.7%	8.5%
Less than once a weekend but more than once a month	12.6%	8.5%
Once a month	20.2%	19.9%
Once every six months	7.1%	24.1%
Once a year	9.1%	7.8%
First time	5.1%	0.0%
Never	9.6%	27.7%

How often do you visit Downtown Grand Rapids on weekends?

Given that the 25% of Intercept respondents are workers and a further 5% are Downtown residents, it is not surprising that 48% are in Downtown for four or more hours. The average visitor, as polled from the Telephone survey, typically stays one to four hours (78%).

Length of Visitation

	Intercept	Telephone (Visitor)
Less than one hour	7.0%	6.3%
One to two hours	20.1%	42.3%
Two to four hours	25.1%	35.9%
Four or more hours	47.7%	15.5%

When you come to Downtown Grand Rapids, how long do you stay on average?

Transportation and Parking

A large percentage of both Intercept and Telephone Visitors drive to Downtown. However, for frequent visitors the ability to walk to Downtown is a method used by a significant number of visitors (19%). This point adds to Downtown's strength as a convenient and accessible location. Public Transportation is not well used by Downtown visitors.

Method of Transportation

	Intercept	Telephone (Visitor)
Car/motor vehicle	69.5%	93.0%
Walk	18.5%	2.1%
Obtained ride	5.5%	2.1%
Public transportation	3.0%	2.1%
Bicycle	2.5%	0.7%
Other	1.0%	0.0%

How did you drive to Downtown Grand Rapids?

Parking Location

City and private parking lots and ramps are the most popular places to park. Just over one-quarter of Telephone respondents tend to park on the street.

	Intercept	Telephone (Visitor)
A City parking lot or ramp	44.8%	35.9%
On a side street	21.0%	10.2%
On-street in business district	18.9%	15.6%
A private parking lot or ramp	14.0%	38.3%
Valet parking	1.4%	0.0%

Where did you park?

Stores and Services Used

From a list of eating and drinking operations, Telephone visitors were asked the following:

- Whether they visited a particular type of eating or drinking business operation
- How often they visited in a typical month
- How many of those visits were in Downtown
- The average amount spent per person

Eating and Drinking Business Operations Visited

Activity	Participation Rate - Anywhere	Average Attendance Rate Per Month - Anyway	Participation Rate Downtown	Average Attendance Rate Per Month - Downtown	Average Amount Spent Per Person
Formal dining	54.9%	2.62	22.5%	1.50	$33.05
Casual dining	85.0%	5.95	30.7%	2.81	$13.99
Fast food dining	64.5%	5.57	13.5%	2.95	$5.32
Bar	22.5%	3.94	12.0%	3.05	$14.33
Nightclub	6.3%	2.22	4.9%	1.57	$20.00
Comedy club	4.2%	1.16	2.1%	1.00	$25.00

- Fifty-five percent of Telephone respondents went out for formal dining in the last month, an average number of 2.62 times. Of the total Telephone respondents, 23% visited a restaurant in Downtown. The average number of times per month was 1.5. Finally, the average amount spent per person was $33.05.
- The participation rate was higher for casual dining; 85% of Telephone respondents had visited a casual restaurant. On average, a typical household will go out 5.95 times to a casual restaurant a month. Of the total Telephone respondents, 31% visit a casual restaurant in Downtown an average number of 2.81 times per month. The average amount spent per person was approximately $14.00.
- Fast food dining was popular with 65% of the Telephone respondents. On average they indicated that they ate out at fast food restaurants 5.57 times per month. Downtown's share of fast food dining was 14% of Telephone respondents. On average, they attended a Downtown fast food restaurant 2.95 times a month and spent approximately $5.32.
- Just under one-quarter of Telephone respondents indicated that they visited a bar in the last month. Typically, the average bar patron will visit 3.94 times per month. Twelve percent of Telephone respondents visited Downtown bars on a regular basis.

Their attendance was 3.05 times per month. On average, bar patrons spent $14.33 per person.

- The sample sizes for nightclubs and comedy clubs were too small to warrant discussion but were included for anecdotal information.

Arts and Entertainment Services

Similar to the eating and drinking question, Telephone respondents were asked whether they had attended any of the following arts and entertainment type events in the past month, their Downtown visitation for these events, and whether their trip included a visit to an eating or drinking business operation (and the amount spent per person).

Arts and Entertainment Visitation

Activity	Participation Rate - Anywhere	Average Attendance Rate Per Month - Anyway	Participation Rate Downtown	Average Attendance Rate Per Month - Downtown	Ate or Drank Before or After	Average Amount Spent Per Person
Park	41.8%	3.54	11.4%	1.62	13.6%	$8.07
Movie	35.9%	1.80	2.8%	2.50	66.7%	$13.35
Theater	23.4%	1.36	13.5%	1.21	60.6%	$20.76
Free special event	20.0%	1.14	17.9%	1.16	57.1%	$10.20
Dance or musical	17.6%	1.04	12.0%	1.05	56.0%	$18.33
Museum	17.6%	1.48	15.5%	1.20	36.0%	$13.33
Sporting event	16.2%	2.65	6.3%	1.56	43.5%	$16.33
Art gallery	13.4%	1.47	10.6%	1.33	21.1%	$15.33

- Forty-two percent of Telephone respondents visited a park in the last month an average number of 3.54 times per month. Downtown parks are visited by 11.4% of Telephone respondents an average number of 1.62 times per month. Only 14% of park visitors ate or drank before or after attending the park, and their average expenditure was $8.07 per person
- Attending movies is a popular entertainment activity among Telephone respondents. Thirty-six percent attended a movie in the last month an average number of 1.8 times. The small movie theater at the Urban Institute of Contemporary Art captures a small proportion of Telephone respondents (3%). Fully, two-thirds of movie attendees will eat or drink before or after attending the movie. The average expenditure on eating and drinking was $13.35 per person.
- Twenty-three percent of Telephone respondents indicated that they attended the theater in the last month. On average, theater patrons attended 1.36 performances.

Fourteen percent of Telephone respondents visited Downtown theatrical performances an average of 1.21 times per month. The synergy between theatrical performances and going out to eat or drink was quite high. Sixty-one percent of performance attendees indicated that they went out to eat or drink either before or after the show. The typical amount spent per person was higher relative to other arts and entertainment activities. The average amount spent on eating and drinking is $20.76 per person.

- Free events and festivals were popular with the local population. Twenty percent of the Telephone respondents indicated that they had visited a free event or festival in the last month. On average however, the number of events attended was 1.14. Downtown Grand Rapids was the most popular place to attend a free event or festival. Eighteen percent of Telephone respondents had visited a free event or festival in Downtown in the last month. The typical visitor will attend 1.16 events per month. Of the visitors, 57% indicated that they ate or drank before or after attending the event, spending an average of $10.20 per person.
- Eighteen percent of Telephone respondents said they attended a dance or musical event in the last month. The average number of times was slightly greater than 1.0. The majority of those attendees visited the event in Downtown (12%). Fifty-six percent went out for eating or drinking either before or after the performance and spent an average of $18.33 per person.
- Museum visits attract 18% of Telephone respondents. On average, museum visitors tend to go 1.48 times per month. Downtown attracts almost all of those visitors as the main focus in the region for museums. Just over one-third of museum visitors will eat or drink during their trip spending $13.33 per person.
- Sporting events have a loyal following of 16% of the Telephone respondents. Their visitation rate was 2.65 times per month. Downtown attracted 6.3% of Telephone respondents and they came 1.56 times per month. Approximately 44% of sporting event attendees will stop to eat or drink either before or after the game spending $16.33 per person.
- Art galleries attracted 13%of Telephone respondents. Their average visitation was 1.47 times per month. Eleven percent visited art galleries in Downtown averaging 1.33 times per month. Just under one-quarter will incorporate a visit to an eating or drinking business spending $15.33 per person.

