Review of Applied Urban Research 1983, Vol. 11, No. 03

Center for Public Affairs Research (CPAR)

University of Nebraska at Omaha

Follow this and additional works at: https://digitalcommons.unomaha.edu/cparpubarchives

Part of the Demography, Population, and Ecology Commons, and the Public Affairs Commons

Recommended Citation

https://digitalcommons.unomaha.edu/cparpubarchives/481
KELLOM HEIGHTS AND JEFFERSON SQUARE

Signs of Revitalization Adjacent to the CBD


By R.K. Piper

Introduction

OVER THE LAST FIVE YEARS, the central business district (CBD) in Omaha has shown visible and dramatic signs of revitalization through significant investments by both the public and private sectors. The new Central Park Mall in the core of the CBD has been a focal point for redevelopment. It is bounded by the new construction of a state office and education facility, the regional corporate headquarters for Northwestern Bell, the Central Park Plaza office complex and parking garage, and considerable rehabilitation of commercial, office, and residential space in the Old Market area. An impressive list of other large-scale new construction and rehabilitation projects have also been completed, are in progress, or are planned for the CBD in the near future.

While the redevelopment and revitalization of the CBD has received considerable publicity and is obvious to even the most casual urban observer, a not-so-obvious pattern of reinvestment and redevelopment is likewise emerging to the north and northwest of the CBD. This article describes the extent of this redevelopment activity through an examination of investment, employment, and payroll information gathered from major institutions, businesses, and developers in the area.

Investment/New Construction

While several institutions, located northwest of the CBD, most notably Creighton University and three Omaha public schools, have long served as economic and social anchors for the area, a number of new, major institutional facilities and structures have been built since 1977, and more are planned for the near future. In addition to the new construction, several major renovation and improvement projects have also been completed or are currently in progress.

These developments, as shown in Map 1, are all northwest of the CBD with the exception of Mutual of Omaha and all are within a one-mile radius.

As shown in Table 1, ten institutions or businesses have made significant financial investments and improvements totaling about $189 million in the area since 1977.

The completion in 1978 of the $75 million St. Joseph Hospital/Medical complex, at 30th and California Streets, is the largest new addition to the area, both in terms of dollar investment and new employment generation. In addition, Creighton University has recently invested $18.5 million in new facilities, infrastructure, and land acquisition for its campus. Major new construction projects at Creighton include a new health sciences center and library, a multi-million dollar computer center, and, most recently, the new Alumni Library expansion completed in December, 1982 at a cost of $6 million.

The new $22 million Metro Area Transit (MAT) facility, located at 22nd and Cuming Streets, is the second largest new project completed in the vicinity to date. The facility, completed in December, 1982, is the headquarters and garage for the metropolitan area's mass transit operation. Immediately to the west on Cuming Street at 25th to 27th Streets, the construction of 132 new apartment units, being developed by the Omaha Economic Development Corporation, are now nearing completion. Later phases of the development call for the construction of a neighborhood commercial and office center and an additional 325 or more owner and renter residential units.

Adjacent to this development to the north, the new Dominican High School is also nearing completion. The new $10 million facility is a specialized high school designed and located to serve students who, for the most part, live east of 42nd Street. Omaha Public Schools (OPS) officials report that $11.3 million has been invested since 1977 in improving facilities at Technical and Central High Schools and at Kellom Elementary. The recently approved OPS re-organization plan calls for a conversion of Technical High School into a consolidated administrative office complex for the system at
a cost of $5.5 million and for an increase in the number of faculty and students at Central High.

In addition to the $189 million invested since 1977, seven of the ten institutions/businesses have plans for major expenditures totaling more than $196 million in the area in the near future.

Construction has already begun on the first of five office buildings in a $108 million development project to house the new InterNorth corporate headquarters. Mutual of Omaha is also planning a new six-story office building to be completed in the fall of 1984.

