Introduction

U³ Ventures was engaged to look at the **economic and community development** opportunity around Lexington’s anchor institutions.

The following is a data driven study of University of Kentucky and UK Hospital, Transylvania University, and BCTC focusing on the **economic impact** of Lexington’s anchors, the institutional impact on the **neighborhoods** surrounding the anchors, and the intersection of **institutional and community priorities**.
The Study

1. Anchor Institution Overview
2. Lexington Impact Analysis
3. Neighborhood Impact and Analysis
4. Commercial Corridor Impact and Analysis
5. Findings and Recommendations
Institutions as Enterprise

Centers of **employment**

Purchasers of **goods and services**

National centers of **research**

Curator and generator of **arts and culture**

Drivers of **economic development**
Anchor Analysis
Lexington

Population: 295,000

Median Age: 33.8 years old

Median Income: $46,914
Study Area

Population: 37,700

Median Age: 24.3 years old

Median Income: $25,823

Source: Census Data
Study Area
Anchor Summary
University of Kentucky

13,700 Employees

27,000 Students
20,000 Undergraduate
7,000 Graduate

1,200 Avg. annual hires

Median Salary: N/A
Median Age: 44

The majority of UK students are full time

Source: University of Kentucky
University of Kentucky - Hospital

5,700 Employees
640 Annual hires
700 Beds
400,000 Patient visits

Source: University of Kentucky
Transylvania University

300 Employees

1,000 Students

$19.7 million Annual spend

30 Avg. annual hires

Future Expansion

Transylvania University

Lexington CBD

 Median Salary: $46k
Median Age: 46

All Transy students are undergraduates and the majority are full time

Source: Transylvania University
BCTC

500 Employees

9,000 Students (14,000 in BCTCS system)

$83 million Annual spend

45 Avg. annual hires

Median Salary: $43k
Median Age: 49

About half of BCTCS students are full time

Source: BCTC
Economic Engines

Employing 14,500 workers
Educating 37,000 students
Treating 400,000 patients annually
Hiring 1,800 new employees annually
Anchor Employees – All Institutions

68% Anchor employees live in Urban Service Boundary (9,800)

7.7% Employees live in Study Area (1,200)

Based on data compiled from the anchors
Anchor Employees – By Job Category

There is an even distribution of all anchor job categories captured in the city while the study area has a higher percentage of professors.
Anchor Students – All Institutions

54*%
Anchor students live in Urban Service Boundary (20,000)

29%
Students live in Study Area (10,900)

Based on data compiled from the anchors
Anchor Students

There is an even distribution of all students being captured in the city while the study area has a higher percentage of University of Kentucky Seniors.

Based on data compiled from the anchors
UK currently has **6,000 beds** of on-campus housing that is concentrated in three areas of the campus: at the northern edge of campus, the central part of campus and graduate housing in the south.

Transylvania has **960 beds** on campus.
The University of Kentucky has entered into a MOU with Education Realty Trust to manage the University’s housing and replace 5,000 beds and construct new 2,500 beds for a total of 9,000 beds on campus. The first phase of this project is the construction of a 600 bed dormitory on Haggin Field.
Neighborhood Analysis
Neighborhood Analysis

Percentage Rental Units

Percentage Non-Family Households

Commercial Corridors
Neighborhood Analysis

Percentage of Rental Units

| 1990 | 2000 | 2010 |

Source: American Community Survey
## Percentage of Rental Units 2000

<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
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<tbody>
<tr>
<td>North Elizabeth Street</td>
<td>88%</td>
<td>93%</td>
<td>91%</td>
</tr>
<tr>
<td>South Hill</td>
<td>81%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>Pralltown</td>
<td>67%</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>Aylesford Place</td>
<td>61%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Columbia Heights</td>
<td>45%</td>
<td>39%</td>
<td></td>
</tr>
<tr>
<td>Gratz Park</td>
<td>33%</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td>Elizabeth Street</td>
<td>10%</td>
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<td></td>
</tr>
<tr>
<td>Hollywood Mt. Vernon</td>
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<tr>
<td>Montclair</td>
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Source: American Community Survey
Neighborhood Analysis

Percentage of Rental Units 2010

<table>
<thead>
<tr>
<th>Neighborhood</th>
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<th>2010</th>
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</thead>
<tbody>
<tr>
<td>North Elizabeth Street</td>
<td>10%</td>
<td>15%</td>
<td>98%</td>
</tr>
<tr>
<td>South Hill</td>
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<td>Mt. Vernon</td>
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<tr>
<td>Columbia Heights</td>
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<td>50%</td>
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<tr>
<td>Gratz Park</td>
<td>45%</td>
<td>50%</td>
<td>46%</td>
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Source: American Community Survey
Neighborhood Analysis

Percentage of Non-Family Households

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<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
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</thead>
</table>

Source: American Community Survey
# Neighborhood Analysis

## Percentage of Non-Family Households 1990

<table>
<thead>
<tr>
<th>Location</th>
<th>1990</th>
<th>2000</th>
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<tbody>
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<td>47%</td>
<td>50%</td>
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<tr>
<td>Aylesford Place</td>
<td>74%</td>
<td>68%</td>
<td>65%</td>
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<td>Columbia Heights</td>
<td>59%</td>
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<td>South Hill</td>
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<td>50%</td>
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<td>Pralltown</td>
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<td>22%</td>
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*Source: American Community Survey*
Neighborhood Analysis

