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 revitalization 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).¹

⁠¹Data 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.
TABLE 6

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<th>Property Valuation and City Services</th>
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Attitudes of CB businessmen

Various industry differences were found to exist in terms of businessmen's perceptions of the CBD. Owners of businesses in the manufacturing, wholesaling, and financial service groups, for example, tended to see the CBD 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," compared 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 a respondent answered 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 thought that business conditions were poor indicated that their business was an established one or that they had a good location. Similarly, respondents rating conditions as poor or very poor were more often than not respondents of the manufacturing sector. Common explanations for poor business conditions were high rents, taxes, and parking, declining numbers of firms and customers in the downtown area, and increased crime and vandalism.

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In 1974 the CBD paid 9.00 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.
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).

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.
Among the 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, almost all (96 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 responses of those who respond "don't know" are included).

Almost two-thirds (65 percent) of the respondents indicated their households did none of their shopping in the CBD. Only seven percent of the households who did one-fourth of their shopping (and 28 percent said they did some of it there. An analysis of the characteristics of those respondents who indicated their households do almost all or some of their shopping (compared to those who do not) are more likely to be over 65, to be lower income, to own an automobile, and to include at least one household member who works in the CBD. An analysis of the residence location of these respondents 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).

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 group (69 percent of those under 65 do none of their shopping in the CBD). It is not attracting the subordinate 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.

These characteristics 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 Brands (17 percent) or particular banks (16 percent). Of those who did none or only some of their shopping in the CBD, almost one-third (29 percent) complained about parking. Almost one-fourth (25 percent) said they did some of all of their shopping at shopping centers. Most (40 percent) complained that the CBD was too awkward. Parking in about this same 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 36 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 amount of shopping done there). Almost half (46 percent) of all residents suggested parking improvements (the proportion was 55 percent of those who offered any suggestions). However, only 50 percent of those who do almost all of their shopping in the CBD suggested improvements. 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).

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 retail core have warranted, competition for the retail dollar is strong throughout the City. The resident interview shows 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-