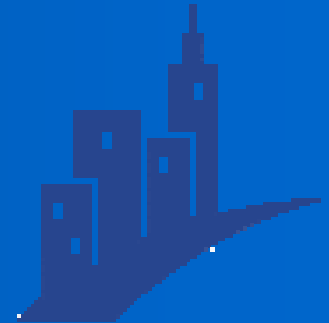


The Brookings Institution

Metropolitan Policy Program
Alan Berube, Fellow



Charting a Course for Downtown Living

Downtown Denver Partnership
Denver, CO
May 18, 2006



As an East Coaster, what I hoped to see on the light rail this morning....





Charting a Course for Downtown Living

I

Who lives downtown today?

II

How does Downtown Denver stack up?

III

Where is downtown living headed?

IV

Goals and considerations for Downtown Denver



Many of these statistics come from Genie Birch's 2005 paper for the Brookings Metro Program



METROPOLITAN POLICY PROGRAM

Who Lives Downtown

Eugenie L. Birch¹

Findings

An analysis of downtown population, household, and income trends in 44 selected cities from 1970 to 2000 finds that:

- During the 1990s, downtown population grew by 10 percent, a marked resurgence following 20 years of overall decline. Forty percent of the sample cities began to see growth before the 1990s. While only New York's two downtown areas and Seattle, Los Angeles, and San Diego saw steady increases from 1970 to 2000, another 13 downtowns have experienced sustained growth since the 1980s.
- From 1970 to 2000, the number of downtown households increased 8 percent—13 percent in the 1990s alone—and their composition shifted. Households grew faster than population in downtowns, reflecting the proliferation of smaller households of singles, unrelated individuals living together, and childless married couples.
- Downtown homeownership rates more than doubled during the thirty-year period, reaching 22 percent by 2000. Overall the number of homeowners grew steadily each decade. By 2000, the share of homeowners across the sample downtowns swung from a high of 41 percent in Chicago to a low of just 1 percent in Cincinnati.
- Downtowns are more racially and ethnically diverse than 20 years ago. From 1980 to 2000, the combined share of white and black residents living in the sample downtowns fell from 81 percent to 73 percent, while the share of Hispanic and Asian residents increased. The number of white residents living downtown rebounded in the 1990s, however, despite an overall loss of this group in cities as a whole.
- In general, downtowns host a higher percentage of both young adults and college-educated residents than the nation's cities and suburbs. In 2000, 25- to 34-year olds represented nearly a quarter of the downtown population—up from 13 percent in 1970. Forty-four percent of downtowners had a bachelor's degree or higher.
- Downtowns are home to some of the most and least affluent households of their cities and regions. Twenty of the sample downtowns—such as Midtown Manhattan, Dallas, and Miami—have at least one tract where the median income is higher than that of their MSA as a whole. Thirty-eight have at least one tract 50 percent or lower than their MSA median.

While this analysis demonstrates good news for downtown residential development overall, demographic, market, and social trends differ substantially from place to place. Urban leaders need to understand these patterns so they can make investment decisions that best capitalize on their unique assets.

NOVEMBER 2005 • THE BROOKINGS INSTITUTION • LIVING CITIES CENSUS SERIES 1

"Downtown

housing provides

visible and

tangible evidence

of urban vitality

that has impor-

tant psychological

and economic

impacts."

LivingCities
CensusSeries

Birch analyzed population trends in 45 downtowns from 1970-2000

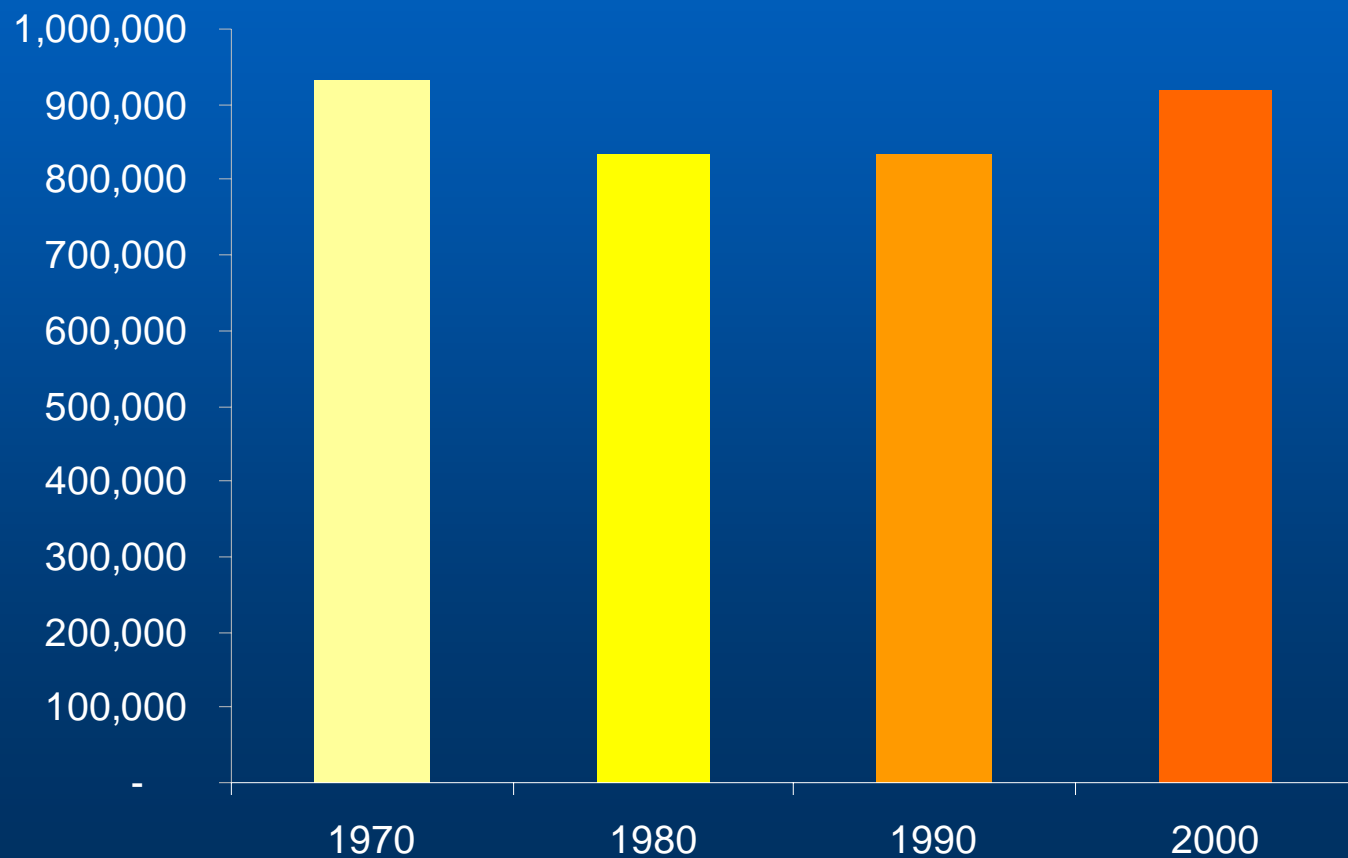
She defined the downtowns based on discussions with local officials, and used decennial census data to describe their characteristics over time



Between 1970 and 1990, downtowns lost population overall; in the 1990s, they grew in size by roughly 10 percent

Total population, 45
U.S. downtowns,
1970-2000

Source:
Birch (2005)



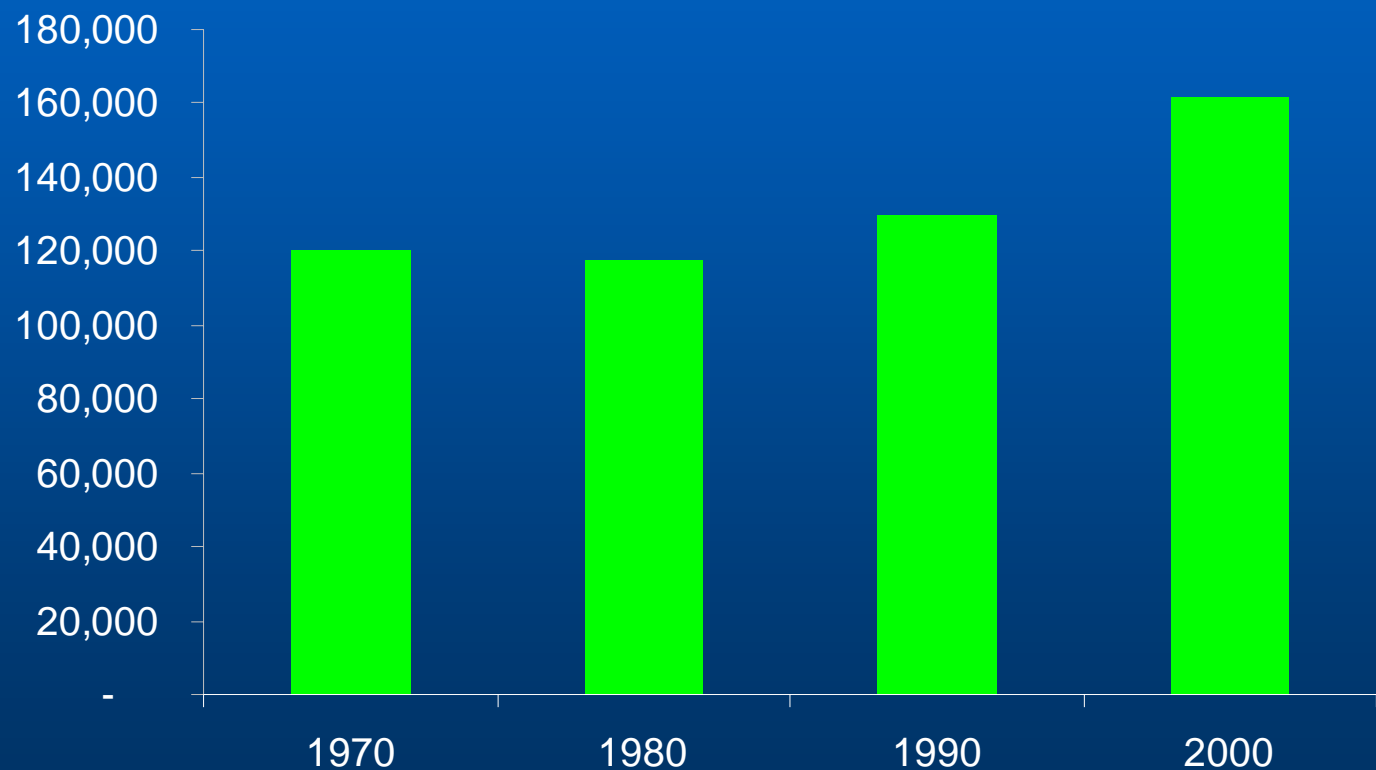


Western downtowns, including Denver, began to recover population in the 1980s

Total population,
12 Western
downtowns*,
1970-2000

Source:
Birch (2005)