Several major projects are planned for both St. Joseph Hospital and Creighton University. St. Joseph has plans for the construction of a new parking structure costing $2 to $5 million and a new mental health center projected to cost $12 to $15 million. Over the next five years, Creighton University plans to spend over $20 million for additional improvements to its campus, including: $12 million for a new fine and performing arts center, $4 million for a new student union, $1 million for a new bookstore, $1 to $2 million to provide housing for faculty and students near the campus, and another $1.3 million for additional expansion of the Alumni Library.

Employment

As shown in Table 2, the nine major institutions/businesses reported a total of 13,135 employees. They draw 8,120 students and over 350 regular volunteers to the area. The St. Joseph Hospital complex admits approximately 32,000 patients annually, and though no figures are kept, the number of visitors per year was estimated by St. Joseph officials to be 100,000.

Of the 13,135 employees, 12,395 (94 percent) are full-time. A total of 11,953 (91 percent) work the regular day shift. Only two institutions or businesses reported that they are currently below normal manpower levels. Representatives stated that employment was not down as a result of layoffs but rather because of losses occurring through attrition and non-replacement. All of the institutions/businesses, expect to be at or above normal employment levels within the next five years.

Payroll and Earnings

As shown in Table 2, the total annual payroll reported for the nine institutions interviewed is $264.6 million. The average annual salary per employee is $20,145, based upon the total employment and payroll figures provided ($264.6 million + 13,135).

In addition, as shown in Table 3, the nine business/institutions also provided earnings information for 11,958 employees (91 percent of the total employed). Of this total, 43 percent had annual earnings of less than $15,000, 40 percent earned between $15,000 and $30,000, 8 percent (957) earned between $30,001 and $40,000, and another 8 percent (1,053) earned over $40,000 per year.1

Jefferson Square

While the investments already made or projected for the vicinity by the major institutions/businesses have had the most dramatic and visible impacts, other investments and improvements by smaller firms are also influencing general conditions and the business climate in the area.

The Jefferson Square business area borders the CBD directly to the north and covers approximately 196 acres as shown in Map 2. It is bounded by 13th Street on the east, 24th Street on the west, Cass Street on the south, and Nicholas Street on the north. According to the Jefferson Square Business Association, 130 firms in the area employ approximately 3,167 people.

Survey instruments designed to gather information on investment, employment, and business trends were hand delivered to 103 firms in the area, and 86 were collected for a response rate of 83 percent. The area contains a surprisingly wide variety of business types including retailers and wholesalers, service industries, and light to medium industry and manufacturing. Printing and lithography (and related industries), electrical supply and service firms, auto services and parts, and welding services and supplies are among the types of businesses that are strongly represented by several firms.
Employment

The 86 firms that participated in the survey reported a total of 2,200 employees, 1,899 or 86 percent of whom were full-time. Over three-fourths (79 percent) of the employees worked the regular day shift hours. According to the employers, males comprised about 57 percent of the workforce. The 86 firms that participated in the survey reported a total of 15,112 customers in a five-day period. Additions to these customers and employers were estimated for all businesses in the entire area, 36 percent expected them to worsen, and another 6 percent were not sure at this time (18% had such expectations at the time of the survey. A survey conducted in 1976 by CAUR of businesses in basically the same area showed that only 36 percent had such intentions at that time.3 Forty-five percent of the businesses also reported that they had plans for improvements in the area (assuming that the economy returns to normal), and another 6 percent were not sure at this time. In the 1976 study only 18 percent of the businesses had such intentions.

Assuming that these percentage breakdowns were representative of all 3,167 employees in the area, 1,488 employees earned between $10,000 and $15,000 annually, 602 earned between $15,000 and $20,000, and another 443 earned more than $20,000 per year. Dividing the estimated payroll of $50,250,000 by the 3,167 employees in the area yielded an average annual salary of $15,867 per employee.