Downtown Competition

Competition for Downtown Grand Rapids arts and entertainment activities is based primarily on other Grand Rapids locations (Comstock Park, Celebration Cinema, Wealthy Theater District, Frederick Meijer Gardens, etc.). West Michigan, including places such as Saugatuck, provides additional competition.

Arts and Entertainment Competition

	Downtown Arts and Entertainment Competition
Other Grand Rapids	72.5%
West Michigan	34.5%
Chicago	10.6%
Detroit	8.5%
Other	24.6%

For the listed activities, other than Downtown Grand Rapids, where else do you go?

Arts and Entertainment Priorities and Downtown Ratings

Downtown visitors were asked to rate the factors most important to them in determining where to visit for arts and entertainment purposes (1 = not at all important, 5 = very important). These same respondents were then asked to rate Downtown on the same factors. The following tables summarize the answers to these questions.

Strengths and Weaknesses

Amongst the Intercept respondents, ratings for Downtown were good (between 3.69 to 3.80). Quality and selection of restaurants, safe and secure feeling, and good people watching were the three top factors agreed upon by both survey groups. Other factors such as sociable atmosphere, the appearance of the area, free activities and special events, open businesses, and educational arts and entertainment options were also listed.

Downtown achieves the highest ratings for:

Downtown Intercept Respondents	Downtown Telephone Respondents
• Sociable atmosphere (4.08) • Easy to find my way around (4.08) • Safe and secure feeling (4.06) • Appearance of the area, well cared for (3.96) • Quality and selection of restaurants (3.88) • Good people watching available (3.87)	• Quality and selection of restaurants (4.01) • Educational arts and entertainment options (4.00) • Safe and secure feeling (3.99) • Businesses open when events are on (3.96) • Free activities and special events (3.94) • Good people watching available (3.90)

In addition to the above listed strengths, Downtown respondents like the following points most about Downtown:

Downtown Intercept Respondents	Downtown Telephone Respondents
• Events and festivals • Van Andel Arena • Restaurants • Concerts/music events • Diversity of options • The B.O.B. • Clean and safe	• Variety/diversity of options • Museums • Festivals • Van Andel Arena • Convenience • Restaurants

Respondents are proud of the Van Andel Arena, the different festivals (especially Blues on the Mall), events, museums, and the diversity of options. Respondents noted that there were options for all age brackets.

However, the attributes rated most important to Downtown respondents in regards to where they choose to go for arts and entertainment are different from the top ratings for Downtown. The Downtown ratings given by Intercept respondents never exceed the importance ratings, whereas Telephone respondents may rate Downtown above importance ratings on selected attributes. Overall, the gap analysis between importance ratings and Downtown's actual rankings is to be used to compare strengths, weaknesses, opportunities, and threats. The analysis helps to pinpoint where resources are needed for immediate and drastic changes (e.g., parking), and where smaller minor changes are needed to help improve upon a strength (e.g., enhancing the quality of the restaurants, ease of finding information).

Importance versus Downtown's Ratings — Gap Analysis

	Intercept Respondents			Telephone Visitors		
	Importance Factor	Downtown Rating	Gap	Importance Factor	Downtown Rating	Gap
Cost of parking	4.17	2.44	-1.73	3.96	2.86	-1.10
Convenient parking	4.31	2.89	-1.42	4.41	2.92	-1.49
Cost of the event	4.08	3.30	-0.78	3.85	3.32	-0.53
Businesses open when events are on	4.15	3.47	-0.68	3.43	3.96	0.53
Free activities and special events	4.12	3.45	-0.67	3.39	3.94	0.55
Unique, one-of-a-kind businesses	3.79	3.22	-0.57	3.20	3.54	0.34
Appearance of the area, well cared for	4.45	3.96	-0.49	4.30	3.84	-0.46
Arts and entertainment options suited to my tastes	4.24	3.77	-0.47	3.84	3.72	-0.12
Quality and selection of stores nearby	3.80	3.33	-0.47	3.55	3.26	-0.29
Educational arts and entertainment options	4.13	3.67	-0.46	3.71	4.00	0.29
Ease of finding information on events	4.03	3.63	-0.40	3.97	3.71	-0.26
Diversity of activities	3.98	3.58	-0.40	3.65	3.67	0.02
Safe and secure feeling	4.39	4.06	-0.33	4.56	3.99	-0.57
Sociable atmosphere	4.38	4.08	-0.30	3.94	3.80	-0.14
Quality and selection of restaurants nearby	4.17	3.88	-0.29	3.92	4.01	0.09
Easy to find my way around	4.28	4.08	-0.20	4.25	3.83	-0.42
Good people watching available	4.05	3.87	-0.18	3.47	3.90	0.43
Close to home or workplace	3.57	3.46	-0.11	3.70	3.86	0.16
Downtown Grand Rapids Arts and Entertainment Overall Rating		3.80			3.69	

The following are top attributes respondents use to determine where to go for arts and entertainment activities.

Downtown Intercept Respondents	Downtown Telephone Respondents
• Appearance of the area (4.45) • Safe and secure feeling (4.39) • Sociable atmosphere (4.38) • Convenient parking (4.31) • Easy to find my way around (4.28)	• Safe and secure feeling (4.56) • Convenient parking (4.41) • Appearance of the area (4.30) • Easy to find my way around (4.25) • Ease of finding information on events (3.97)

Safe and secure feeling, appearance of the area, convenient parking, and easy to find my way around were the most important attributes for both Intercept and Telephone respondents. Sociable atmosphere was important for Intercept respondents and ease of finding information on events was important for Telephone respondents.

Downtown's greatest perceived weaknesses, as measured by the gap between the importance factor and the Downtown rating, include:

Downtown Intercept Respondents	Downtown Telephone Respondents
• Cost of parking (-1.73) • Convenient parking (-1.42) • Cost of the event (-0.78) • Businesses open (-0.68) • Free activities and special events (-0.67)	• Convenient parking (-1.49) • Cost of parking (-1.10) • Safe and secure feeling (-0.57) • Cost of the event (-0.53) • Appearance of the area (-0.46)

By an extremely wide margin, respondents are very dissatisfied with parking conditions in Downtown. The higher cost of some events is beyond what respondents believe they should pay. While Intercept respondents find a deficiency in terms of the number of businesses open during the arts and entertainment activities and the lack of free activities and special events, the Telephone respondents noticed the improvements required in terms of safety and security as well as the appearance of the area.

Other comments by respondents related to Downtown's weaknesses beyond those listed above include:

Downtown Intercept Respondents	Downtown Telephone Respondents
• Nothing • Expensive parking • Lack of parking/difficult to find parking • Hard to get around	• Nothing • Expensive parking • Lack of parking/difficult to find parking • Cost of events • Lack of variety

Improvements could be made by adding the following:

Downtown Intercept Respondents	Downtown Telephone Respondents
• More restaurants/chain, ethnic, independent • Apparel and shoes • Grocery • Leisure retailers • Movie theater • Music events • Specific arts and entertainment events	• Restaurants • Movie theater • Concerts • Women's clothing • Department stores • Specific arts and entertainment events

Both groups suggested movie theaters along with a wide range of chain, independent, and ethnic restaurants. Most restaurants suggested were not fine dining but contemporary/casual. In addition, there were numerous independent suggestions regarding specific events such as events geared more to African American residents, children, and sporting events, among others.

2.6 Target Market Profiles

Downtown Worker Population and Office Market

Downtown Grand Rapids accounts for approximately 7% of the total Grand Rapids – Muskegon - Holland MSA civilian employment market. There are approximately 40,000 workers in Downtown Grand Rapids and approximately 600,000 workers in the MSA.

Unemployment within the Grand Rapids – Muskegon – Holland MSA has been decreasing since reaching a high of 8.7% in June 2003. Unemployment stood at 5.7% in April 2004. A comparison of other local cities, states, and national statistics reveals that the area is at par with the national average but performing better than other regions in Michigan.