* Albuquerque, Boise,
Colorado Springs, Denver,
Los Angeles, Mesa, Phoenix,
Portland, Salt Lake City, San
Diego, San Francisco, Seattle

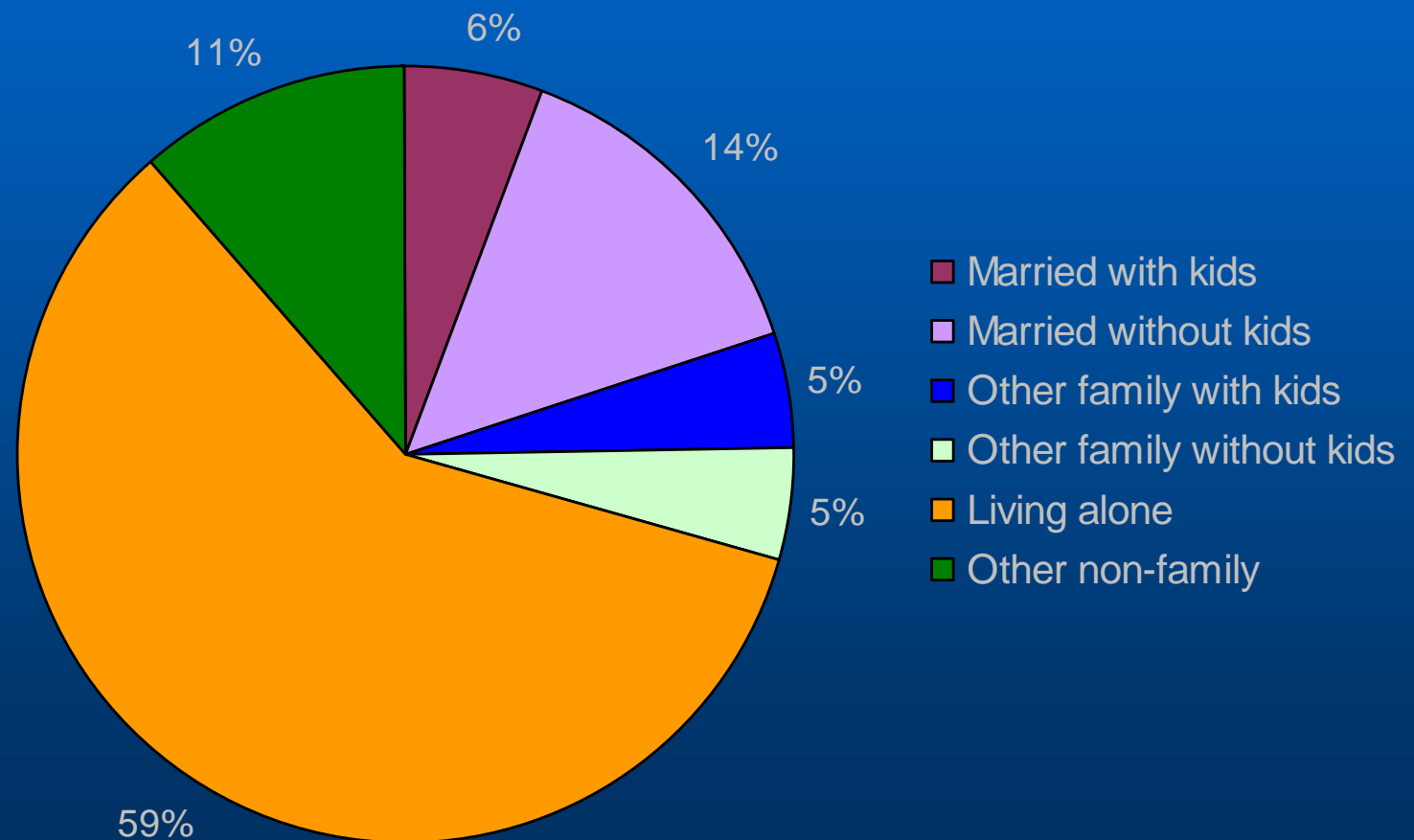




The majority of downtowners in 2000 lived alone; the next largest group contained young couples and “empty nesters”

Downtown
households by
type, 2000

Source:
Birch (2005); author's
analysis

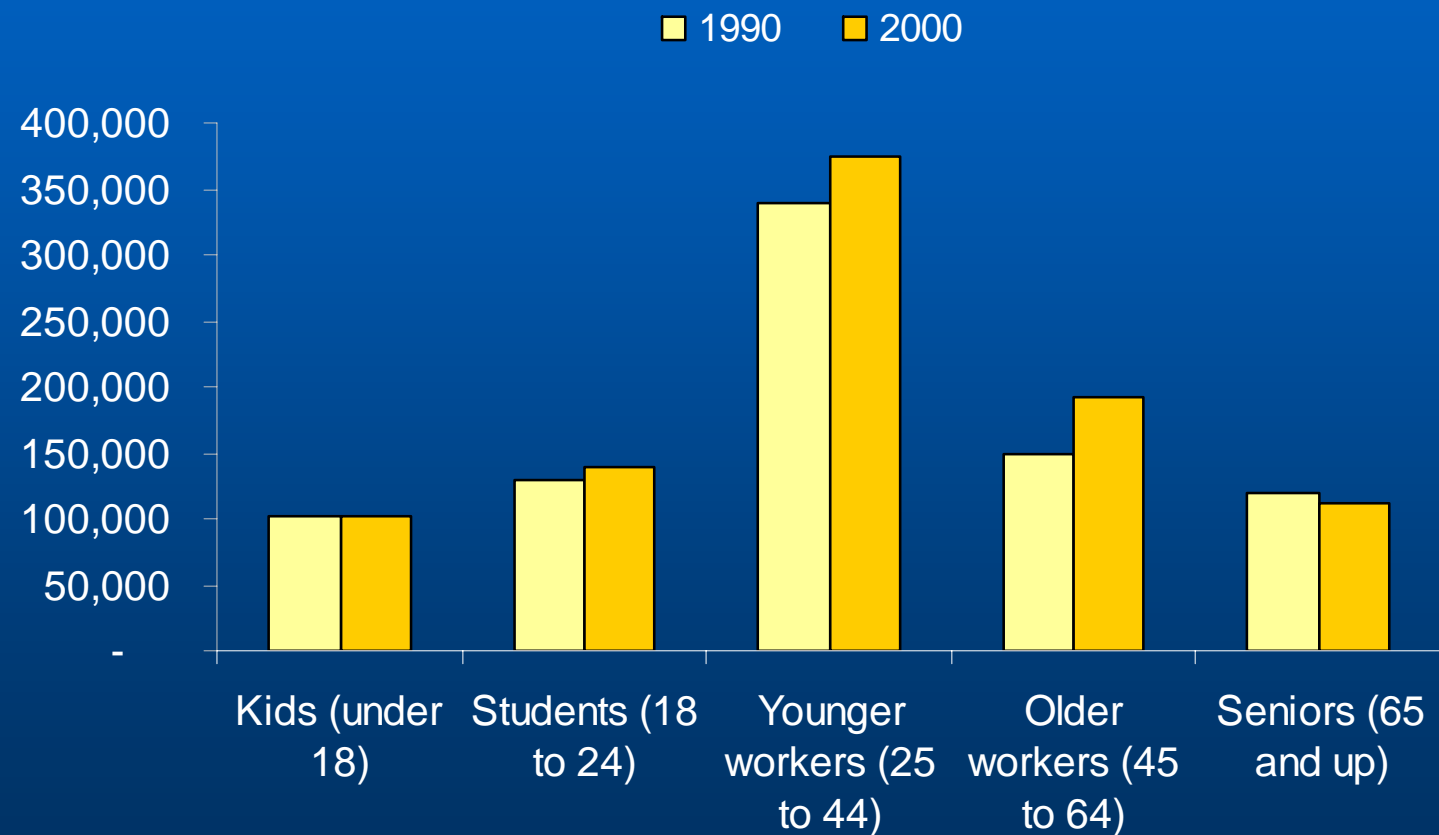




Younger workers (age 25 to 44) form the largest number of downtowners, but older workers (age 45 to 64) are catching up

Downtown
residents by age,
1990-2000

Source:
Birch (2005)

