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# REVIEW OF APPLIED URBAN RESEARCH



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## OMAHA'S CENTRAL BUSINESS DISTRICT

(Editor's Note: This is the fourth and last of a series of research papers presented on Omaha's traditional business districts. The research report that follows represents part of a study *Omaha's Traditional Business Districts: Their Impact and Proposals for Revitalization* prepared for the City of Omaha. The research and preparation of the report was financed in part through a grant from the Economic Development Administration of the United States Department of Commerce, Section 302 (a) Urban Planning Program).

### Introduction

As Omaha is the dominant City of the metropolitan area, the Central Business District (CBD) is the focus of Omaha. Historically it has enjoyed this distinction by virtue of its location and by the fact it contains the area's concentration of government, office, finance, cultural, entertainment, and general commercial activities. As Omaha has undergone great change in recent years so has the Central Business District. This report summarizes the findings of a six month study which had as its primary purpose that of determining the impact of traditional business districts on the City and the metropolitan area. The research presented in this report treats only the Central Business District, with particular reference to the commercial sector, its changing character, attitudes of residents and businessmen, conclusions and suggested legislation to encourage revitalization.

The data used in the analysis are based on over 1,200 interviews with CBD businessmen and residents of the City of Omaha. In addition to the interview data, statistics published by the Bureau of the Census, the County Assessor's Office, the Finance Department, the Public Works Department and the Permits and Inspections Division of the City of Omaha were employed.

### The Changing Character of the Central Business District

During the 12-year period from 1963-1975 the number of business firms in the CBD declined by 45 percent, from 2,406 in 1963 to 1,328 in 1975 (see Table 1).<sup>1</sup>

<sup>1</sup>Data were compiled from the 1964, 1968, 1973 and 1976 R. L. Polk City Directories. Government offices, nonprofit organizations, warehouse space used exclusively by a firm and used car lots proximal to new car sales lots owned by the same firm are not included in the count of business firms.

The trend in the number of retail firms and retail sales in the CBD is presented in Tables 2 and 3. Of the decline in

TABLE 1  
NUMBER OF FIRMS, CBD

Year	Number of firms	Year	Number of firms	Annual Change Percent
1963	2,406	..	..	..
1967	2,018	1963-1967	-97	-4.0
1972	1,564	1967-1972	-91	-4.5
1975	1,328	1972-1975	-79	-5.0

<sup>2</sup>Compiled by CAUR staff from the 1964, 1968, 1973 and 1976 Polk City Directories. Government offices, nonprofit organizations, warehouse space used exclusively by a firm located within the study area and used car lots proximal to new car sales lots owned by the same firm not included in count of business firms. Law offices accounting firms and medical clinics counted once rather than for each partner.

TABLE 2  
RETAIL ESTABLISHMENTS AND RETAIL SALES  
IN OMAHA CENTRAL BUSINESS DISTRICT, 1963-1972

Classification	Number			Percent	Sales (\$1,000)			Percent
	1963	1967	1972	1963-72	1963	1967	1972	1963-72
Building Materials, Hardware Stores	12	10	10	-16.7	\$5,077	\$ NA	\$1,498	-70.5
General Merchandise Group Stores	10	13	5	-50.0	42,956	43,698	NA	NA
Food Stores	17	11	7	-58.9	4,062	3,933	701	-82.7
Automotive Dealers	10	6	4	-60.0	5,395	NA	NA	NA
Gasoline Stations	20	12	16	-20.0	1,966	2,884	1,550	-21.2
Apparel and Accessory Stores	67	42	39	-41.8	14,855	17,972	14,821	-0.2
Furniture and Equipment Stores	22	16	12	-45.5	5,745	4,298	4,073	-29.1
Eating and Drinking Establishments	137	114	100	-27.0	10,045	9,453	10,333	2.9
Drug and Propriety Stores	15	11	6	-60.0	4,808	4,730	1,836	-61.8
Miscellaneous Retail Stores	100	82	89	-11.0	9,421	7,971	10,732	13.9
Total	410	317	288	-29.8	\$104,330	\$101,271	\$82,472	-21.0

Source: Bureau of the Census, *Census of Business, Major Retail Centers*, 1963, 1967 and 1972.