	September 2004 Unemployment Rate
Grand Rapids – Muskegon – Holland	6.0%
Flint	8.3%
Saginaw – Bay City – Midland	7.3%
Detroit	6.7%
Jackson	6.2%
Benton Harbor	6.2%
Michigan	6.2%
Kalamazoo – Battle Creek	5.6%
U.S.	5.1%
Lansing – East Lansing	4.8%
Ann Arbor	3.7%

Source: Bureau of Labor Statistics, Seasonally Adjusted

The Downtown Grand Rapids worker market has a significant impact on overall retail sales especially given the size of the office market. In 1988, the International Council of Shopping Centers (ICSC) undertook a major research study on the spending habits and behaviors of 2,400 office workers in Downtown and suburban areas[4]. The study was revisited in 1995 and 1996[5], when the pending completion of the Simon Property Group's Circle Center in Downtown Indianapolis presented a unique opportunity to gauge what the impact of increasing the supply and quality of retail services had on increasing demand.

All of the ICSC studies found a strong correlation between retail supply and retail expenditures. Office workers in those markets in which there were ample supply of retail services spent considerably more (up to 30% more) than those who shopped in markets where the supply of such services was more restricted.

One of the major findings from the study determined that average annual spending by office workers is $1,575 in downtowns with limited retail amenities and $2,085 (30% higher) in downtowns with ample retail services.

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[4] Source: Office Worker Retail Spending, International Council of Shopping Centers, 1988.

[5] Source: Office Workers Revisited, ICSC Research Quarterly, volume 2, number 4, winter 1995.

Retail spending by office workers is broken down into the following categories:

	Limited Retail	Ample Retail
Work Day		
Lunches	$815	$980
Retail Merchandise		
Apparel and Accessories	$340	$480
General Merchandise	$120	$155
Incidentals, Food, Other	$170	$190
After Work		
Dinner/Drinks	$60	$140
Retail Merchandise	$70	$140
Total	$1,575	$2,085

Source: ICSC

Adjusting for consumer expenditure increases and inflation, updated figures for eating and drinking sales and retail sales are as follows:

	Limited Retail	Ample Retail
Annual Spending on Retail Merchandise	$1,370	$1,890
Annual Spending on Eating and Drinking	$1,715	$2,200
Total	**$3,085**	**$4,090**

The retail situation in Downtown Grand Rapids has fluctuated vastly in the past few years. The conversion of Monroe Mall has forced many retailers to leave. However, new retailers have opened, particularly along Ionia. The largest changes have been the increase in eating and drinking spaces in Downtown. Using the above statistics as a guide to the potential of office worker spending, the ample retail spending figures will be used for eating and drinking, and limited retail spending figures will be used for retail merchandise. The estimated demand potential for Downtown workers is outlined in the following table:

	Per Capita Expenditures	Workers	Total
Retail Merchandise	$1,370	40,000	$54,800,000
Eating and Drinking	$2,200	40,000	$88,000,000
Total	$3,570	80,000	$142,800,000

Salient Features from Intercept Survey

Downtown workers who were interviewed in Downtown Grand Rapids had the following characteristics:

Socio-Demographic Characteristics

- Mix of younger – 23% were 25 to 34 years of age and older; 7% were 45 to 54 years of age
- More males: 68% were men
- Even split between married (48%) and single (45%) persons
- Higher household incomes: 30% earn more than $100,000 and 48% are employed in professional/managerial positions
- Highly educated workforce: 50% have a college education or more
- The majority tend to be classic in their fashion attitudes, but over one–quarter consider themselves to be contemporary
- Ethnically diverse – over one-quarter are non-Caucasian

Downtown Visitation Characteristics

- Downtown activities: 50% dine in a restaurant, 22% go to the Van Andel Arena, 18% will go to a bar, but only 8% will shop Downtown
- Car transportation and parking is very important, but a significant number do walk to work - 71% visit by car, 22% walk
- 50% use a parking garage, 23% use a surface parking lot, 14% park on the street
- While 28% will never eat lunch out in Downtown, 22% will eat lunch out Downtown once a week, 17% twice a week, 16% three times per week, and 17% four times or more. The average lunch hour is 48 minutes
- In an average month, 48% of Downtown workers will stay after work once to attend a sporting or cultural event Downtown. A further 9% will stay Downtown three to five times per month, and a further 2% will stay six times or more. Forty percent of Downtown workers will not stay after work for a sporting or cultural event, but only 12% stated they never visit Downtown during the evening for any particular reason
- Overall Downtown's arts and entertainment ranking is average: 3.68
- While safety and security, sociable atmosphere, and appearance of the area were the top factors influencing where workers will go for arts and entertainment activities, cost of parking, convenient parking, and the cost of the event were the factors where there was perceived to be the greatest areas for improvements

Arts and Entertainment Patrons

The arts and entertainment sector in Downtown Grand Rapids is growing in size. Downtown Grand Rapids offers a wide range of theater, sporting events, musical events, and museum/art gallery shows, films, dance events, and special events and festivals geared to a broad range of target markets.

Many of the venues are located throughout Downtown on both sides of the Grand River. Pearl Street has been labeled Museum Row due to the presence of the Grand Rapids Art Gallery, the Van Andel Museum and Chaffee Planetarium, and the Gerald R. Ford Presidential Museum. The Van Andel Arena has helped to stimulate the south of Fulton area, especially along Ionia and Grandville, as a more contemporary urban area.

The following are actual performance and estimated attendance figures for major arts and entertainment venues in Downtown.

Most performances are in Downtown's arts and entertainment showcase except for some smaller theaters such as the Wealthy Theatre and Community Circle Theatre and the Center for Arts and Worship (Grand Rapids Symphony) located in the suburbs.

The to-be-renovated Auditorium in Downtown will be able to host additional events once completed.

Venue	Estimated Annual Attendance	Additional Comments
Performance Venue		
DeVos Hall	92,864	
Grand Rapids Ballet Company	*18,000*	
Broadway Theatre Guild	*67,388*	*Although estimated to be 100,000*
Opera Grand Rapids	*7,476*	*Down from highs of 10,834*
Van Andel Arena	1,000,000	24 concerts, 20 family events, 53 sporting events, 50 other major events, and 12 smaller events
Civic Theater	100,000	160 performances
Royce Auditorium/St. Cecilia's	21,570	An additional 15,700 usage for rental
Spectrum Theatre	30,983	
Actors' At Spectrum	*6,983*	
Jewish Theatre	*n/a*	
Heritage Theatre Group	*24,000*	
Grand Rapids Community College	*n/a*	
Grand Rapids Ballet – Ellsworth	1,600	
Museums – Visual Arts		
Grand Rapids Art Museum	125,000	Currently 76,087. During the first year for the new museum it could go to over 250,000, eventually settling at 125,000
VanAndel Museum and Chaffee Planetarium	170,000 (adults)	Has been as high as 660,283 for special exhibits, e.g., Dead Sea Scrolls
Gerald R. Ford Museum	74,544	Attendance has fluctuated and dropped from a high of 128,210 in 1999
Children's Museum	134,559	
Urban Institute of Contemporary Arts	45,000	
Amphitheater	n/a	
Heritage Hill Historical District Tour	4,000	
Special Events and Festivals		
Arts Festival	500,000	
Other special events	n/a	Blues on the Mall, Macker Jam, etc.

An economic study for Downtown Pittsburgh's Cultural District (1998) determined that art audience expenditure per person is $13.82 on eating and drinking purchases (based on a 58% capture rate). This is in line with another study (1997) of expenditure patterns by theater patrons in Downtown Phoenix whereby the average expenditure at restaurants and bars per cultural event attendee was $11.37[6]. At the time of the study, Downtown Phoenix had very limited retail and eating and drinking establishments. As a result, one would expect expenditures to be lower in Downtown Phoenix compared to Downtown Pittsburgh, which has a number of strong restaurants including Morton's and Ruth's Chris Steakhouse. The Cultural District in Downtown Pittsburgh attracts over 1.1 million people annually to its five performing arts venues.