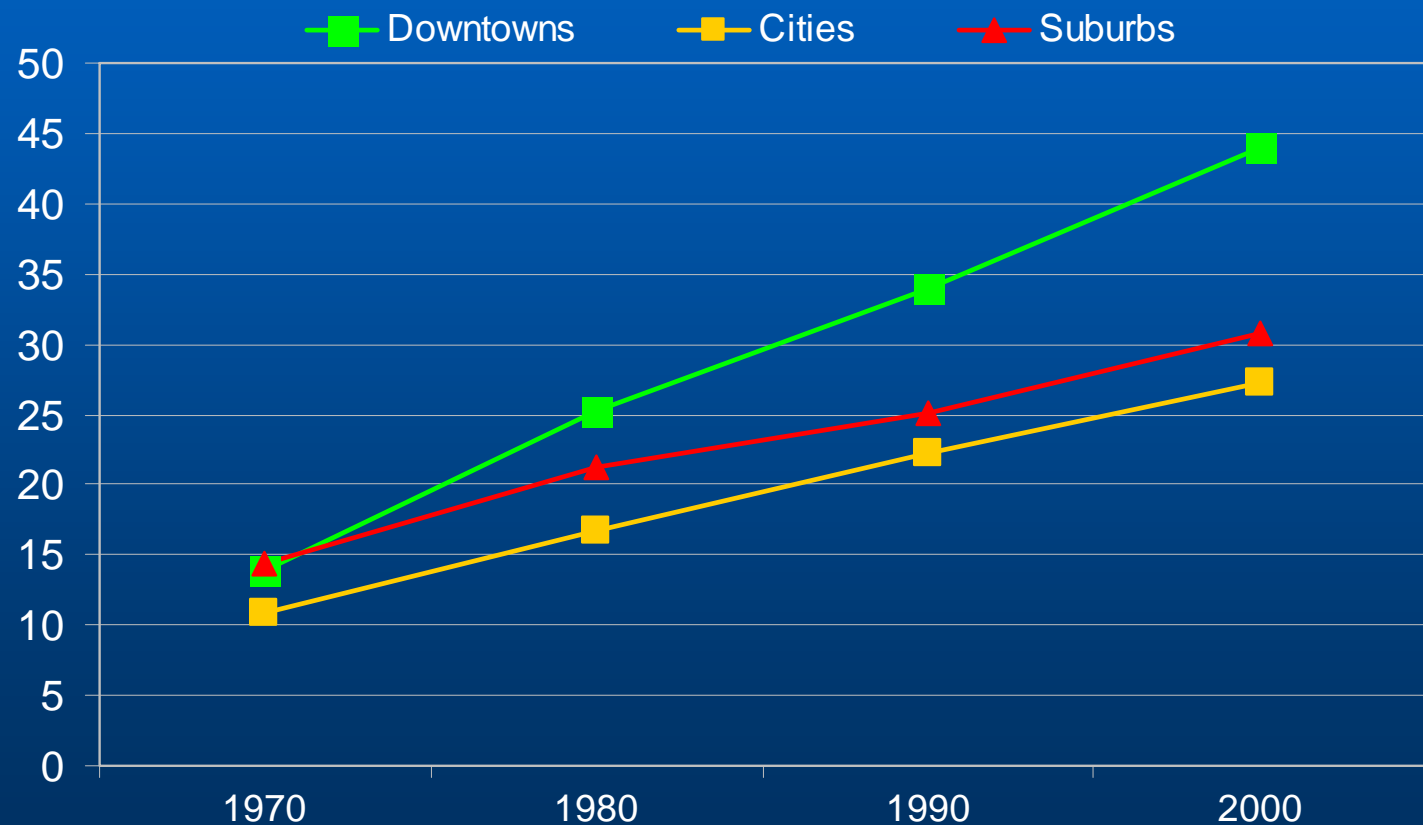


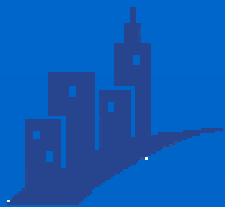


And downtowns have opened up an “education gap” between their residents and other metropolitan residents

Proportion of adults with bachelor's degree by metropolitan location, 2000

Source:
Birch (2005)





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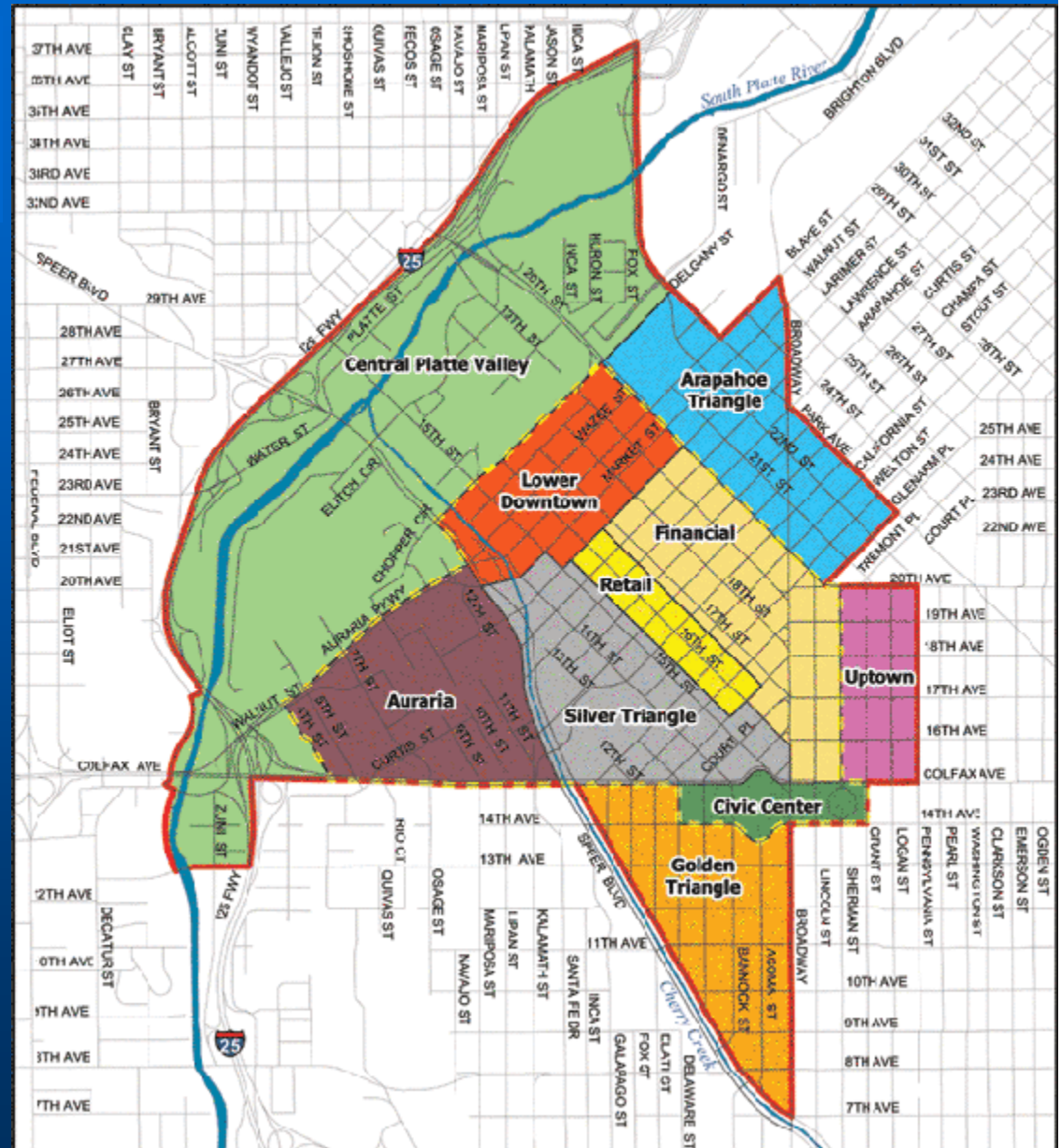
Goals and considerations for Downtown Denver



Where is Downtown Denver?

The Downtown Project Area covers about 1,800 acres and ten districts in and around the CBD

Source: Downtown Denver Plan (2006)





Downtown Denver is situated among a larger set of Center City neighborhoods that had nearly 80,000 residents in 2000

— Boundaries of
Downtown Area

Source: Downtown Denver
Partnership (2006)

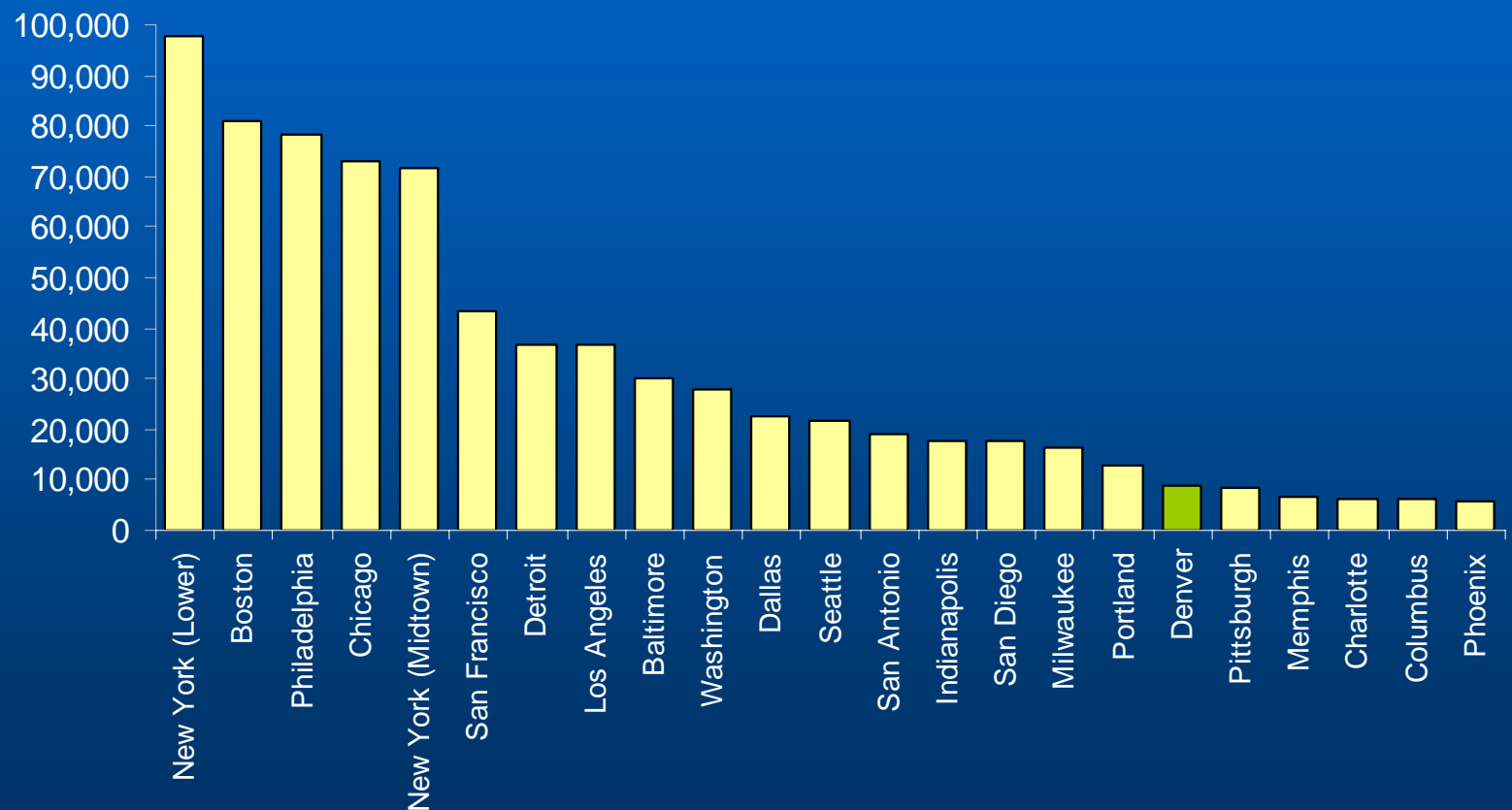




Among 23 downtowns in the 25 largest cities in 2000,
Downtown Denver had the 18th largest population at 8,958