Investment Plans for Expansion

Almost three-fourths (73 percent) of the respondents reported that their businesses had made investments or improvements in the area since 1977. Fifty firms reported a total investment of approximately $9.4 million in the area in this time period. A breakdown is shown in Table 6.

In addition, almost half (48 percent) of the businesses had plans for investments or improvements in the area, and another 5 percent were not sure at the time of the survey. A survey conducted in 1976 by CAUR of businesses in basically the same area showed that only 36 percent had such intentions at that time.

Forty-five percent of the businesses also reported that they had plans for investments in the area (assuming that the economy returns to normal), and another 6 percent were not sure at this time. In the 1976 study only 18 percent of the businesses had such intentions.

Assuming that these percentage breakdowns were representative of all 3,167 employees in the area, 1,488 employees earned between $10,000 and $15,000 annually, 602 earned between $15,000 and $20,000, and another 443 earned more than $20,000 per year. Dividing the estimated payroll of $50,250,000 by the 3,167 employees in the area yielded an average annual salary of $15,867 per employee.

Investment Plans for Expansion

Almost three-fourths (73 percent) of the respondents reported that their businesses had made investments or improvements in the area since 1977. Fifty firms reported a total investment of approximately $9.4 million in the area in this time period. A breakdown is shown in Table 6.

In addition, almost half (48 percent) of the businesses had plans for investments or improvements in the area, and another 5 percent were not sure at the time of the survey. A survey conducted in 1976 by CAUR of businesses in basically the same area showed that only 36 percent had such intentions at that time.

Forty-five percent of the businesses also reported that they had plans for investments in the area (assuming that the economy returns to normal), and another 6 percent were not sure at this time. In the 1976 study only 18 percent of the businesses had such intentions.

Assuming that these percentage breakdowns were representative of all 3,167 employees in the area, 1,488 employees earned between $10,000 and $15,000 annually, 602 earned between $15,000 and $20,000, and another 443 earned more than $20,000 per year. Dividing the estimated payroll of $50,250,000 by the 3,167 employees in the area yielded an average annual salary of $15,867 per employee.

Investment Plans for Expansion

Almost three-fourths (73 percent) of the respondents reported that their businesses had made investments or improvements in the area since 1977. Fifty firms reported a total investment of approximately $9.4 million in the area in this time period. A breakdown is shown in Table 6.

In addition, almost half (48 percent) of the businesses had plans for investments or improvements in the area, and another 5 percent were not sure at the time of the survey. A survey conducted in 1976 by CAUR of businesses in basically the same area showed that only 36 percent had such intentions at that time.

Forty-five percent of the businesses also reported that they had plans for investments in the area (assuming that the economy returns to normal), and another 6 percent were not sure at this time. In the 1976 study only 18 percent of the businesses had such intentions.

Assuming that these percentage breakdowns were representative of all 3,167 employees in the area, 1,488 employees earned between $10,000 and $15,000 annually, 602 earned between $15,000 and $20,000, and another 443 earned more than $20,000 per year. Dividing the estimated payroll of $50,250,000 by the 3,167 employees in the area yielded an average annual salary of $15,867 per employee.

Investment Plans for Expansion

Almost three-fourths (73 percent) of the respondents reported that their businesses had made investments or improvements in the area since 1977. Fifty firms reported a total investment of approximately $9.4 million in the area in this time period. A breakdown is shown in Table 6.

In addition, almost half (48 percent) of the businesses had plans for investments or improvements in the area, and another 5 percent were not sure at the time of the survey. A survey conducted in 1976 by CAUR of businesses in basically the same area showed that only 36 percent had such intentions at that time.

Forty-five percent of the businesses also reported that they had plans for investments in the area (assuming that the economy returns to normal), and another 6 percent were not sure at this time. In the 1976 study only 18 percent of the businesses had such intentions.