TABLE 3  
RETAIL ESTABLISHMENTS, SALES, PAYROLL AND EMPLOYMENT, CBD AND REMAINDER OF CITY

	1963	1967	1972	Percent Change 1963-72	1967-72
<b>Establishments (number)</b>					
CBD	410	317	288	-29.8	-9.1
Remainder of City	1,783	2,118	2,378	+33.4	+12.3
<b>Retail Sales (\$1,000)</b>					
CBD	104,330	101,271	82,472	-21.0	-18.6
Remainder of City	387,964	516,800	860,775	+121.9	+66.6
<b>Payroll, Entire Year (\$1,000)</b>					
CBD	17,645	19,915	16,644	-5.7	-16.4
Remainder of City	45,864	NA	106,105	+131.3	NA
<b>Paid Employees (number)</b>					
CBD	5,668	5,210	3,670	-35.3	-29.6
Remainder of City	13,799	NA	23,266	+68.6	NA

<sup>2</sup>Employment data represents paid employees for the week including November 15, 1963 and the weeks including March 12 in 1967 and 1972.

Source: Bureau of the Census, *Census of Business, Major Retail Centers*, 1963, 1967 and 1972.



retail firms, particularly noticeable were the absolute losses in eating and drinking establishments and apparel and accessory stores. In terms of percentage change, large declines were evident in automobile dealers (60 percent) drug stores (60 percent) and food stores (59 percent). With respect to change in the remainder of the City of Omaha and the metropolitan area the number of firms declined by 30 percent in the CBD from 1963 to 1972 while increasing by 33 percent for the rest of the City. Retail sales declined by 21 percent in the CBD and increased by 122 percent in the remainder of the City; such differences are also evident for payroll and employment and for the CBD-metropolitan area comparisons.

The decline in non-retail business firms has been no less dramatic in the CBD. During the same period 1963-1972 non-retail business establishments (wholesale, service, finance, insurance, real estate, transportation, communications, manufacturing and construction) declined by 720 firms, a 36 percent decline (see Tables 1 and 2). The decline in services (doctors, accountants, lawyers and other professionals) appears to have accounted for the majority of the loss.

Property Valuations and City Services

Despite a loss of business firms, real property valuation in actual dollars as set by the County Assessor for tax purposes increased by 17 percent during the 1962-1974 period (see Table 4). The change in property values for the CBD, however, declined when inflation was accounted for. Based on the 1962 dollar, property valuation fell from \$167.5 million in 1962 to \$130.7 million in 1974. Without question, then, the real value of the property and the real contribution to local revenue from the property tax in the CBD has fallen over time.

The Central Business District as defined for the study is 651 acres, which is 1.27 percent of the total area of Omaha. Costs of governmental services were calculated on an areal basis and on a "demand" (or per incident) basis for 1974. On an areal basis, the CBD's 1.27 percent share of the police budget was \$162,369, while its share of the fire budget was \$125,172. On a demand or per incident basis, the CBD's proportion of weighted police incidents was greater (5.73 percent) representing \$733,207; for fire services it was 4.19 percent representing \$413,296. The CBD has 2.75 percent of the City's street lane miles and therefore it can be said that street maintenance costs for the CBD totaled \$124,500 (see Table 4).

TABLE 4 REAL PROPERTY VALUATION , PROPERTY TAXES AND SELECTED CITY SERVICES, CBD			
Year	Actual	Valuation	In Constant 1962 Dollars
1962	\$ 167,475,370		\$ 167,475,370
1966	159,322,992		158,846,452
1970	165,485,460		139,768,125
1974	195,286,020		130,713,534
Property Taxes and Selected City Services, 1974			
Area			
Square Miles		1.06	
Percent of City total		1.27	
Police Services			
Number of weighted incidents		19,300	
Cost (per incident basis)		\$733,207	
Percent of City total		5.73	
Fire Services			
Number of Incidents		208	
Cost (per incident basis)		\$413,296	
Percent of City total		4.19	
Street Maintenance			
Street lane miles		83	
Cost (per lane mile basis)		\$ 124,500	
Percent of City total		2.75	
Property Taxes			
Amount		\$6,564,714	
Percent of City total		9.08	

In 1974 the CBD paid 9.08 percent of the City's real property taxes. Therefore the CBD accounts for a much larger proportion of taxes than costs for the City services used in this analysis.