Downtown
population by
city, 2000

Source:
Birch (2005);
author's analysis





It may be useful to compare Downtown Denver to a set of West Coast “aspirational peer” downtowns



Oakland, CA



Portland, OR



San Diego, CA



San Francisco, CA



Seattle, WA

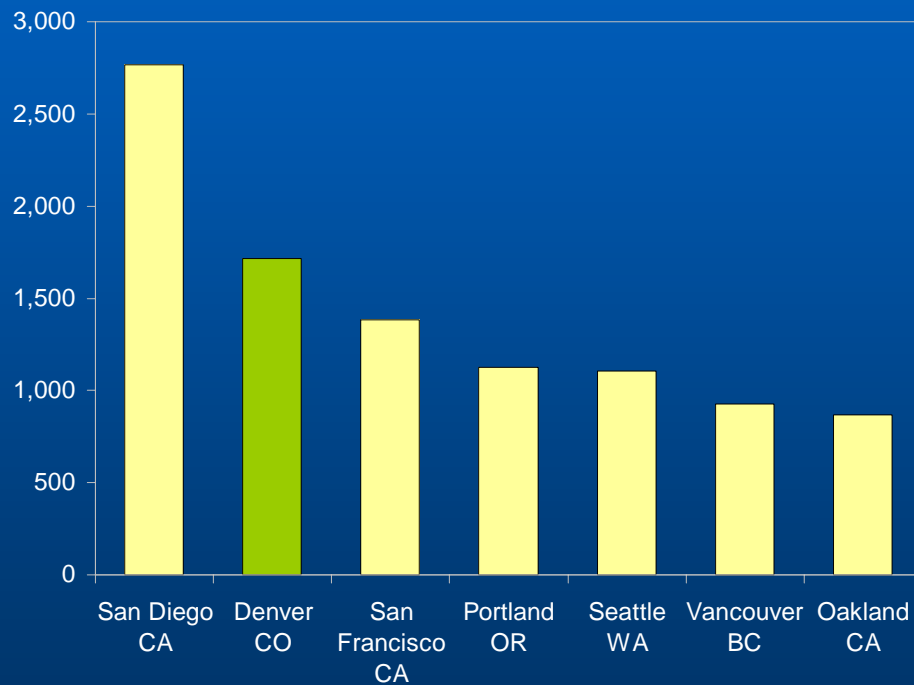


Vancouver, BC

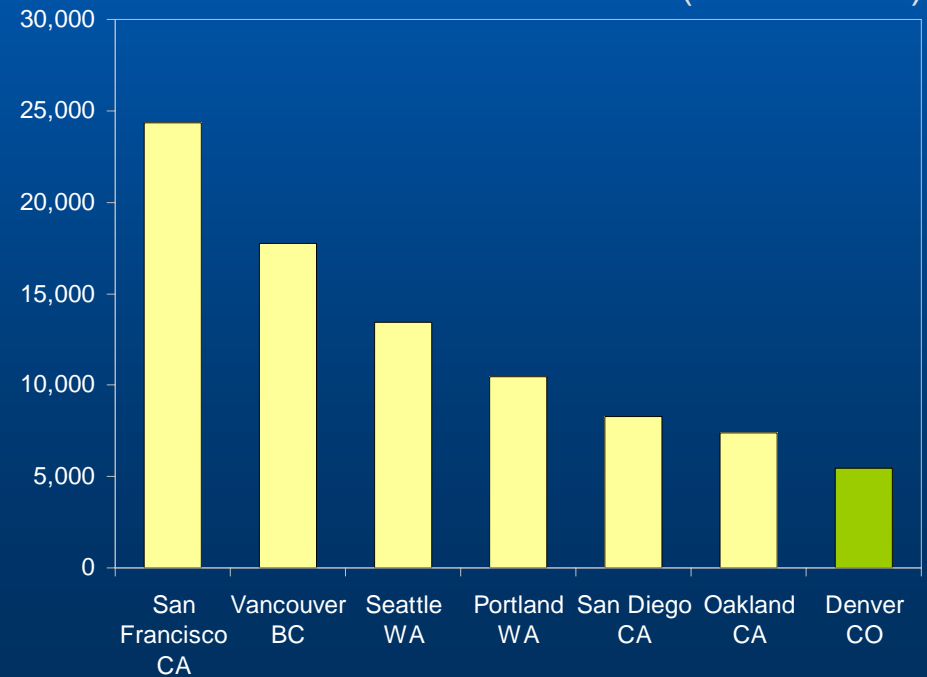


Though similar in geographic size, Denver has a smaller number of downtown households than these peer cities

Size of selected downtowns (acres)



Size of selected downtowns (households)



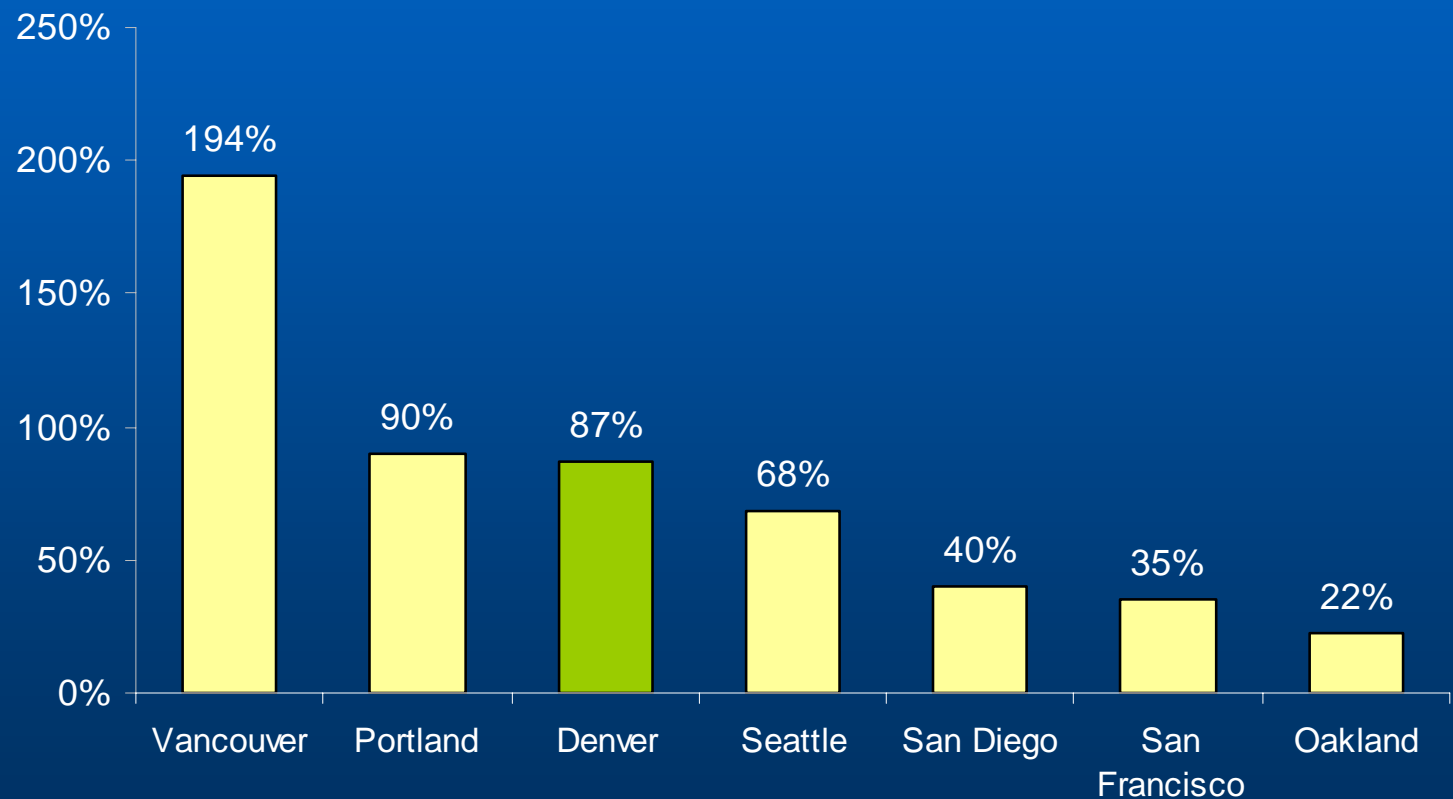


During the 1990s, Downtown Denver experienced rapid household growth, comparable to growth in downtown Portland