[6] The study commissioned by the Downtown Phoenix Partnership found that 58% of theater patrons visited a downtown bar or restaurant either before or after a performance. Of those who did stop, the average expenditure at such a location was $39.20. Because the survey was of season ticket holders, we assumed that the average person was buying for two (i.e., $11.37 = $39.20/2 * 58%).

Per attendance expenditures on general merchandise, apparel, and furnishings are very small due to the fact that most performances typically occur in the evening when many retailers are closed. Therefore, there is not a great deal of spin-off retail sales. As an example, very few retailers are open late.

The average per capita expenditure for arts and entertainment visitors in Grand Rapids is $15.71. This is very similar to results in other cities in the U.S. (adjusting for inflation the per capita expenditure would be closer to $17.50).

Activity	Actual Attendance	% Who Will Eat or Drink Before or After	Average Amount Spent Per Person	Total Amount Spent
Theatre	130,983	60.6%	$20.76	$1,647,839
Dance or Musical	114,434	56.0%	$18.33	$1,174,642
Museum	783,103	36.0%	$13.33	$3,757,955
Sporting Event/Concert	1,000,000	43.5%	$16.33	$7,103,550
Free Festival or Event	1,000,000	57.1%	$10.20	$5,824,200
Total	3,028,520			$19,508,186

Salient Features from Intercept Survey

Downtown arts and entertainment patrons who were interviewed in Downtown Grand Rapids had the following characteristics:

Socio-demographic Characteristics

- Mixed ages: Predominantly younger – 32% were 16 to 24 years of age, but 36% are 35 to 54 years of age. This reflects the different target customer groups that may attend a large Broadway production as opposed to those who would attend a concert at the Van Andel Arena
- While still predominantly more male, arts and entertainment visitors reflect a more even split between males and females
- 25% were college/university students
- Lower and upper income households: 24% earn less than $15,000 and 24% earn more than $100,000

- Predominantly well educated: 41% have some college education or more but a broad mixture of education types
- Tend to be classic (62%), but a bit more contemporary and avant-garde compared to the typical Downtown visitor
- The majority of all arts and entertainment visitors are single (57%) compared to 35% who are married

Downtown Visitation Characteristics

- Downtown arts and entertainment visitors are composed of people who attend a free event or festival (28%), cultural event at the arena (27%), convention or meeting (22%), theater/play/cultural event (14%), Museum/art gallery (14%), and sporting event at the arena (11%)
- Downtown arts and entertainment visitors' other Downtown activities include: 31% dine in a restaurant, 18% will have a light snack, 8% shop, and 20% are Downtown workers
- Car transportation and parking is very important, but a significant number do take public transit: 76% visit by car
- 60% used a parking ramp or lot to park
- Overall ranking was high compared to all respondents: 3.90
- Appearance of the area, safe and secure feeling, sociable atmosphere, and convenient parking were the top deciding factors. These were the arts and entertainment visitors' highest strengths for Downtown along with the fact that they are familiar with Downtown and find it easy to get around. The issues requiring the greatest changes are cost of parking, convenient parking, businesses open when events are on, and more free activities and special events

In 1999, Arts Market Consulting conducted research into the arts and entertainment sector of Grand Rapids in general (not specifically Downtown). The study identified several trends:

- Grand Rapids' market is younger than the national average
- Education is less of a factor in arts participation than elsewhere
- Arts participation rates are higher than the national average (e.g., local rate for opera attendance was 6.4% compared to 4.7% nationally)
- Grand Rapids arts buyers are more price sensitive than elsewhere

Research into Opera Grand Rapids revealed that generally their patrons are urban and near suburban residents, older, have higher household incomes, and are better educated than the general population. Between 12% to 18% of attendees are 18 to 35 years of age.

It is generally felt that the Hispanic and Asian market have proportionately lower attendance levels for Opera Grand Rapids.

The Arts Council of Greater Grand Rapids commissioned two benchmarking surveys (1998 and 2001) on attendance at different arts and entertainment venues. Synergies between different arts and entertainment venues were relatively good.

The two highest crossover categories for each venue were as follows:

Visited	Also Visited	% Crossover	Also Visited	% Crossover
Theater	Music	13.7%	Cultural Destination	10.3%
Music	Theater	18.9%	Cultural Destination	14.2%
Cultural Destination	Theater	18.3%	Music	18.3%
Museum	Theater	20.6%	Cultural Destination	18.5%
Dance	Theater	19.4%	Music	17.0%
Opera	Music	26.0%	Theater	19.3%
Zoo	Cultural Destination	15.8%	Theater and Museums	14.5%
Arts Services	Theater	23.2%	Music	21.1%

Source: Arts Council of Greater Grand Rapids

In other words, of those who attended the theater, 13.7% were also likely to visit a musical performance and 10.3% were likely to attend one of Grand Rapids' cultural destinations (e.g., art gallery).

College and University Students

The current generation of university students brings more disposable income and sophisticated spending patterns than any that preceded it. According to Campus Concepts, a Baltimore college marketing and advertising firm, the spending power of college students nationwide is estimated at more than $90 billion. Full-time, four-year enrollees spend an estimated $30 billion, including $23 billion on essential purchases, such as rent, food, transportation, and tuition, and $7 billion on nonessential "beer and pizza" discretionary items.

A recent study in *The Student Monitor* finds that the average American university student spends the following on discretionary items each month:

Average Monthly Spending by College/University Students

Item	Average Amount Spent Per Month
Retail Merchandise	
Apparel	*$68*
Music	*$26*
Books/Leisure	*$23*
Toiletries/Personal Care	*$22*
Food at Home	*$42*
School Supplies	*$18*
Software	*$10*
Total Retail Merchandise	**$209**
Eating and Drinking	
Dining Out	*$56*
Entertainment	*$55*
Total Eating and Drinking	**$111**
Total	**$320**

Source: American Demographics/Student Monitor 1999

National surveys have also found increasing sophistication levels among the products consumed by college students. According to the publisher of *The Source*, a college-oriented cultural magazine, college students will remark, "I want the best shirt. Not just a shirt, but the best shirt." They don't want just jeans and a T-shirt. Surveys by CollegeTrack, a marketing firm, conclude that "College students are consumers just like any other adults, but marketers don't see them in that way."

Grand Rapids is home to a number of well-respected colleges, universities, and other learning institutions. Many have campuses located in Downtown such as Grand Valley State University, Davenport University, Ferris University, and West Michigan State University. In addition, there are a number of campuses in close proximity including the main campus for Calvin College, Cornerstone College, and Aquinas College. Many of the colleges and universities have a religious foundation and as such attract students across the United States and North America for specific programs. While 54% of students enrolled at Calvin College are from Michigan, a further 38% come from other states, and 8% are international students.

From an arts and entertainment perspective, Kendall School of Design, which is part of Ferris University, is looking to expand into the to-be-vacant Grand Rapids Art Museum building.

Cooley Law School is still under construction in Downtown Grand Rapids. The school plans to expand its curriculum with increased course load. Currently there are 200 students attending classes in Downtown as well as the main campus. Ultimately, the plan is for 800 students to be enrolled in the Downtown campus.