Assuming that these percentage breakdowns were representative of all 3,167 employees in the area, 1,488 employees earned between $10,000 and $15,000 annually, 602 earned between $15,000 and $20,000, and another 443 earned more than $20,000 per year. Dividing the estimated payroll of $50,250,000 by the 3,167 employees in the area yielded an average annual salary of $15,867 per employee.

Investment Plans for Expansion

Almost three-fourths (73 percent) of the respondents reported that their businesses had made investments or improvements in the area since 1977. Fifty firms reported a total investment of approximately $9.4 million in the area in this time period. A breakdown is shown in Table 6.

In addition, almost half (48 percent) of the businesses had plans for investments or improvements in the area, and another 5 percent were not sure at the time of the survey. A survey conducted in 1976 by CAUR of businesses in basically the same area showed that only 36 percent had such intentions at that time.

Forty-five percent of the businesses also reported that they had plans for investments in the area (assuming that the economy returns to normal), and another 6 percent were not sure at this time. In the 1976 study only 18 percent of the businesses had such intentions.

Assuming that these percentage breakdowns were representative of all 3,167 employees in the area, 1,488 employees earned between $10,000 and $15,000 annually, 602 earned between $15,000 and $20,000, and another 443 earned more than $20,000 per year. Dividing the estimated payroll of $50,250,000 by the 3,167 employees in the area yielded an average annual salary of $15,867 per employee.
TABLE 7
SUMMARY OF INVESTMENT, EMPLOYMENT, PAYROLL
FOR MAJOR INSTITUTIONS AND BUSINESSES IN THE AREA

<table>
<thead>
<tr>
<th>Major Institutions</th>
<th>Total Employees, Students, Others</th>
<th>Annual Payroll Expenditures</th>
<th>Investments-Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. St. Joseph Complex: A private hospital is the center of the complex which includes Boys Town Institute and Omaha Health Professions Center.</td>
<td>2,655 (Students) 1,500 (Volunteers)</td>
<td>$34 million</td>
<td>$75 million</td>
</tr>
<tr>
<td>2. Creighton: A private university that includes a major law school and medical school.</td>
<td>1,600 (Students) 2,500 (Volunteers)</td>
<td>$25 million</td>
<td>$18.5 million</td>
</tr>
<tr>
<td>3. Omaha Public School District: Conversion of Technical High into a consolidated administrative office complex.</td>
<td>2,500 (Students)</td>
<td>$5.3 million</td>
<td>$11.3 million</td>
</tr>
<tr>
<td>4. Dominican High School: A private high school built and supported by Boys Town.</td>
<td>40 (Students) 200 (Volunteers)</td>
<td>$750,000</td>
<td>$1 million</td>
</tr>
<tr>
<td>5. Roberts Daly: The headquarters of the only home delivery daily in the city.</td>
<td>185 (Students) 200 (Volunteers)</td>
<td>$5 million</td>
<td>$4 million</td>
</tr>
<tr>
<td>6. Metro Area Transit: Headquarters and garage for metropolitan area mass-transit operation.</td>
<td>400 (Volunteers)</td>
<td>$6.4 million</td>
<td>$2.2 million</td>
</tr>
<tr>
<td>7. Intersection: New corporate headquarters and office park.</td>
<td>1,995 (Volunteers)</td>
<td>$67.6 million</td>
<td>$11 million</td>
</tr>
<tr>
<td>8. Joslyn Art Museum: Notionally renovated gallery and art museum.</td>
<td>60 (Volunteers) 200 (Volunteers)</td>
<td>$498,000</td>
<td>$1 million</td>
</tr>
<tr>
<td>9. Mutual of Omaha: Corporate office of one of the nation's largest insurance companies.</td>
<td>6,000 (Volunteers)</td>
<td>$120 million</td>
<td>$30 million</td>
</tr>
<tr>
<td>10. Jefferson Square Business Association: 150 businesses directly to the east of the Kellom Development.</td>
<td>3,167 (Volunteers)</td>
<td>$50.2 million</td>
<td>$20.7 million</td>
</tr>
<tr>
<td>11. Kellom Stage 1: Kellom Stage 2 and 3.</td>
<td>not available</td>
<td>$0 million</td>
<td>$5 million</td>
</tr>
<tr>
<td>12. Thrifty Scot Model: A multi-story, 120-room motel at 30th and Chicago Streets.</td>
<td>not available</td>
<td>not available</td>
<td></td>
</tr>
<tr>
<td>13. Public Capital Improvements: A new major hostel at 24th Street, the extension of Interstate 90, and the Route 6 Expressway.</td>
<td>24,772 (Volunteers)</td>
<td>$314.8 million</td>
<td>$209.5 million</td>
</tr>
</tbody>
</table>