Growth in
downtown
households by
city, 1990-2000*

Source:
Birch (2005); City of
Vancouver (2004);
author's analysis

*Vancouver statistics
are for 1991-2001



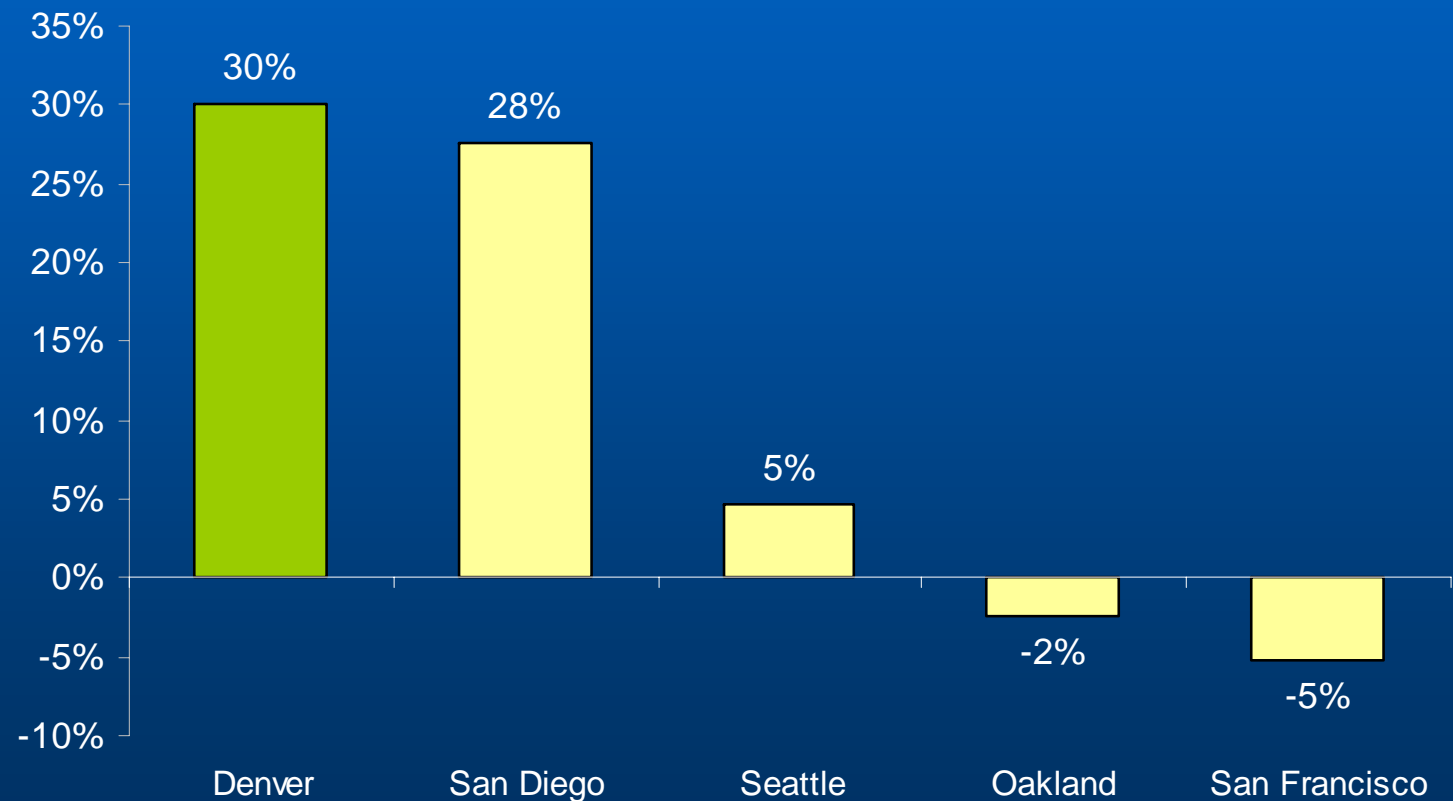


Since that time (post-dotcom-bubble), Denver's downtown household growth has outpaced that in other Western cities

Growth in downtown individual income tax filers by city, 2000-2003*

Source: author's analysis of IRS data

*ZIP codes used to proxy downtowns

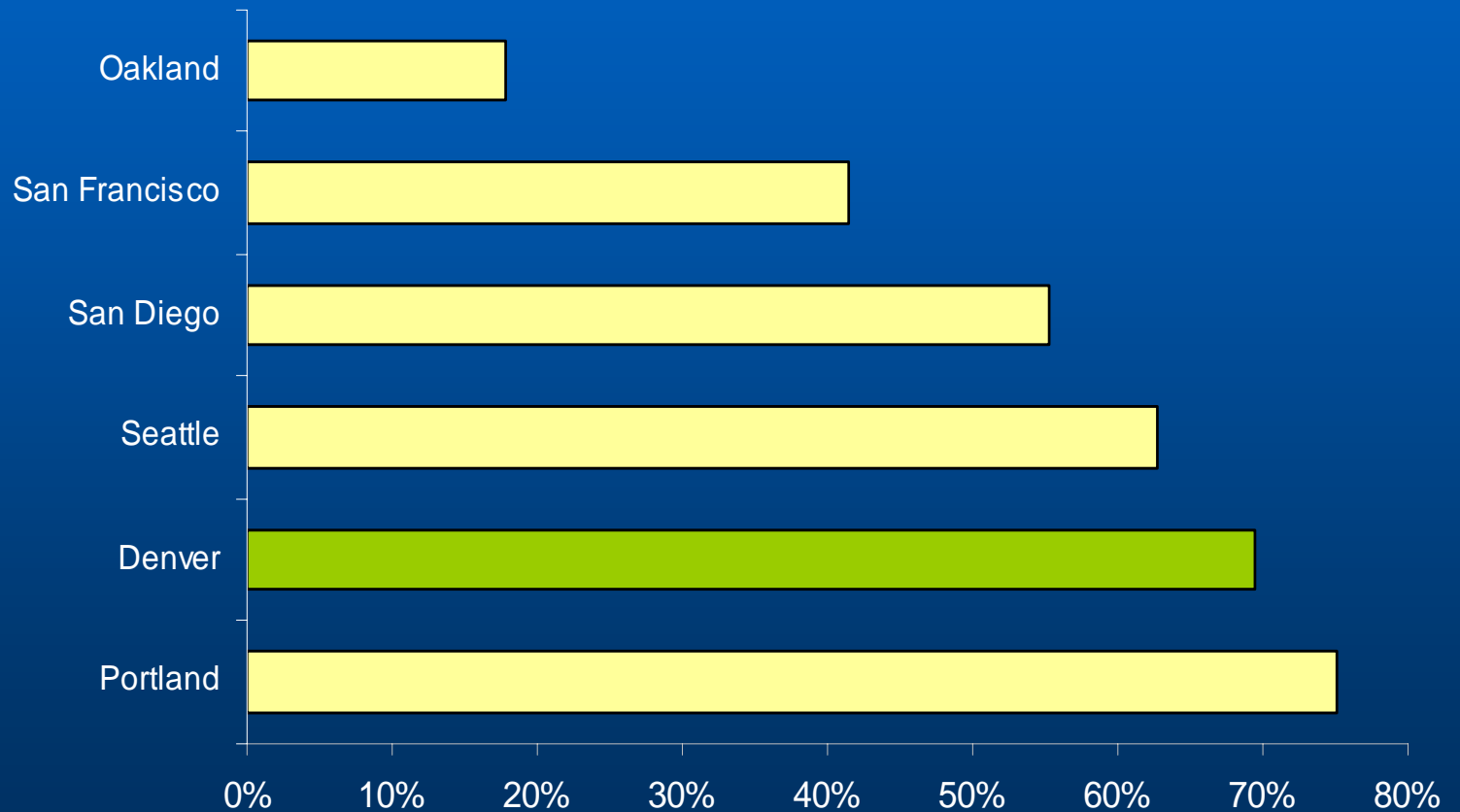




Though the city itself is quite diverse, Denver has a “whiter” downtown than most of its Western peers

Non-Hispanic
white share of
downtown
population, 2000

Source:
Brookings
calculations of U.S.
Census data





Similar to Seattle, Denver's downtown population is largely working-age, with few children but many seniors

Percentage of downtown population by age, 2000

Source:
Author's analysis of
Census data

% Under 18



% 18 to 24



% 25 to 64



% 65 and over



	% Under 18	% 18 to 24	% 25 to 64	% 65 and over
Denver	5.9	9.2	68.1	16.8
Oakland	9.3	9.0	59.2	22.6
Portland	2.2	19.7	66.3	11.9
San Diego	6.9	8.7	70.1	14.3
San Francisco	7.9	10.5	67.3	14.3
Seattle	4.9	11.4	68.1	15.6
Vancouver*	6.7	14.0	70.5	8.8

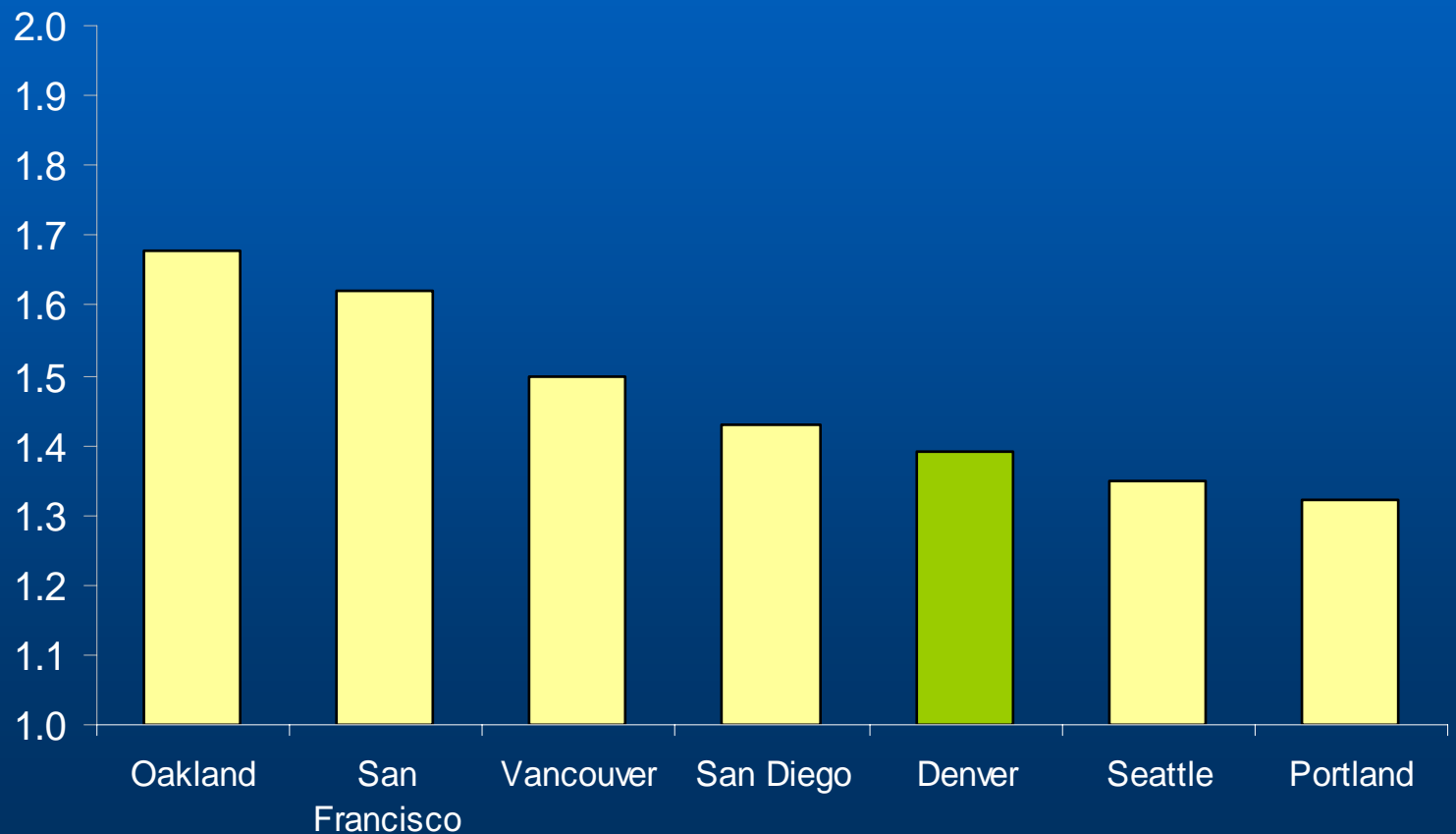
* certain Vancouver figures estimated from Census 2001 data



