



Lexington, Kentucky

Anchor Institution Study – Findings and Recommendations

April 2012



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

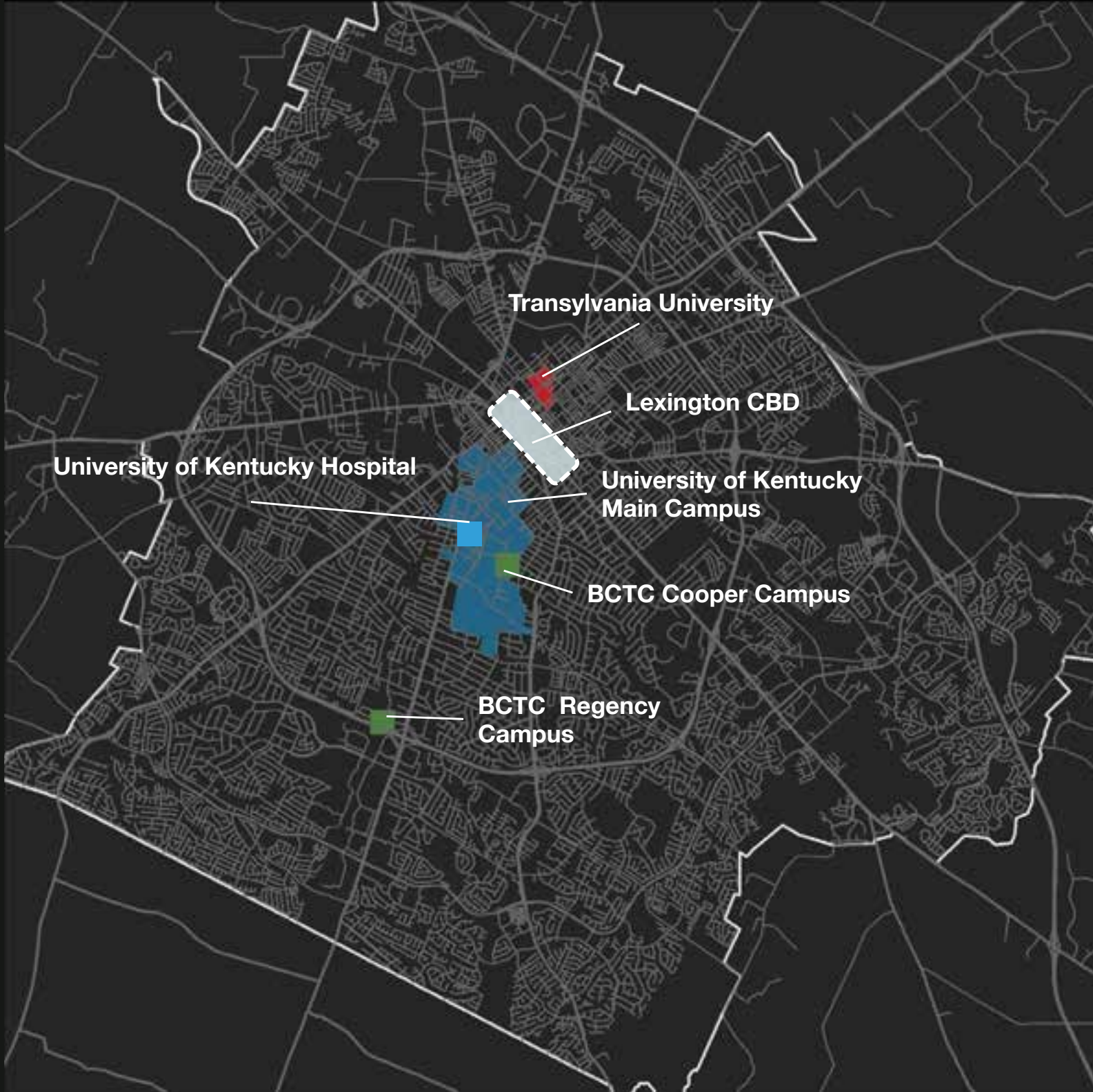


Lexington

Population:
295,000

Median Age:
33.8 years old