$1 Does not include the net gain to the area resulting from the OPS reorganization plan. Each non-respondent was estimated to have 200 administrative/leadership personnel and 100 support staff at the new administrative facility and a 30 percent increase in faculty/staff at Central.

$2 Total employment and an annual payroll of approximately $60,000,000. There had been 150 businesses in the area but the one that is expected to have the most impact is the creation of a new corporate headquarters and office park.

$3 The construction of the 132 new apartment units now nearing completion in Stage I of the Kellom Heights project was initiated to help meet the housing needs arising primarily from the growth of employment base in the area. As mentioned earlier, later phases of the development call for another 225 or more owner apartments. Several new, smaller scale apartment and condominium construction and conversion projects have also been built, are currently in progress, or are planned to the west and northwest of the CBD. In addition, Creighton University currently houses approximately 2,100 individuals near its campus and, as mentioned earlier, expects to spend an additional $1 to $2 million for housing.

Summary and Implications

Since 1977, a total of about $189 million has been invested in the area to the north and northwest of the CBD by ten major institutions/businesses for new construction and major renovation and improvement projects. In addition to this amount, over $196 million is projected to be invested in the area in the near future by seven of the same firms.

New, major facilities, most notably the St. Joseph Hospital complex and others by Creighton University, Metro Area Transit, Dominica High School, and the University of Omaha, and in total, have had or will have positive implications for continued development of the area. The new facilities and developments already in place have vastly improved the general appearance of the area, and have facilitated the growth and development of the sizeable employment and student population bases in the area. The additional improvements planned or currently underway will likewise serve to increase the area's residential appeal and commercial potential. The large and growing populations of employees and students in the area, including a substantial segment of employees and professionals in the higher income categories, have even greater positive implications for future residential, commercial, and office space demands.

Positive impacts are also to be expected as the area becomes more accessible as a result of a new four-lane divided boulevard at 24th Street from Dodge to Cuming and the completion of the North Freeway in 1987.

In addition to the ten major investors, the 130 smaller businesses in the Jefferson Square Business Association employ 3,167 persons and have an estimated annual payroll of over $50.2 million. An additional $20.7 million has been invested by these businesses in the area. The additional investments and employment base in the area is associated with the growth of employment base in the area. The additional improvements planned or currently underway will likewise serve to increase the area's housing and commercial potential. The large and growing populations of employees and students in the area, including a substantial segment of employees and professionals in the higher income categories, have even greater positive implications for future residential, commercial, and office space demands.

Summary and Implications

Since 1977, a total of about $189 million has been invested in the area to the north and northwest of the CBD by ten major institutions/businesses for new construction and major renovation and improvement projects. In addition to this amount, over $196 million is projected to be invested in the area in the near future by seven of the same firms.

New, major facilities, most notably the St. Joseph Hospital complex and others by Creighton University, Metro Area Transit, Dominica High School, and the University of Omaha, and in total, have had or will have positive implications for continued development of the area. The new facilities and developments already in place have vastly improved the general appearance of the area, and have facilitated the growth and development of the sizeable employment and student population bases in the area. The additional improvements planned or currently underway will likewise serve to increase the area's residential appeal and commercial potential. The large and growing populations of employees and students in the area, including a substantial segment of employees and professionals in the higher income categories, have even greater positive implications for future residential, commercial, and office space demands.