Downtown Denver has somewhat smaller households on average than other Western downtowns

Average downtown household size, 2000

Source:
Author's analysis of
Census data

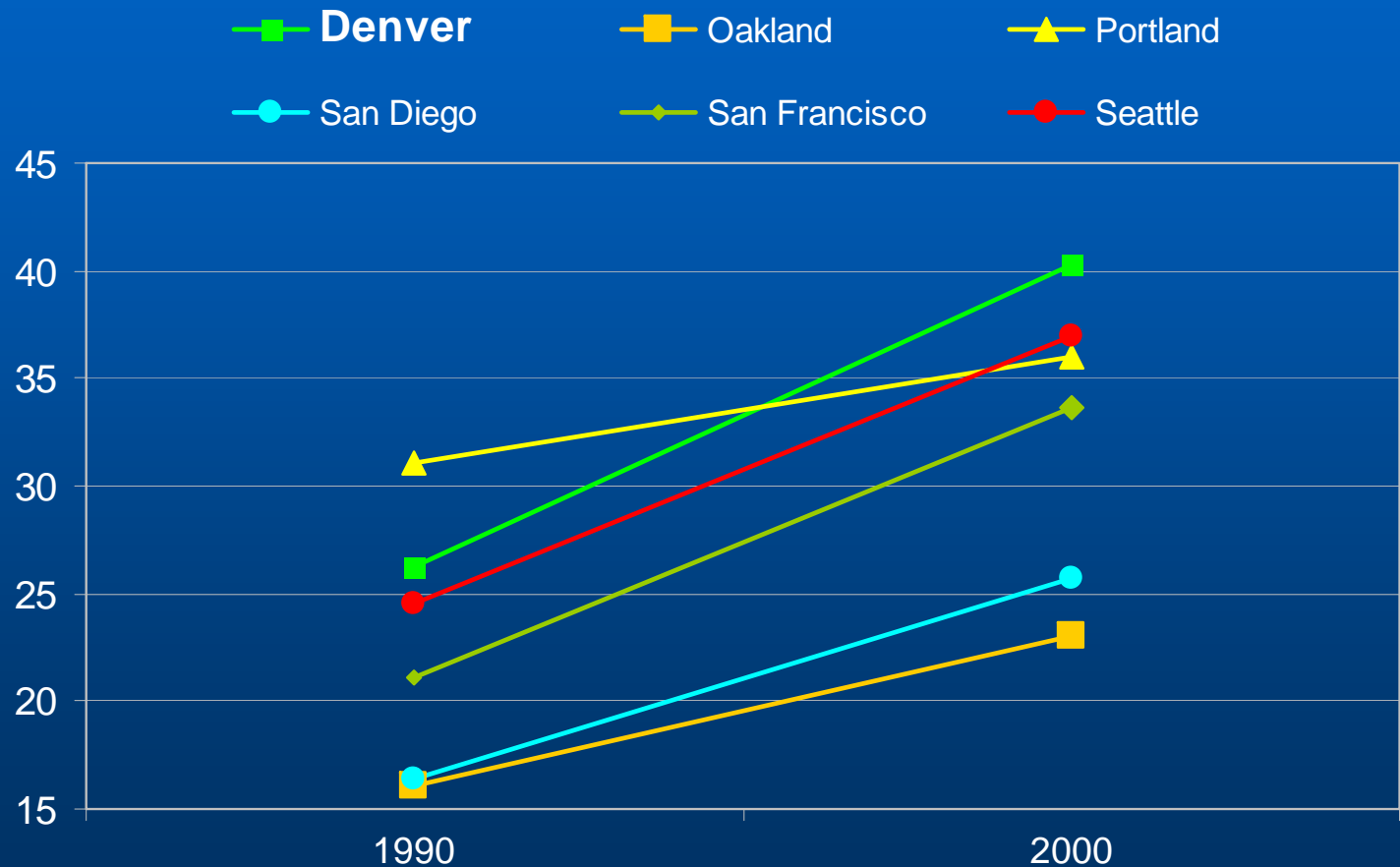




Denver has the most highly educated downtown population among Western peers, after a substantial increase in the 1990s

Percentage of downtown adults with a bachelor's degree, 1990-2000

Source:
Author's analysis of
decennial census data





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Economically, knowledge industry growth favors downtowns



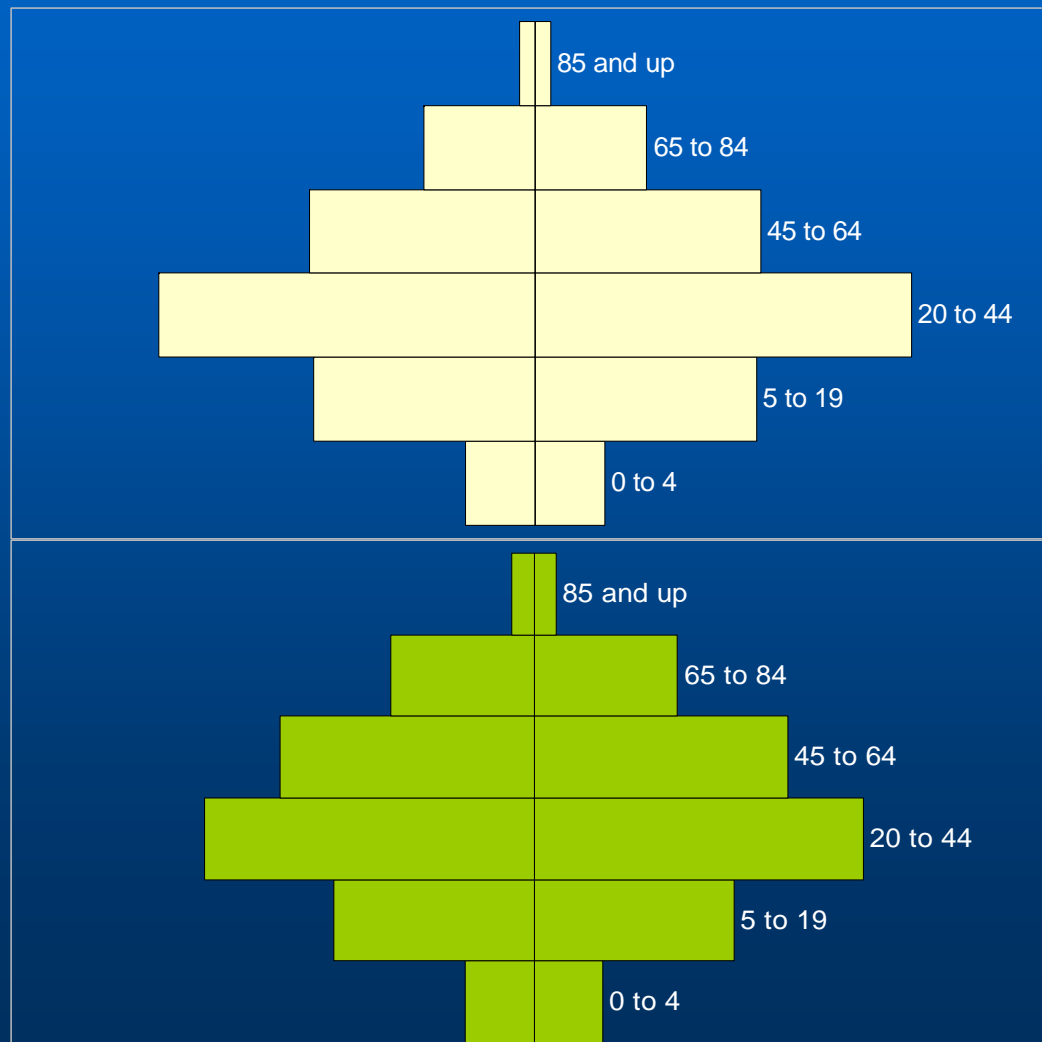
- Vibrant downtowns feed economic growth by attracting younger educated workers
- Average labor productivity increases with increasing employment density
- Density stimulates knowledge spillovers; dense local economies generate more patents per capita
- Cities' economic function has shifted away from production, towards consumption



Demographically, older workers and seniors will grow in demographic importance as the Baby Boom generation ages