Private and Public Investment

Over the 1965-1975 period, private investment as measured by permits authorizing new commercial construction and improvements totaled about \$51.0 million (includes \$1.5 million by non-profit agencies) in the CBD. In addition, another \$20.3 million in public investment as measured by permits authorizing new construction or improvements of government facilities was recorded.

There were three years (1967, 1968 and 1969) in which more than \$10 million in permits were authorized. The majority of this (92 percent) was from the private sector (includes non-profit agencies). In fact, over the 1965-1971 period private investment accounted for \$48.8 million of the \$53.2 million invested.

As Table 5 depicts, however, the 1972-1975 period was characterized predominantly by public investment. For this period, 88 percent of the building permit value authorized (\$15.9 million of \$18 million) was for public purposes. It is also worth noting that the total value of all permits for this period averaged only \$4.5 million per year compared to an average of \$7.6 million per year during the 1965-1971 period. As a percent of total nonresidential investment as measured by nonresidential building permits, 1965-1975, the CBD accounted for 17.32 percent of the City total.

TABLE 5 PUBLIC AND PRIVATE INVESTMENT IN OMAHA AND THE CBD AS MEASURED BY NON-RESIDENTIAL BUILDING PERMITS, 1965-1975						
Year	Central Business District				Percent of City Total	
	Total Value of Non-Residential Building Permits City of Omaha <sup>a/</sup>	Private	Public	Total <sup>b/</sup>		
1965	\$23,358,528	\$1,089,630	\$642,573	\$1,732,203	7.42	
1966	23,049,387	4,258,352	---	4,390,352	19.05	
1967	44,268,214	10,236,300	4,000	10,365,300	23.41	
1968	42,077,106	7,482,796	3,286,000	11,721,796	27.86	
1969	34,858,176	14,313,093	133,000	14,446,093	41.44	
1970	29,604,460	8,680,358	146,677	8,827,035	29.82	
1971	24,500,633	1,255,900	215,500	1,741,400	7.11	
1972	52,155,796	277,238	8,000,000	8,317,238	15.95	
1973	38,561,971	541,170	1,654,452	2,195,622	5.69	
1974	64,448,279	499,025	900,000	1,424,025	2.21	
1975	34,616,319	798,000	5,319,000	6,117,000	17.67	
Total	\$411,498,869	\$49,431,862	\$20,301,202	\$71,278,064	17.32	
<sup>a/</sup> Non-residential permits include commercial and governmental activities , theaters, clubs, recreational amusement buildings, public garages, car washes, offices, banks, professional buildings, store buildings, warehouses, sheds, filling stations, factories, industrial shop buildings, hotels and public works buildings.						
<sup>b/</sup> Totals include expenditures by nonprofit organizations not included elsewhere.						

Attitudes of CBD Businessmen

Various industry differences were found to exist in terms of businessmen's perceptions of business conditions in the CBD. Owners of businesses in the manufacturing, wholesaling and finance category, for example, tended to think of the area as being more conducive to their type of business than did respondents from the retail and service sectors. In fact, when asked to rate business conditions in their Business District, over half (53 percent) of the respondents in this category indicated that they were "good" or "excellent." This compares to 43 percent of the retailers and 40 percent of the service establishments. Responses of "poor" and "very poor" were more frequent among the service and retail establishments (see Table 6).

Although the type of business in question seemed to dictate how the respondent rated business conditions in the area, such was not the case in terms of why he rated conditions as he did. For the most part, respondents in each of the three categories who rated business conditions as good or excellent stated either that their business was an established one or that they had a good location. Similarly, respondents rating conditions as poor or very poor offered similar explanations regardless of the nature of their business. Common explanations for poor business conditions were area deterioration, inadequate parking facilities and declining numbers of firms and customers in the downtown area.