Median Income:
\$46,914

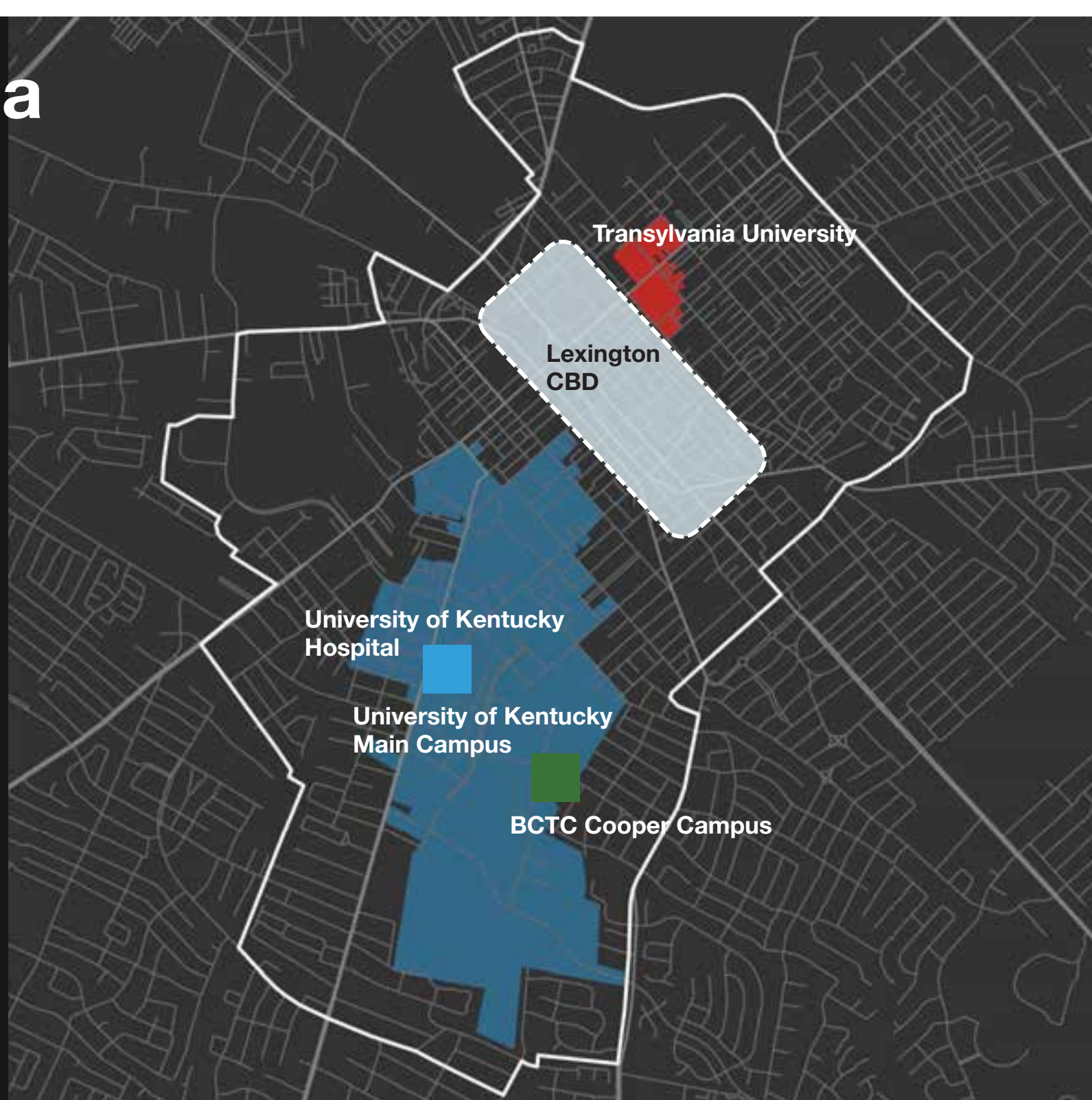


Study Area

Population:
37,700

Median Age:
24.3 years old

Median Income:
\$25,823



Study Area



Anchor Summary



University of Kentucky



13,700
Employees

Median Salary: N/A