Distribution of
U.S. population by
age, 2000 and 2020

Source:
U.S. Census Bureau



2000

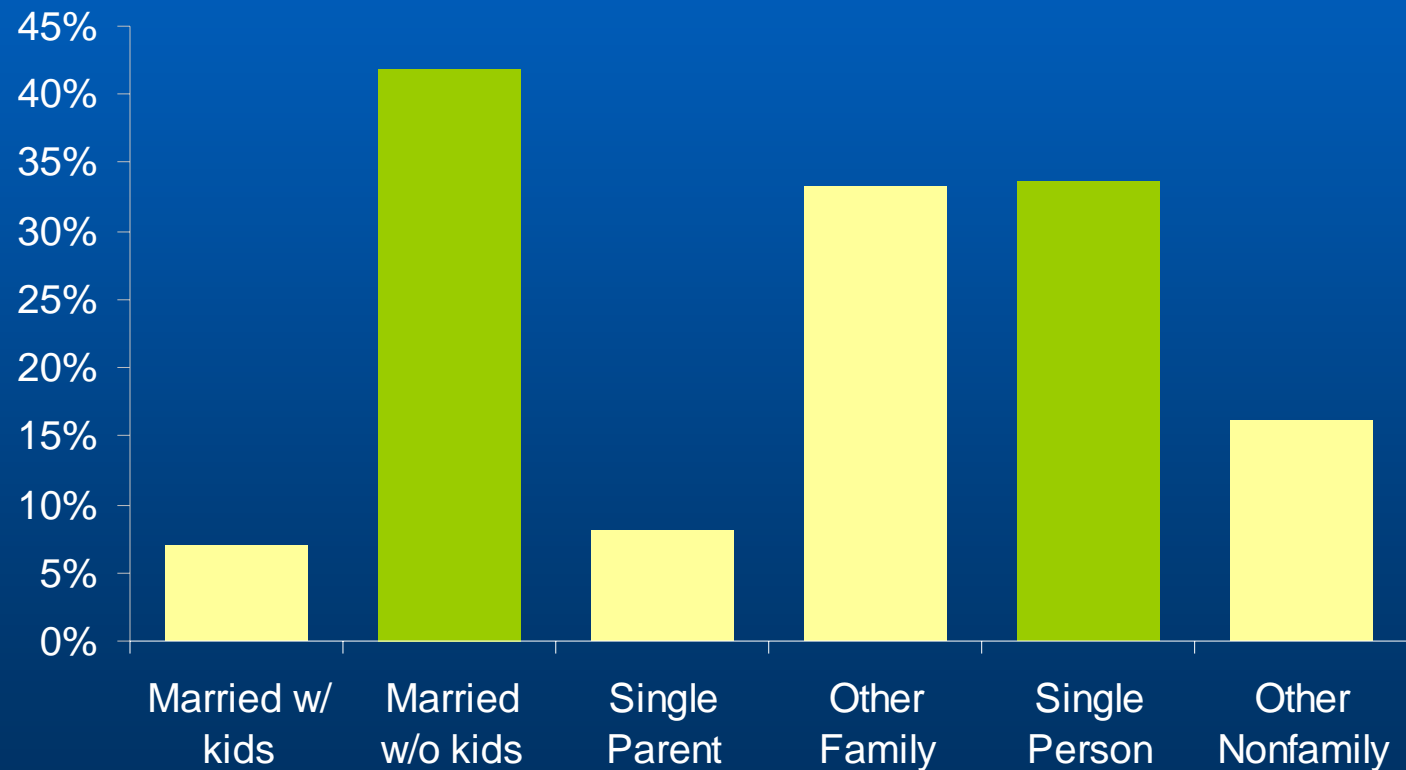
2020



As a result, childless married-couple and single-person households—important downtown groups—will grow rapidly in coming years

Projected growth
rate by household
type, 2000 to 2020

Source:
Joint Center for
Housing Studies
(2006)

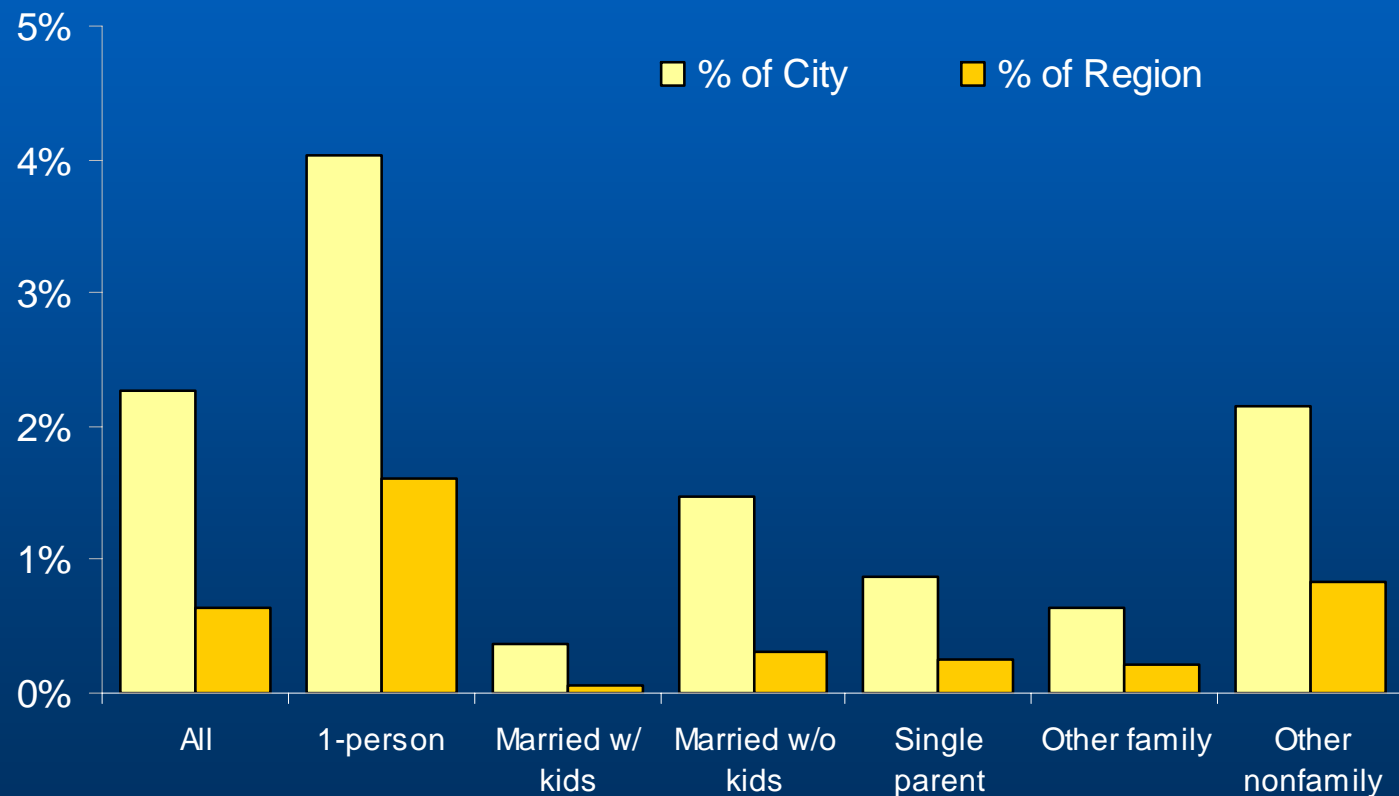




Still, in cities and regions like Denver, only a small minority of each household type lives downtown today

Percentage of households living downtown by household type, Denver, 2000

Source:
Author's analysis





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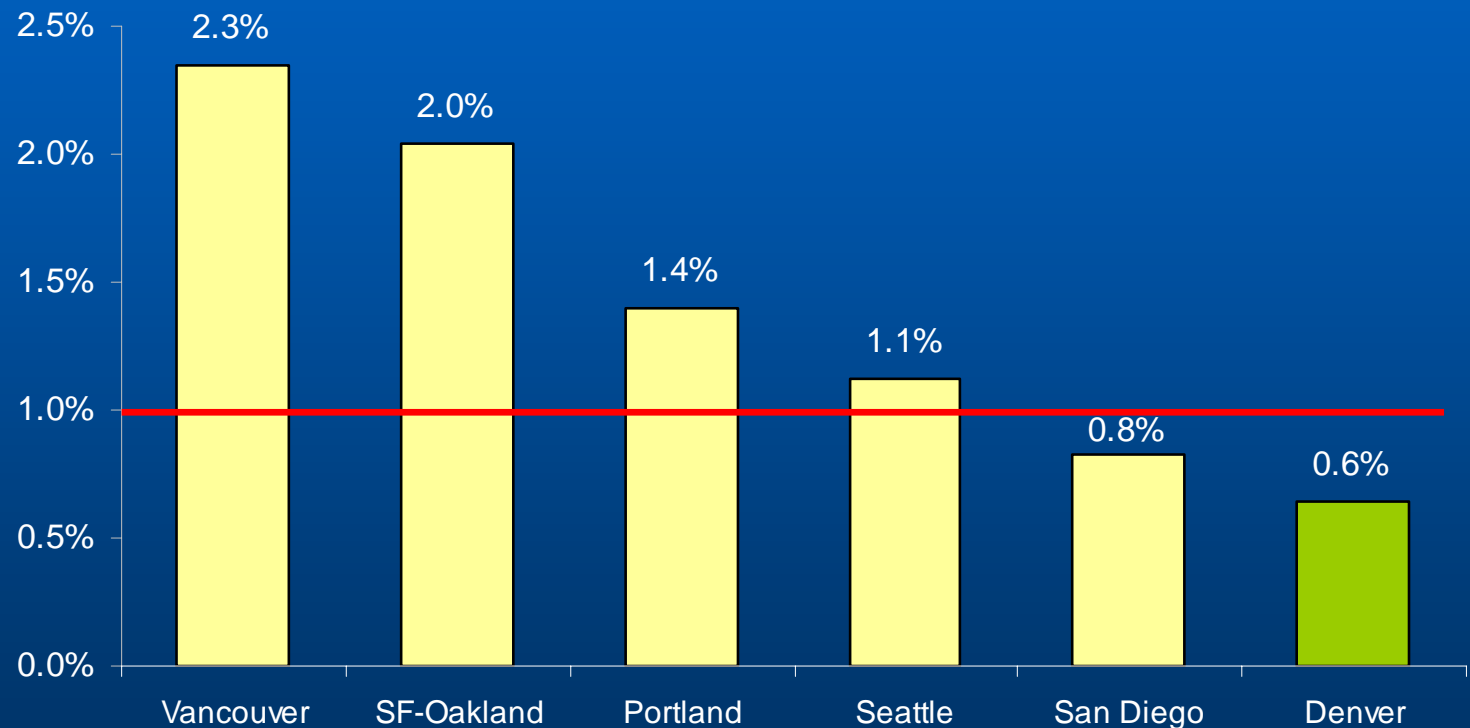


Denver is poised to reach *The 1% Solution*—capturing 1% of the region's households in the downtown

Percentage of metropolitan households living in downtowns, 2000*

Source:
author's analysis

*Vancouver: 2001





What should Denver keep in mind to achieve/exceed this goal?