Student enrollment is as follows:

Colleges and Universities

	Downtown Campus Population	Elsewhere in Grand Rapids	Total Students	Comments
Institution				
Downtown				
Grand Rapids Community College	13,400		13,400	43% full time
Grand Valley State University	9,600	11,800	21,400	Mostly graduate students Downtown
Davenport University	2,322	411	2,733	
Kendall School of Design - Ferris University	653		653	
West Michigan State University - Grand Rapids	650	1,300	1,950	
Cooley Law School	200 (800)		800	
Total Downtown	**27,425**		**40,936**	
Elsewhere in Grand Rapids				
Calvin College		4,300	4,300	
Cornerstone College		2,400	2,400	
Aquinas College		2,338	2,338	71% full time
ITT Technical Institute		404	404	
Central Michigan University in Grand Rapids		n/a	n/a	
Reformed Bible College		299	299	
Olympia Career Training Institute		279	279	
Grand Rapids Baptist Ministry		246	246	
Chic University of Cosmetology		173	173	
Grace Bible College		153	153	95% full time
Ross Medical Examination Center		25	25	
Travel Education Institute		25	25	
Total Students		**24,153**	**51,578**	

Potential expenditure by students for Downtown and nearby campus students is as follows:

Downtown Students

	Per Capita Expenditures	Downtown Students	Total
Retail Merchandise	$1,672	27,425	$45,854,600
Eating and Drinking	$888	27,425	$24,353,400
Total	$2,560	54,850	$70,208,000

The estimated potential expenditure over an eight-month period by Downtown students is equivalent to more than $70 million. However, given the fact that a large majority of the students are part time, graduate students, as well as attend at least two campuses, the overall expenditure potential needs to be reduced. Estimating that expenditures would be half reduces the potential to a still sizeable $35 million. The additional 24,153 students located at other campuses in Grand Rapids create a potential expenditure that Downtown has a possibility of capturing of $100 million.

Due to the survey dates being conducted outside of the regular school season, the number of students was too small to make additional comments.

Hotels and Convention Delegates

Hotels

Three hotels provide needed hotel rooms for the convention facility, business travelers, and tourists. The three major hotels account for approximately 1,078 rooms. In addition, there is a hotel planned for the site across from the Amway Grand Plaza on the south side of Pearl Street.

Hotel	Number of Rooms
Amway Grand Plaza	682
Marriott Hotel	221
Days Inn	175
Total Downtown	**1078**
Future Developments	
New Hotel	n/a
Total	**n/a**

Current occupancy levels are 54%[7]. Average persons per room is estimated to be 1.7. The number of overnight hotel visitors in Downtown is 361,541.

Booked and tentative business for 2005 at the DeVos Convention Center is 71,750. The majority of the bookings are related to state wide audiences. The number of blocked rooms is estimated to be 53,183. The DeVos Convention Center is expected have an annual attendance of over 800,000 visitors.

[7] Source: Smith Travel Research, Grand Rapids Visitor and Convention Bureau for Kent County, April 2004.

3.0 Retail/Commercial Audit

An audit of the existing retail/commercial businesses in Downtown Grand Rapids was conducted during the third week of April 2003, in order to understand the current retail/commercial situation in the area. The area studied includes the Downtown Partnership, as well as retail and commercial properties in Downtown, and is comprised of all commercial uses and other ground-level land uses (such as apartment buildings). Office, industry, churches, social and cultural institutions, police stations, and government buildings were noted for their number only and not their floor area.

In completing this inventory, the strengths and weaknesses of Downtown Grand Rapids' business mix were identified. The following are the salient findings based on the retail audit.

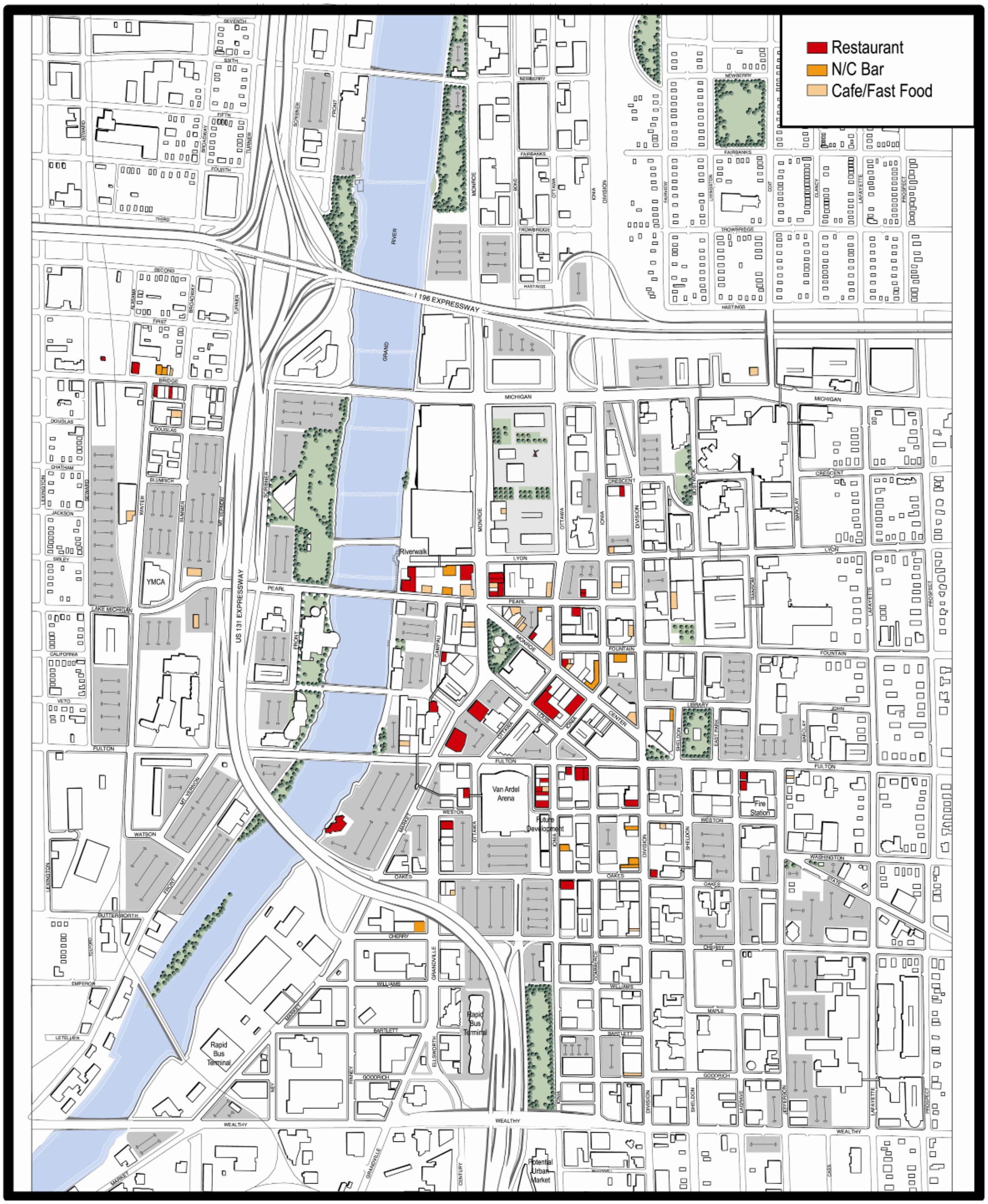
- There are 259 commercial businesses in Downtown Grand Rapids. A further 210 are for other uses including city and state government, colleges/universities, hotels, churches, and offices, etc. This excludes commercial operations north of I-196 on Monroe as well as businesses along Bridge Street.
- The total commercial square footage is approximately 886,624.
- There are 73 ground floor vacant properties totaling 294,610 square feet of space, and a further 15 vacant ground floor buildings were considered primarily office/commercial.
- Approximately 22% of the businesses are retail-oriented dominated by apparel and accessories, art galleries, and bookstores.
- Eating and drinking commands the largest share of the total number of businesses and square footage. Thirty-two percent of the businesses are related to eating and drinking representing over 313,235 square feet. This is in part due to the large nightclubs and entertainment venues such as The Interchange, The B.O.B. and other smaller restaurants. Along Bridge Street, there are more bars and restaurants, and Monroe north of I-196 contains a number of restaurants/bars (e.g., Founder's Brewery).
- Services account for about 9% of the total square footage. This excludes the large office buildings and bank buildings in Downtown.