Median Age: **44**

27,000
Students

20,000 Undergraduate
7,000 Graduate

The majority of UK students are **full time**

1,200
Avg. annual hires

University of Kentucky
Main Campus

Lexington
CBD

University of Kentucky - Hospital

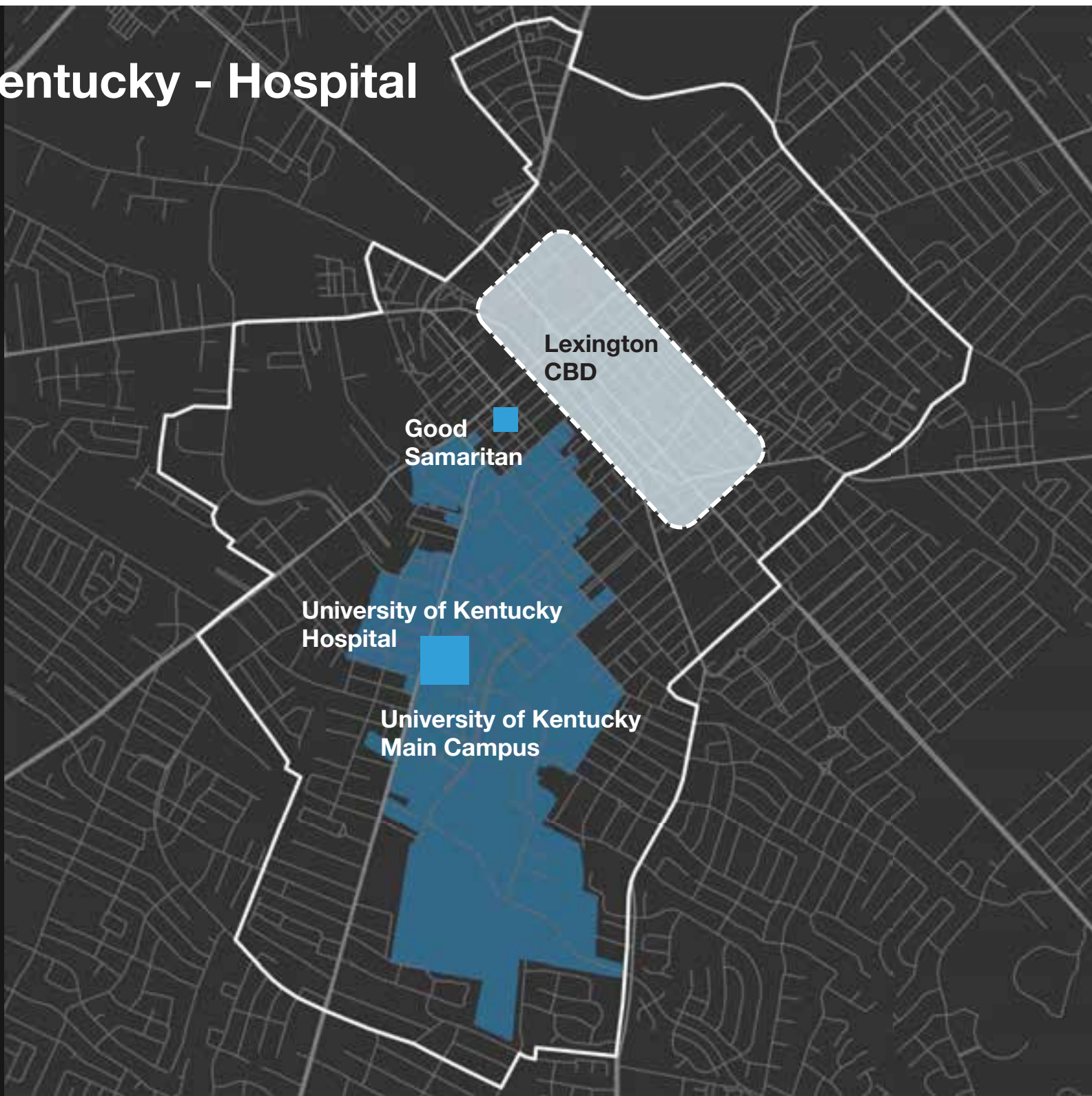


5,700
Employees

640
Annual hires

700
Beds

400,000
Patient visits



Source: University of Kentucky

Transylvania University



300
Employees

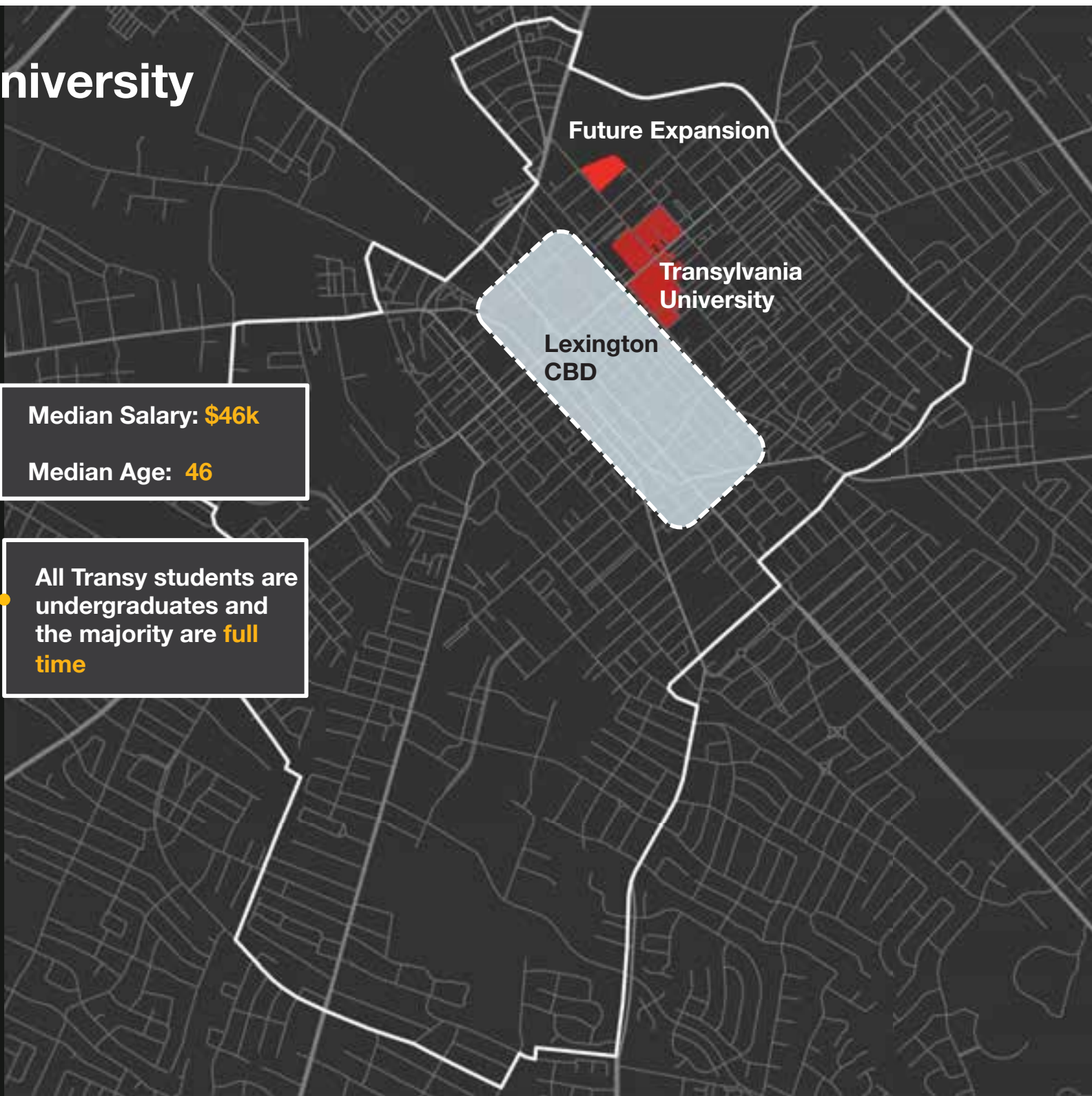
Median Salary: **\$46k**
Median Age: **46**