→ Preserve downtown as primary employment destination

→ Continue to pursue affordable housing region-wide

→ Offer more green space

→ Avoid the “child desert”

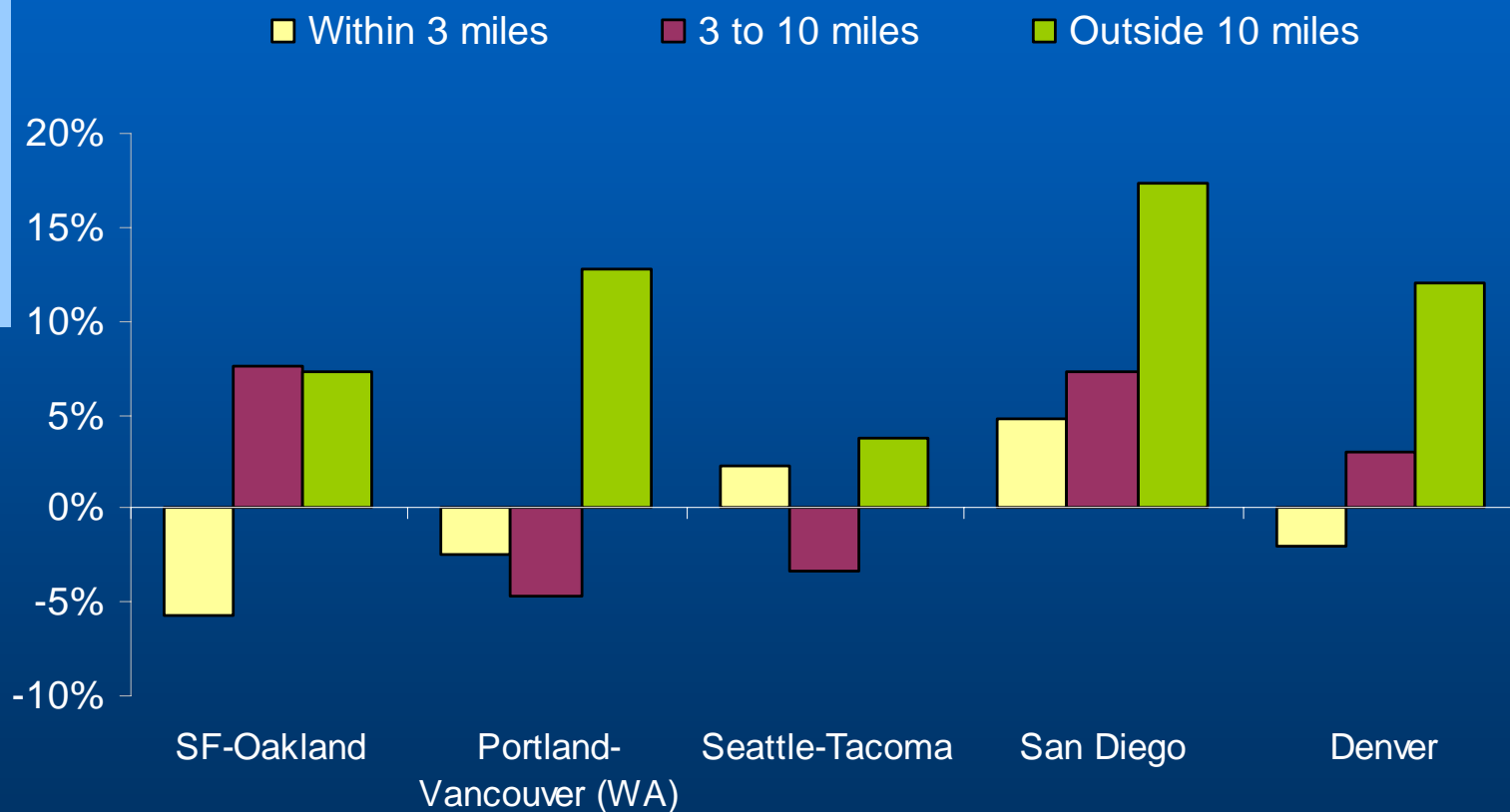


Downtown as employment destination

Though Denver's downtown remains a major job center, it has lost "market share" recently to suburban employment centers

Change in private-sector jobs by metropolitan location, 1998-2002

Source: author's analysis



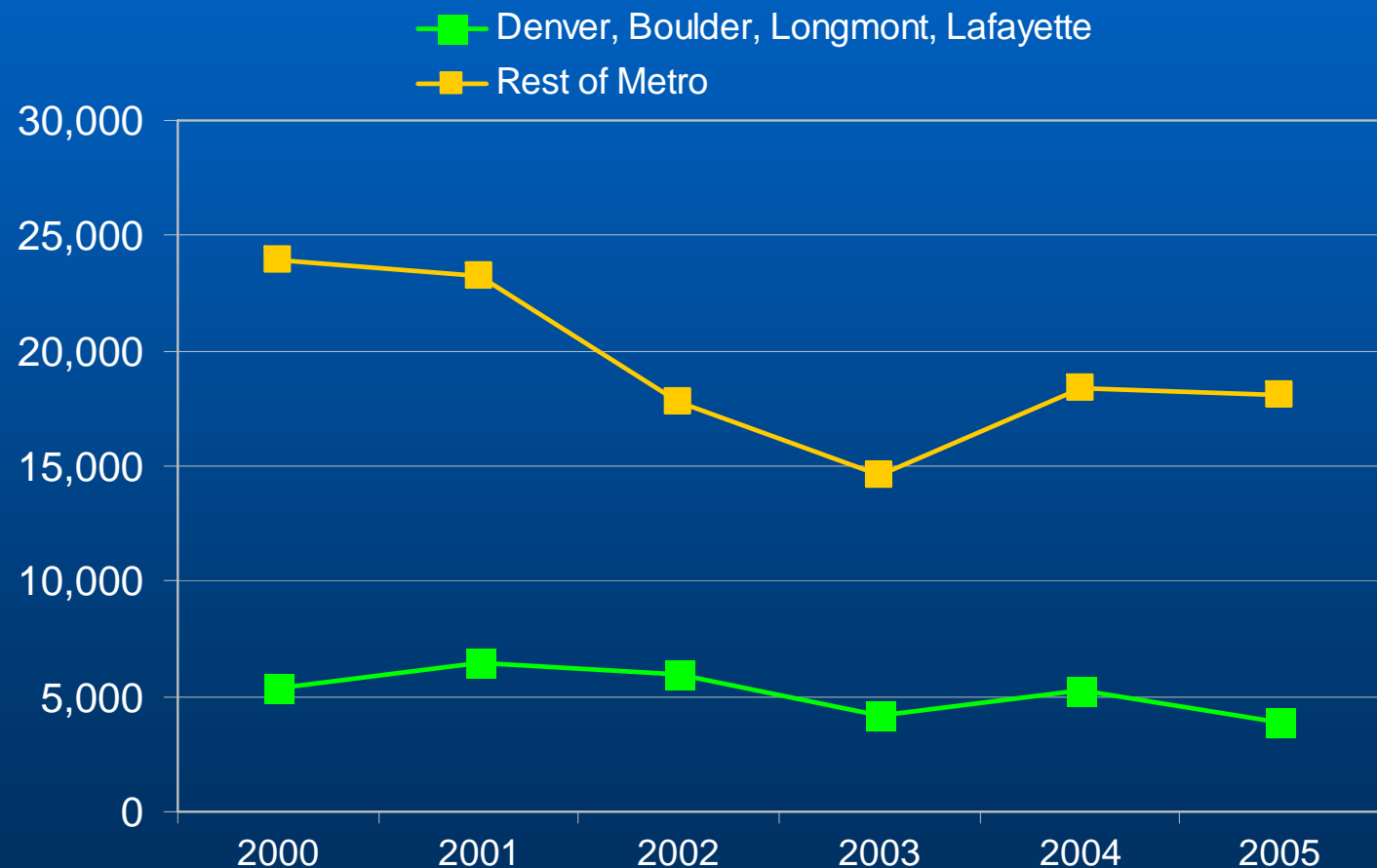


Inclusionary zoning in a broader range of metropolitan jurisdictions can keep Downtown both affordable and competitive

New housing permits, Denver metro area, 2000-2005

Source:
U.S. Census Bureau

Denver, Boulder, Longmont, and Lafayette have inclusionary zoning ordinances





Denver lags well behind Western peers in the proportion of its land devoted to parks and open space



City		Land Area	Park Area	%
1	San Diego	207,575	42,449	20.4
2	San Francisco	29,884	5,226	17.5
3	Portland	85,964	13,357	15.5
4	Seattle	53,677	6,043	11.3
5	Vancouver	29,888	3,207	10.7
6	Oakland	35,875	3,831	10.7
7	Denver	98,142	6,877	7.0

Source:
Trust for Public Land
(2004)



Denver should examine the educational opportunities available to families living in and around the downtown



Battle Academy



Brown Academy
for Classical
Studies


→ Chattanooga, TN opened two new magnet elementary schools in its downtown

→ The schools were specifically designed to appeal to middle-class families living or working downtown

→ Schools partner with UT-Chattanooga (also downtown) for curricula and staff development

→ Chattanooga has one of the largest shares of families with children among U.S. downtowns

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July 1, 2004

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METROPOLITAN POLICY PROGRAM

Brookings > Metropolitan Policy

Redefining the challenges facing metropolitan America and promoting innovative solutions to help communities grow in more inclusive, competitive, and sustainable ways.

ANNOUNCEMENT

Urban Center Becomes Metropolitan Program

In a major promotion, the Center on Urban and Metropolitan Policy this month became the Brookings Metropolitan Policy Program—and the first new Brookings department established since 1948. The new status reflects the rising importance of metropolitan issues to the domestic and global challenges Brookings seeks to address.

▶ read an open letter from Brookings President Strobe Talbott

METROPOLITAN GROWTH

Mechanisms for Market-Based Land Use Control

Using case studies and a national survey, this paper examines transfers of development rights (TDRs) and other market-based land preservation techniques like mitigation banking and density transfer fees.

IMMIGRATION

Washington Goes Polyglot

Metro Washington's "limited English proficient" (LEP) population

METROVIEW
Deficits by Design Plague Metro
by Robert Puentes
The Washington Times
June 21, 2004

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