TABLE 6 CBD BUSINESSMEN'S PERCEPTIONS OF CBD BUSINESS CONDITIONS						
Rating	Retail		Service		Other <sup>b/</sup>	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Excellent	16	7.7	17	11.9	17	11.9
Good	73	35.3	40	28.0	59	41.3
Fair	78	37.7	49	34.3	43	30.1
Poor	31	15.0	30	21.0	20	14.0
Very Poor	9	4.3	7	4.9	4	2.8
Total <sup>a/</sup>	207	100.0	143	100.1	143	100.1
<sup>a/</sup> Excludes respondents who were unable to rate CBD business conditions.						
<sup>b/</sup> Includes wholesalers, manufacturers and financial institutions.						

Businessmen were also asked whether they believed the area was "more or less suitable for their business now than it was in 1972." In all categories the number of respondents who believed that the area was "less suitable now" than in 1972 far outnumbered those respondents who believed the area to be more suitable (see Table 7). This disparity was most pronounced, however, in the retail sector in which over 48 percent of the firms believed the area to be less suitable as opposed to only 14 percent who believed it to be more suitable. Those retailers stating the District was more suitable were largely in the "Old Market" area.

TABLE 7 1976 CBD SUITABILITY COMPARED TO 1972 SUITABILITY						
Suitability	Retail		Service		Other <sup>b/</sup>	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
More Suitable	27	13.8	17	12.1	16	11.2
Same	74	37.8	65	46.4	77	53.8
Less Suitable	95	48.5	58	41.4	50	35.0
Total <sup>a/</sup>	196	100.1	140	99.9	143	100.0
<sup>a/</sup> Excludes respondents who were unable to rate CBD business conditions.						
<sup>b/</sup> Includes wholesalers, manufacturers and financial institutions.						

Other Attitudes. Among the factors which shape perceptions of business conditions and area suitability are parking, traffic flow and crime. To provide more information on the attitudes of businessmen in the CBD and possible reasons for such attitudes, the businessmen were asked to rate the Business District as good, fair or poor in:

1. Availability of parking
  2. Traffic flow
  3. City's efforts to control crime
  4. Street maintenance
  5. Litter, weed and rat control
  6. Public transportation
  7. City's use of Community Development funds
  8. Willingness of City to respond to District problems
  9. Willingness of lenders to provide loans to businessmen
- The CBD businessmen were also asked to rate the following factors as having a favorable, unfavorable or no impact on their business:
1. Westward movement of Omaha's affluent population
  2. Property tax policies concerning improvements to business facilities
  3. The level of crime
  4. The condition and appearance of surrounding businesses
  5. Changes in the quality of businesses in the District
  6. Changes in the number of firms and persons employed in the District
  7. Changes in the type of establishments in the District
- Generally, the businessmen had stronger opinions on those topics or issues most directly related to their District and business (e.g., parking) than on the less directly related topics (e.g., use of Community Development funds). Summaries of the responses are provided in Tables 8 and 9.

TABLE 8 RATING OF SELECTED FACTORS BY RESPONDENT CATEGORIES, CBD <sup>a/</sup>						
Factor and Rating	Retail		Service		Other	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Availability of Parking						
Good	43	20.8	39	27.1	47	30.9
Fair	52	25.1	36	25.0	41	27.0
Poor	112	54.1	69	47.9	64	42.1
Total	207	100.0	144	100.0	152	100.0
Traffic Flow						
Good	94	45.6	71	52.2	86	57.7
Fair	82	39.8	46	33.8	43	28.9
Poor	30	14.6	19	14.0	20	13.4
Total	206	100.0	136	100.0	149	100.0
Public Transportation						
Good	129	66.5	86	64.7	96	70.6
Fair	53	27.3	37	27.8	36	26.5
Poor	12	6.2	10	7.5	4	2.9
Total	194	100.0	133	100.0	136	100.0
City's Efforts to Control Crime						
Good	89	45.4	46	36.5	64	48.5
Fair	65	33.2	50	39.7	51	38.6
Poor	42	21.4	30	23.8	17	12.9
Total	196	100.0	126	100.0	132	100.0
Street Maintenance						
Good	62	31.0	48	33.6	52	34.2
Fair	98	49.0	54	37.8	70	46.1
Poor	40	20.0	41	28.7	30	19.7
Total	200	100.0	143	100.1	152	100.0
Litter, Weed and Rat Control						
Good	60	33.1	44	37.9	46	35.7
Fair	91	44.8	39	33.6	53	41.1
Poor	40	22.1	33	28.4	30	23.3
Total	181	100.0	116	99.9	129	100.1
City's Willingness to Respond to District Problems						
Good	29	18.2	23	21.9	30	27.5
Fair	65	40.9	35	33.3	47	43.1
Poor	65	40.9	47	44.8	32	29.4
Total	159	100.0	105	100.0	109	100.0
City's Use of Community Development Funds						
Good	12	13.5	11	19.6	6	10.3
Fair	35	39.3	19	33.9	26	44.8
Poor	42	47.2	26	46.4	26	44.8
Total	89	100.0	56	99.9	58	99.9
Lender's Willingness to Provide Loans to Expand or Improve Businesses						
Good	30	30.3	18	34.0	31	39.7
Fair	36	36.4	15	28.3	30	38.5
Poor	33	33.3	20	37.7	17	21.8
Total	99	100.0	53	100.0	78	100.0
<sup>a/</sup> Totals represent the number of establishments in each category responding to the respective factors.						