Downtown Grand Rapids Commercial Audit

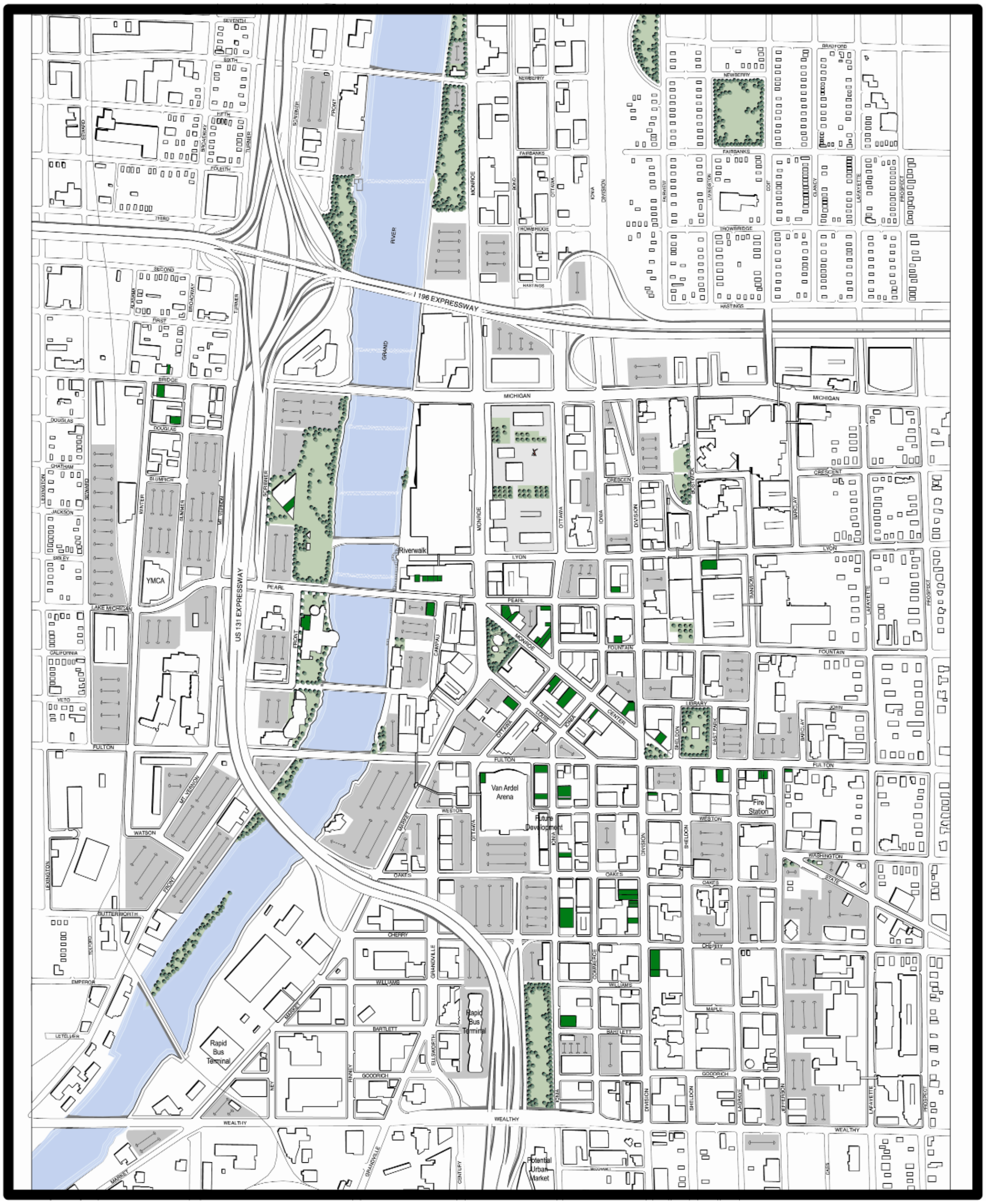
	Number of Businesses		Square Footage	
	Number	% of Total	Total	% of Total
RETAIL MERCHANDISE				
Apparel and Accessories				
Apparel	10	3.9%	49854	5.6%
Shoe Store	1	0.4%	3200	0.4%
Jewelry	3	1.2%	3300	0.4%
Total	**14**	**5.4%**	**56,354**	**6.4%**
Home				
Electronics	0	0.0%	0	0.0%
Furniture	6	2.3%	42100	4.7%
Home Furnishings	0	0.0%	0	0.0%
Home Improvement	0	0.0%	0	0.0%
Total	**6**	**2.3%**	**42,100**	**4.7%**
Leisure				
Antiques	2	0.8%	2750	0.3%
Art Gallery	8	3.1%	15947	1.8%
Book Store	4	1.5%	16140	1.8%
Framing	2	0.8%	5182	0.6%
Hobby	0	0.0%	0	0.0%
Museum Store	4	1.5%	4700	0.5%
Music	2	0.8%	6565	0.7%
Pet Supply	0	0.0%	0	0.0%
Photography	4	1.5%	3600	0.4%
Specialty Store	1	0.4%	3500	0.4%
Sporting Goods	3	1.2%	3380	0.4%
Toys	0	0.0%	0	0.0%
Total	**30**	**11.6%**	**61,764**	**7.0%**
Other General Merchandise				
Optical	1	0.4%	2400	0.3%
Florist	2	0.8%	1600	0.2%
Other General Merchandise	4	1.5%	15281	1.7%
Total	**7**	**2.7%**	**19,281**	**2.2%**
TOTAL RETAIL MERCHANDISE	**57**	**22.0%**	**179,499**	**20.2%**
CONVENIENCE – FOOD AND DRUG				
Convenience Store	4	1.5%	3380	0.4%
Drug Store	0	0.0%	0	0.0%
Grocery	0	0.0%	0	0.0%
Specialty Food	0	0.0%	0	0.0%
Total	**4**	**1.5%**	**3,380**	**0.4%**

	Number of Businesses		Square Footage	
	Number	% of Total	Total	% of Total
EATING AND DRINKING				
Café	24	9.3%	28870	3.3%
Fast Food	8	3.1%	8300	0.9%
Restaurant	20	7.7%	93240	10.5%
Restaurant / Bar	19	7.3%	106813	12.0%
Bar	13	5.0%	76012	8.6%
Total	**84**	**32.4%**	**313,235**	**35.3%**
SERVICES				
Personal Services				
Beauty	12	4.6%	13300	1.5%
Other Services	8	3.1%	13646	1.5%
Total Personal Services	20	7.7%	26,946	3.0%
Financial Services	**12**	**4.6%**	**54496**	**6.1%**
TOTAL SERVICES	**32**	**12.4%**	**81,442**	**9.2%**
OTHER RETAIL				
Automotive	**9**	**3.5%**	**14458**	**1.6%**
TOTAL OCCUPIED COMMERCIAL	**186**	**71.8%**	**592,014**	**66.8%**
VACANT COMMERCIAL	**73**	**28.2%**	**294610**	**33.2%**
TOTAL COMMERCIAL	**259**	**100.0%**	**886,624**	**100.0%**
OTHER BUILDINGS				
City/State Government	10			
College/University/ High School	15			
Social Services	20			
Recreation	5			
Arts and Entertainment	12			
Accommodation	3			
Religious	14			
Office, Commercial, Industry	96			
Medical Offices	8			
Private Club	1			
Residential Buildings	9			
Vacant Office/Commercial	15			
Construction	2			
Total Other Buildings	210			
TOTAL BUSINESSES	469			