Percentage of Non-Family Households 2000

Source: American Community Survey
Once healthy residential neighborhoods becoming dominated by poorly maintained student rental properties
PARTIES
NOISE
TRASH
CRIME

CAMPUS POLICY
DRY CAMPUS
CODE OF CONDUCT
Commercial Corridor Analysis
Commercial Corridors

Commercial, Retail, and Mixed Use zoning

Source: LFUCG
Commercial Corridors

‘Walk able’ retail

S. Limestone: Student focused
N. Limestone: Walk able
Chevy Chase: Neighborhood

0.5 miles from population ‘center of gravity’

Source: LFUCG
Commercial Corridors

‘Walk able’ retail

0.5 miles from population ‘center of gravity’

Source: LFUCG
Nearly **5,000 beds** are not within walking distance to a commercial corridor.

**North Campus:** 1,050 Beds

**Central Campus:** 4,000 Beds

**Transylvania:** 750 Beds

**Graduate Housing:** 850 Beds

0.5 miles from population ‘center of gravity’

Source: Lexington Downtown Development Authority
Neighborhood and Commercial Corridor Analysis

• Study area neighborhoods have seen a tremendous increase in off-campus student population since 1990 characterized by poorly maintained student rental housing.

• Pre-dominance of student housing crowds-out faculty and staff from living in the neighborhood

• University policy has helped shift student activity off-campus and into the neighborhoods

• Retail and commercial corridors are not walk-able and located far from the largest concentration of the student population
Findings

1. Anchors have a tremendous impact which is not coordinated across all anchors

2. Student housing dominates the neighborhoods around the University of Kentucky and has crowded-out faculty and staff from living in the neighborhoods.

3. Most commercial corridors around the campuses are not walk-able from centers of student population

4. While employees are choosing to live in the city, they are not choosing to live in the study area
Recommendations
Though Lexington’s anchors act as economic engines at the city level, they have not integrated well with their surrounding communities at the neighborhood level and with each other at the city level. A placed-based strategy adopted by all of Lexington’s anchors would leverage the anchor’s impact more positively at the city and neighborhood levels.
Recommendations

1. Create a Lexington Anchor Advisory Council
Recommendations

1. Create a Lexington Anchor Advisory Council
2. Target Housing Development
Recommendations

1. Create a Lexington Anchor Advisory Council
2. Target Housing Development
3. Activate Commercial Corridors
Recommendations

1. Create a Lexington Anchor Advisory Council
2. Target Housing Development
3. Activate Commercial Corridors
4. Stimulate Housing Demand
Recommendations

1. Create a Lexington Anchor Advisory Council including the anchor leadership, civic leaders, philanthropy, and community members to explore opportunities for collaboration including:

   • Developing a forum for strategic planning decisions
   
   • Developing a forum to explore opportunities for collaborative programs that strengthen core academic and place-based missions
   
   • Developing a forum to explore opportunities for shared facilities use
   
   • Developing a forum to explore opportunities for co-purchasing and buying more goods and services from Lexington businesses
Recommendations

2. Undertake a **student housing and neighborhood development study** that will leverage the University of Kentucky’s master plan update including:

- Identifying the most appropriate location of new student housing

- Creating a walkable, vibrant, campus, supported by vibrant neighborhoods and corridors whose edges blend with the university

- Developing an off-campus neighborhood policy that addresses student behavior and neighborhood concerns
Recommendations

3. Work with the City to develop a plan to strengthen commercial corridors and promote downtown Lexington as a student/mixed-use entertainment district including:

- Developing a commercial corridor study to identify areas of focus for commercial development and retail demand
- Coordinating commercial development with new UK student housing plan
- Exploring the opportunity to develop mixed-use student housing adjacent to BCTC and Transylvania’s expanded campuses to connect the institutions and activate the Jefferson Street and 4th Street corridors.
Commercial Development Case Study: University of Wisconsin - Madison

East Campus Gateway

Opened in 2008 | cost $190 mm | 1.1 mm sq. ft.
Commercial Development Case Study:
Ohio State University - Columbus

South Campus Gateway
Opened in 2005 | cost $154 mm | 220,000 sq. ft.
Recommendations

4. Develop **housing incentives** for employees to purchase and rent homes in the neighborhoods around the anchors and absorb current rental properties including:

- Identifying appropriate housing incentives (including rental and for-sale), target neighborhoods, and funding sources
- Coordinating incentives with new student housing projects at the University of Kentucky
- Creating an institutional-governed housing bank to reposition former student housing properties
Recommendations

Sequencing

1. Establish Anchor Council
2. Regular Council Meetings
3. Student Housing and Community Development Study
4. Commercial Corridor Plan

2012
Recommendations

Sequencing

2012
1. Establish Anchor Council
2. Student Housing and Community Development Study
3. Commercial Corridor Plan

2013
1. Regular Council Meetings
2. Initial student housing development
3. Commercial development
4. Explore Housing Incentive Program
**Sequencing**

1. **2012**
   - Establish Anchor Council
   - Student Housing and Community Development Study

2. **2013**
   - Regular Council Meetings
   - Commercial Corridor Plan
   - Initial student housing development
   - Explore Housing Incentive Program

3. **2014**
   - Commercial development
   - Begin housing incentives