A. Parking and Transportation Factors. Concern over parking was more evident in the retail sector where 54 percent of the businessmen felt that parking in the CBD was poor. A considerable portion of the businessmen in the remaining categories also felt that parking was a major problem in the area (42 percent and 48 percent in the manufacturing, wholesaling and finance and service categories respectively).

Traffic flow was judged as good by 58 percent of the businessmen in the manufacturing, wholesaling and finance category. Retailers also tended to give traffic flow a good rating, although they were the least favorable of the three groups (46 percent).

Public transportation received the best marks of the nine factors in question, with about two-thirds considering it good.

B. City Services. Generally the respondents gave City services fair to good ratings; the exception being their attitudes toward the "willingness of the City to respond to District problems."

There was little difference in response patterns among the three groups concerning the City's efforts to control crime, maintain streets, and control litter, weeds and rats. All groups tended to rate crime control efforts most favorably.

Businessmen's attitudes toward the City's willingness to respond to the CBD's problems were more negative. A considerable number of businessmen in each category indicated that they were dissatisfied with the City's responsiveness to problems in the area. This was particularly evident in both the service and retail sectors. Almost half (45 percent) of the businessmen in the service sector who had an opinion rated the City's willingness as poor and only 22 percent rated it as good. In the retail sector, only 18 percent of the businessmen who had

	Retail		Service		Other	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
<b>Westward Movement of Omaha's More Affluent Population</b>						
Favorable Impact	5	2.5	4	2.8	7	4.7
No Impact	56	27.7	67	47.2	94	63.1
Unfavorable Impact	141	69.8	71	50.0	48	32.2
Total	202	100.0	142	100.0	149	100.0
<b>Property Tax Policies Concerning Improvement to Business Facilities</b>						
Favorable Impact	5	3.0	2	1.7	3	2.2
No Impact	103	62.0	89	73.6	103	76.3
Unfavorable Impact	58	34.9	30	24.8	29	21.5
Total	166	99.9	121	100.1	135	100.0
<b>The Level of Crime in the District</b>						
Favorable Impact	15	7.5	6	4.4	3	2.1
No Impact	70	34.8	58	42.6	83	58.0
Unfavorable Impact	116	57.7	72	52.9	57	39.9
Total	201	100.0	136	99.9	143	100.0
<b>The Condition and Appearance of Surrounding Business</b>						
Favorable Impact	39	19.3	20	14.3	18	12.2
No Impact	62	30.7	43	30.7	69	46.9
Unfavorable Impact	101	50.0	77	55.0	60	40.8
Total	202	100.0	140	100.0	147	99.9
<b>Changes in the Quality of Businesses in the District</b>						
Favorable Impact	33	16.8	14	10.3	14	9.7
No Impact	67	34.0	41	30.1	75	52.1
Unfavorable Impact	97	49.2	81	59.6	55	38.2
Total	197	100.0	136	100.0	144	100.0
<b>Changes in the Number of Businesses and Persons Employed in the District</b>						
Favorable Impact	24	12.1	8	5.7	11	7.5
No Impact	52	26.3	53	37.9	79	54.1
Unfavorable Impact	122	61.6	79	56.4	56	38.4
Total	198	100.0	140	100.0	146	100.0
<b>Changes in the Type of Establishments in the District</b>						
Favorable Impact	23	11.6	11	8.0	12	8.1
No Impact	92	46.5	60	43.5	81	54.4
Unfavorable Impact	83	41.9	67	48.5	56	37.6
Total	198	100.0	138	100.0	149	100.1