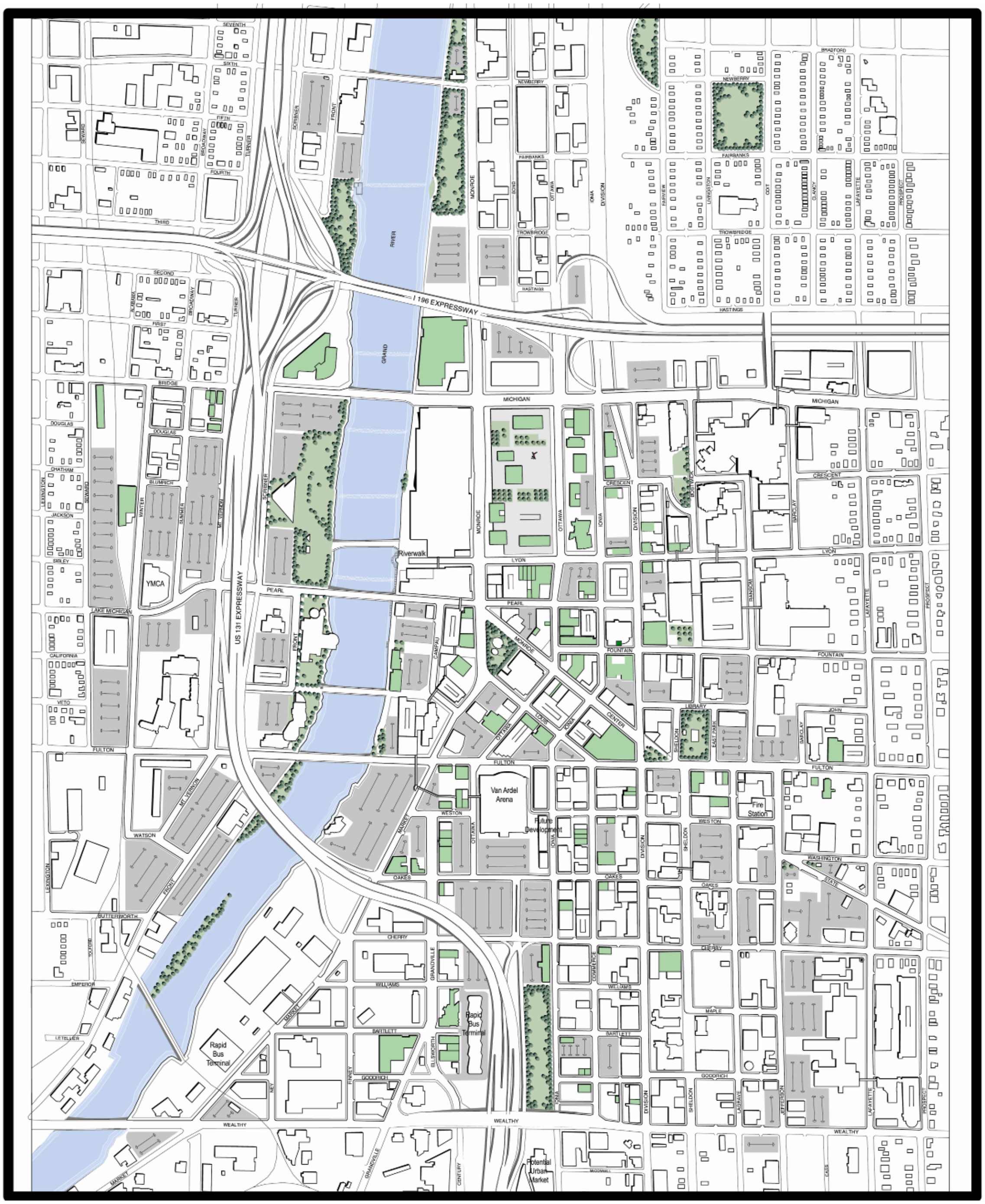
Eating and Drinking



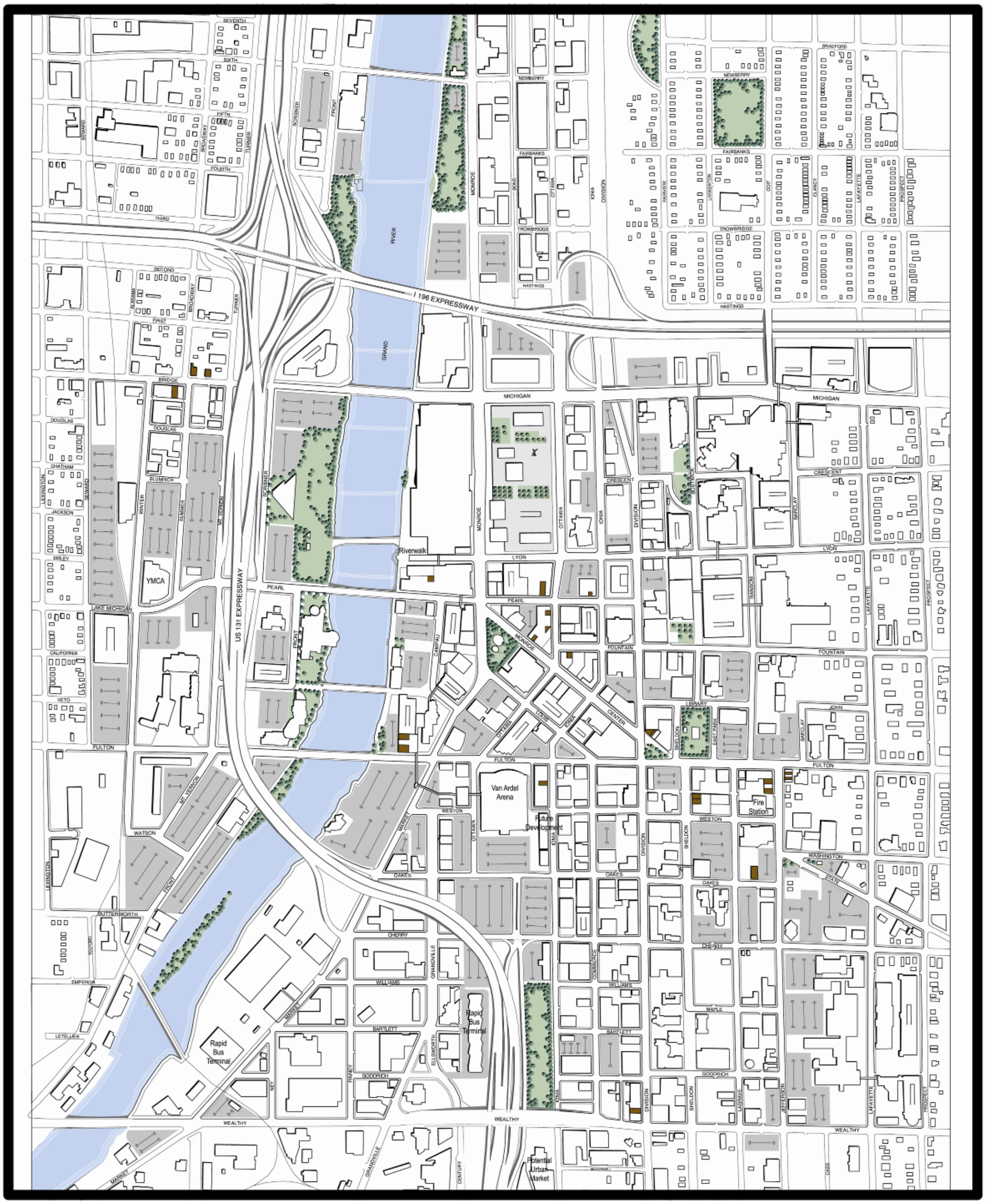
Retail Merchandise



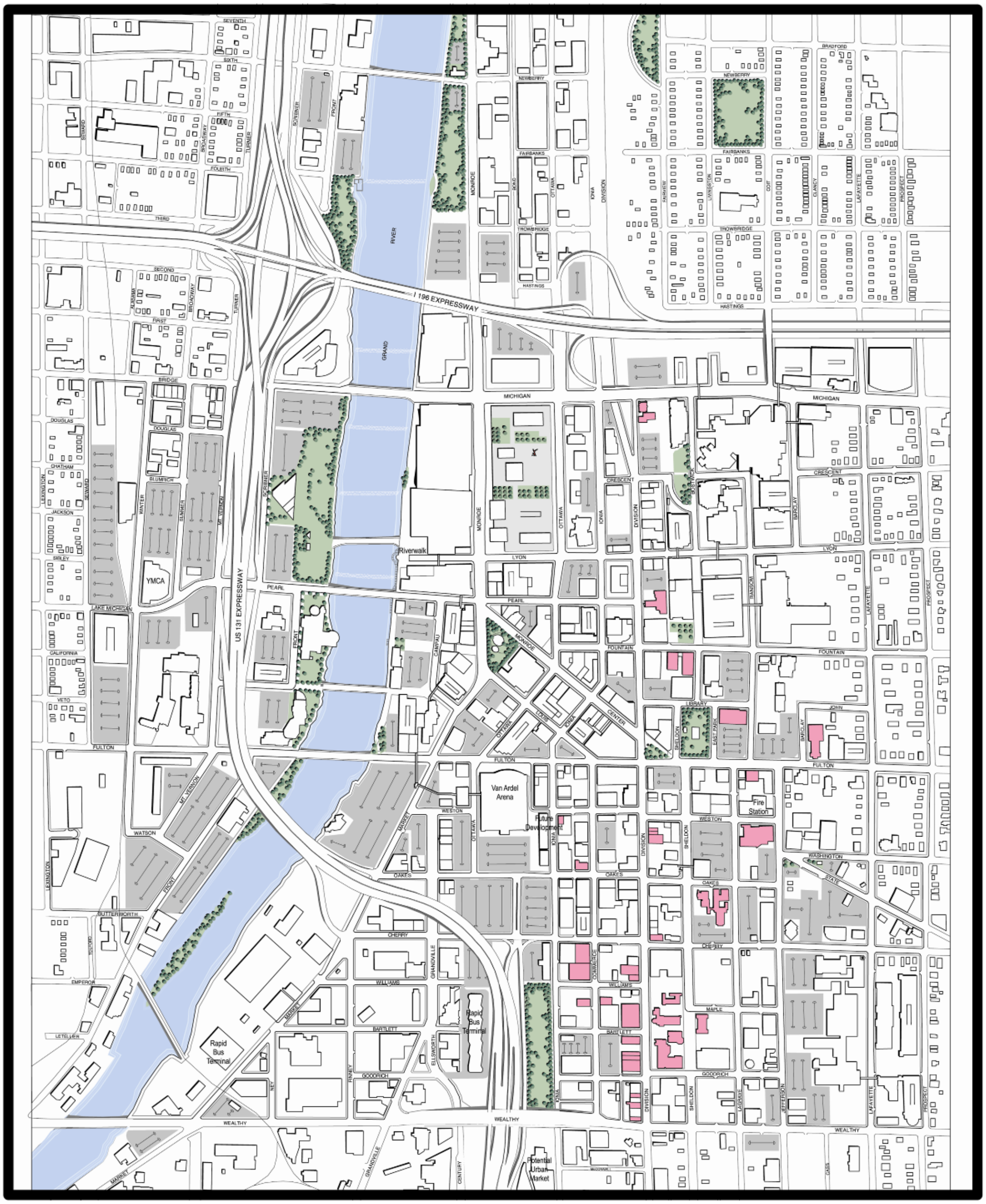
Office


I 196 EXPRESSWAY
US 131 EXPRESSWAY
YMCA
Riverwalk