Positive impacts are also to be expected as the area becomes more accessible as a result of a new four-lane divided boulevard at 24th Street from Dodge to Cuming and the completion of the North Freeway in 1987.

In addition to the ten major investors, the 130 smaller businesses in the Jefferson Square Business Association employ 3,167 persons and have an estimated annual payroll of over $50.2 million. An additional $20.7 million has been invested by these businesses in the area. The additional investments and employment base in the area is associated with the growth of employment base in the area. The additional improvements planned or currently underway will likewise serve to increase the area's housing and commercial potential. The large and growing populations of employees and students in the area, including a substantial segment of employees and professionals in the higher income categories, have even greater positive implications for future residential, commercial, and office space demands.

Positive impacts are also to be expected as the area becomes more accessible as a result of a new four-lane divided boulevard at 24th Street from Dodge to Cuming and the completion of the North Freeway in 1987.

In addition to the ten major investors, the 130 smaller businesses in the Jefferson Square Business Association employ 3,167 persons and have an estimated annual payroll of over $50.2 million. An additional $20.7 million has been invested by these businesses in the area. The additional investments and employment base in the area is associated with the growth of employment base in the area. The additional improvements planned or currently underway will likewise serve to increase the area's housing and commercial potential. The large and growing populations of employees and students in the area, including a substantial segment of employees and professionals in the higher income categories, have even greater positive implications for future residential, commercial, and office space demands.

Positive impacts are also to be expected as the area becomes more accessible as a result of a new four-lane divided boulevard at 24th Street from Dodge to Cuming and the completion of the North Freeway in 1987.

In addition to the ten major investors, the 130 smaller businesses in the Jefferson Square Business Association employ 3,167 persons and have an estimated annual payroll of over $50.2 million. An additional $20.7 million has been invested by these businesses in the area. The additional investments and employment base in the area is associated with the growth of employment base in the area. The additional improvements planned or currently underway will likewise serve to increase the area's housing and commercial potential. The large and growing populations of employees and students in the area, including a substantial segment of employees and professionals in the higher income categories, have even greater positive implications for future residential, commercial, and office space demands.

Positive impacts are also to be expected as the area becomes more accessible as a result of a new four-lane divided boulevard at 24th Street from Dodge to Cuming and the completion of the North Freeway in 1987.

In addition to the ten major investors, the 130 smaller businesses in the Jefferson Square Business Association employ 3,167 persons and have an estimated annual payroll of over $50.2 million. An additional $20.7 million has been invested by these businesses in the area. The additional investments and employment base in the area is associated with the growth of employment base in the area. The additional improvements planned or currently underway will likewise serve to increase the area's housing and commercial potential. The large and growing populations of employees and students in the area, including a substantial segment of employees and professionals in the higher income categories, have even greater positive implications for future residential, commercial, and office space demands.

Positive impacts are also to be expected as the area becomes more accessible as a result of a new four-lane divided boulevard at 24th Street from Dodge to Cuming and the completion of the North Freeway in 1987.

In addition to the ten major investors, the 130 smaller businesses in the Jefferson Square Business Association employ 3,167 persons and have an estimated annual payroll of over $50.2 million. An additional $20.7 million has been invested by these businesses in the area. The additional investments and employment base in the area is associated with the growth of employment base in the area. The additional improvements planned or currently underway will likewise serve to increase the area's housing and commercial potential. The large and growing populations of employees and students in the area, including a substantial segment of employees and professionals in the higher income categories, have even greater positive implications for future residential, commercial, and office space demands.

Positive impacts are also to be expected as the area becomes more accessible as a result of a new four-lane divided boulevard at 24th Street from Dodge to Cuming and the completion of the North Freeway in 1987.