<sup>a/</sup> Totals represent the number of establishments in each category responding to the respective factors.

an opinion believed the City responded well to the problems of the area while 41 percent believed the City response was poor. Poor responses outnumbered good responses by the remaining types of firms.

Another area of potential concern is the fact that area businessmen are unaware of the City's use of federal funds made available to it each year through the Housing and Community Development Act of 1974. When asked what they thought of the City's use of Community Development funds, more than half of the businessmen didn't know about them. Those who said they were familiar with the City's use of these funds were, for the most part, unhappy with their distribution.

C. Availability of Financing. About one-half of the businessmen had no opinion on the "willingness of lenders to provide loans to expand or improve business." Of those who had, a fairly sizeable number were critical; 38 percent of the service establishments, 33 percent of the retailers, and 22 percent of the manufacturing, wholesale and finance respondents ranked the availability of financing as poor. There were enough poor responses to suggest that financial institutions could be serving more businessmen in the district.

D. Impact of Westward Movement of Population. The westward movement of Omaha's population was considered to have had an unfavorable impact by 70 percent of the retailers interviewed and 50 percent of the businessmen interviewed in service firms. But only one-third of the businessmen in the remaining category believed this had an unfavorable impact on their business, while 63 percent believed the westward population shift had no impact on their business.

E. Impact of Crime. The level of crime in the downtown

business district was also considered to have had an unfavorable impact by the majority of the businessmen in the retail and service sectors, with 58 percent and 53 percent of the businessmen in these categories indicating as such. In the manufacturing wholesaling and finance categories 40 percent of the respondents believed crime had a negative influence on their businesses, but 58 percent believed it had no impact.

F. Impact of Property Taxes and Surrounding Conditions. Similarly, the condition and appearance of surrounding businesses, changes in the quality of businesses, and changes in the number of businesses and persons employed in the District tended to adversely affect a majority of retail and service establishments while most firms in the remaining category indicated it had no impact upon their businesses. There was no clear pattern for the impact of changes in the type of establishments in the District. The impact of property tax policies concerning improvement to business facilities was seen as minor--a majority in each business category said it had no impact upon their businesses.

## Businessmen's Intentions

A majority of the businessmen in each category intend to remain in the CBD with no extensive change in the size or appearance of their facilities. Approximately 14 percent of each group intended to expand their businesses in the CBD (see Table 10).

	Retail		Service		Other	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Expand in District	28	13.8	23	15.2	20	13.9
Remain, Facility Unchanged	119	58.6	88	58.3	72	50.0
Remain, Less Activity	6	3.0	5	3.3	5	3.5
Remain, Open/Expand Elsewhere	13	6.4	6	4.0	5	3.5
Sell or Retire	21	10.3	4	2.7	19	13.2
Move Business out of District	16	7.9	25	16.6	23	16.0
Total	203	100.0	151	100.1	144	100.1

A decline in the CBD can be anticipated, however, based on the intentions of the other businessmen. Approximately three percent of each group indicated they would remain in the CBD but at a lower level of activity. Almost one-fifth of the retail (18 percent) and manufacturing, wholesaling and finance (19 percent) business indicated they intended to either retire, sell or move their business out of the CBD, and almost one-third (29 percent) of those in the service sector said the same thing.

The predominant reason given by retail firms intending to leave the downtown district was the need for a more profitable area in which to do business. The majority of the service establishments intending to leave said they needed a more desirable location for their particular needs. Reasons given by firms in the manufacturing, wholesaling and finance for intending to move out of the area included the need for a more desirable location, more traffic, more warehouse or storage space, or more space in which to build and expand.