Van Andel
Arena
Future
Development
Fire
Station
Rapid
Bus
Terminal
Potential
Urban
Market

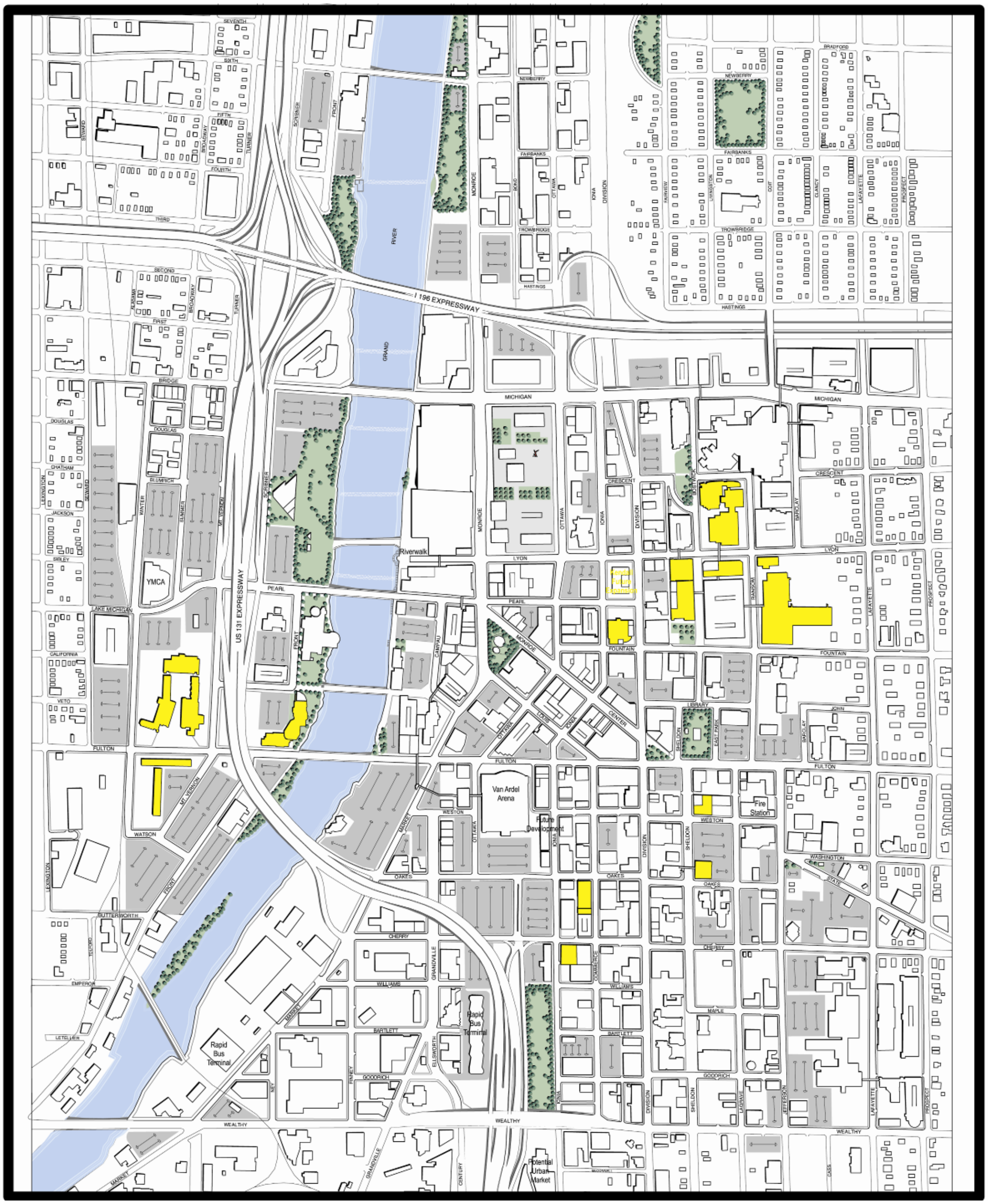
Convenience



Social Service and House of Worship



University/College



Vacancies and Renovations