## Recommended Improvements

Although a substantial proportion of the businessmen did not offer suggestions for improving business conditions in the downtown area, almost half of those who did believed that some type of improvement relative to parking would help to improve business conditions in the area (see Table 11). These suggestions ranged from free parking and more parking to extending the time limits on parking meters. As would be expected, retailers were most concerned with the parking situation downtown as nearly 50 percent noted the need for some type of parking improvements.

Other suggestions included the rehabilitation of the downtown area, speedy completion of the Central Park Mall and the Downtown Educational Center.



TABLE 11 RECOMMENDED IMPROVEMENTS FOR CBD						
Type of Change Needed	Retail		Service		Other	
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total
Total Responding	(149)	--	(86)	--	(97)	--
Improved Parking Facilities	71	47.7	35	40.7	39	40.2
More Establishments	28	18.8	23	26.8	29	29.9
General Rehabilitation or Clean-Up	33	22.1	19	22.1	28	28.9
Central Park Mall, Riverfront, Park East, UNO Downtown	25	16.8	8	9.3	10	10.3
Increased Police Protection	24	16.1	11	12.8	10	10.3
Tax and Financial Incentives	11	7.4	2	2.3	7	7.2
More and Better Civic and City Leadership	19	12.8	19	22.1	13	13.4
Other Suggestions	51	34.2	31	36.0	34	35.1

Attitudes and Shopping Preferences of Residents

Of the more than 500 residents of Omaha who were interviewed to determine their attitudes relative to the CBD only about one-fourth rated it as excellent or good compared to one-third who rated it as poor or very poor. The rating is linked to the amount of shopping done in the CBD. Of those who do almost all of their shopping in the CBD, more than half (52 percent) rated it excellent or good; this proportion drops to approximately one-third for those who do some of their shopping there and to 14 percent for those who do none of their shopping there (the latter proportion is 20 percent if only responses of those who rated conditions are included).

Almost two-thirds (65 percent) of the respondents indicated their households did none of their shopping in the CBD. Only seven percent said they did almost all of it there, and 28 percent said they did some of it there. An analysis of the characteristics of these groups indicates that those who do almost all or some of their shopping (compared to those who do none) are more likely to be over 65, to be lower income, to not own an automobile, and to include at least one household member who works in the CBD. An analysis of the residence location of these shoppers indicates that most live close to the CBD (i.e., east of 42nd Street). Of those households which shopped in the CBD and lived west of 72nd Street, almost half (44 percent) included a CBD worker (see Table 12).

TABLE 12 SHOPPING PREFERENCES AND ATTITUDES OF OMAHA RESIDENTS FOR THE CBD											
	How much shopping for non-grocery items does your household do in the downtown business district			Overall, would you rate shopping conditions in the downtown business district as:							Number
	Almost All	Some	None	Excellent	Good	Fair	Poor	Very Poor	Opinion		
Total Respondents	7	28	65	3	19	29	19	11	20	504	
Age:											
Under 25	3	28	69	3	20	42	14	8	14	65	
25-64	5	26	69	3	16	29	21	10	20	347	
65 or over	19	34	47	3	28	21	12	13	23	91	
No response										1	
Income											
Under \$4,000	23	30	47	4	21	30	12	7	26	57	
\$4,000-\$8,000	9	27	64	2	29	16	20	16	18	45	
\$8,000-\$12,000	8	26	66	2	24	37	14	9	14	92	
\$12,000-\$16,000	8	30	61	2	15	40	18	12	15	96	
\$16,000-\$20,000	0	35	65	2	16	37	29	8	8	51	
\$20,000-\$25,000	0	17	83	0	14	19	25	11	31	36	
Over \$25,000	0	20	80	5	15	18	23	15	25	40	
No response										87	
Own Automobile:											
Yes	5	26	59	2	17	30	20	12	19	440	
No	22	38	40	6	30	29	8	3	24	63	
No response										1	
Work in the CBD:											
Yes	11	40	49	2	32	30	13	10	14	94	
No	6	25	69	3	16	29	20	11	21	409	
No response										1	

The Omaha CBD retail sector can be said, therefore, to rest upon a weak economic foundation. The CBD is not attracting the more affluent households (75 percent of those earning more

than \$16,000 do none of their shopping in the CBD and no one at that income level reports they do all of their shopping there). It is not attracting the younger households (69 percent of those under 65 do none of their shopping in the CBD). It is not attracting the suburbanite household (81 percent of those who live west of 72nd Street do none of their shopping in the CBD) unless it includes a CBD worker.

An analysis of the small group who report they do all of their shopping in the CBD indicates that proximity is the reason most frequently cited (33 percent), and almost as many (28 percent) credited habit. Other reasons cited included good access (17 percent) and the appeal of Brandeis (17 percent) or particular banks (8 percent).

Of those who did none or only some of their shopping in the CBD, almost one-third (29 percent) complained about parking. One-fourth (25 percent) said they did some or all of their shopping at shopping centers. Most (40 percent) complained that the CBD was too far away, and one may infer this was especially critical since they would have to pass competing shopping centers to reach the CBD. Almost one-fifth (18 percent) complained about the lack of variety available in the CBD.

Parking problems and the lack of variety were most likely to be singled out as characteristics of the CBD liked least by those who reported doing almost all or some of their shopping there (38 percent said parking and 35 percent said poor variety). The factor liked best by these shoppers were the particular stores remaining downtown (33 percent gave this response).

Since parking problems and the lack of variety were mentioned most frequently as unfavorable characteristics of the CBD, it is not surprising that improvements in these areas were most frequently suggested (regardless of the amount of shopping done there). Almost half (45 percent) of all residents suggested parking improvements (the proportion was 55 percent of those who offered any suggested improvements). Even 50 percent of those who do almost all of their shopping in the CBD suggested improved parking. Similarly 27 percent suggested the need for more stores and/or variety (including one-third of those who do almost all of their shopping there). In addition four percent suggested higher quality stores. Only eight percent commented on a need for better law enforcement. Five percent specifically mentioned a mall concept for the CBD (see Table 13).

TABLE 13 IMPROVEMENTS NEEDED TO ENCOURAGE CBD SHOPPING, BY AMOUNT OF SHOPPING DONE THERE				
Improvement	Amount of Shopping Done Downtown			
	Almost All	Some	None	Total
Parking	18	73	136	227
More Stores (Number, Variety)	12	57	68	137
Higher Quality Stores	1	11	10	22
Clean Up Appearance	4	10	28	42
Better Law Enforcement	2	4	24	30
Mall Idea	2	4	20	26
Nothing Will Help	0	3	24	27
Other	3	19	42	64
Don't Know	5	9	77	91
Total Respondents	36	140	328	504

Conclusions and Suggested Legislation

Certainly the decline of the commercial core of downtown indicates a changing purpose and character for the District. While efforts to stabilize the retailing core are warranted, competition for the retail dollar is strong throughout the City. The resident interviews show a resistance to shopping in the downtown area, particularly by the more affluent segments of the population.

Parking, both in terms of availability and cost, was identified by both businessmen and residents as a major irritant and disincentive to shopping in the CBD.

The most volatile sector of the CBD appears to be services. There has been a large exodus of service firms from downtown. Doctors, accountants, lawyers and various repair services have moved out of the CBD at least as rapidly as have retailers. More-

over, 29 percent of the service establishments interviewed intended to retire, sell or move out in the near future while only one-fourth intended to invest in capital improvements.

As the downtown continues to deteriorate, it is fair to ask why have we failed to arrest the decline of the core of our City. While not minimizing the influence of other factors, it is believed that conditions derive at least in part to adverse effects of the property tax. Our current tax structure inhibits the private sector from helping to solve the problems of a deteriorating downtown. It discourages upgrading of quality. It works against revitalization and investment in buildings and improvements. It also induces movement of businesses from downtown, leaving in its wake premature abandonment of buildings.

There is an urgent need for revisions in the property tax system if we are serious about revitalizing the core of our City. Specifically, this requires shifting the property tax more to land while reducing the tax on improvements. Such a change will have an immediate effect of inducing the private sector to invest in and redevelop downtown. This tax reform is considered more equitable, effective and appealing to the mass of taxpayers compared to any financial or tax subsidy plan. (A report soon

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