1,000
Students

All Transy students are undergraduates and the majority are **full time**

\$19.7 million
Annual spend

30
Avg. annual hires



BCTC



500
Employees

Median Salary: **\$43k**
Median Age: **49**

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

About half of BCTCS students are **full time**

\$83 million
Annual spend

45
Avg. annual hires



Economic Engines

Employing **14,500** workers

Educating **37,000** students

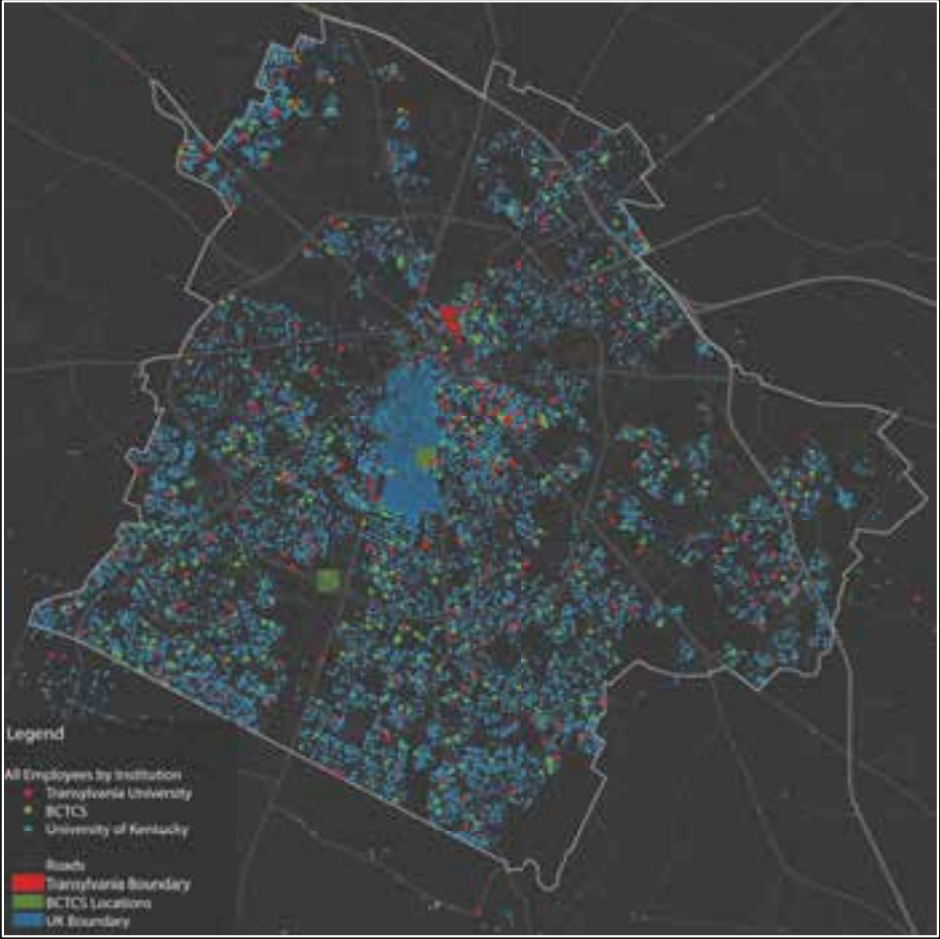
Treating **400,000** patients annually

Hiring **1,800** new employees annually

Lexington Impact



Anchor Employees – All Institutions



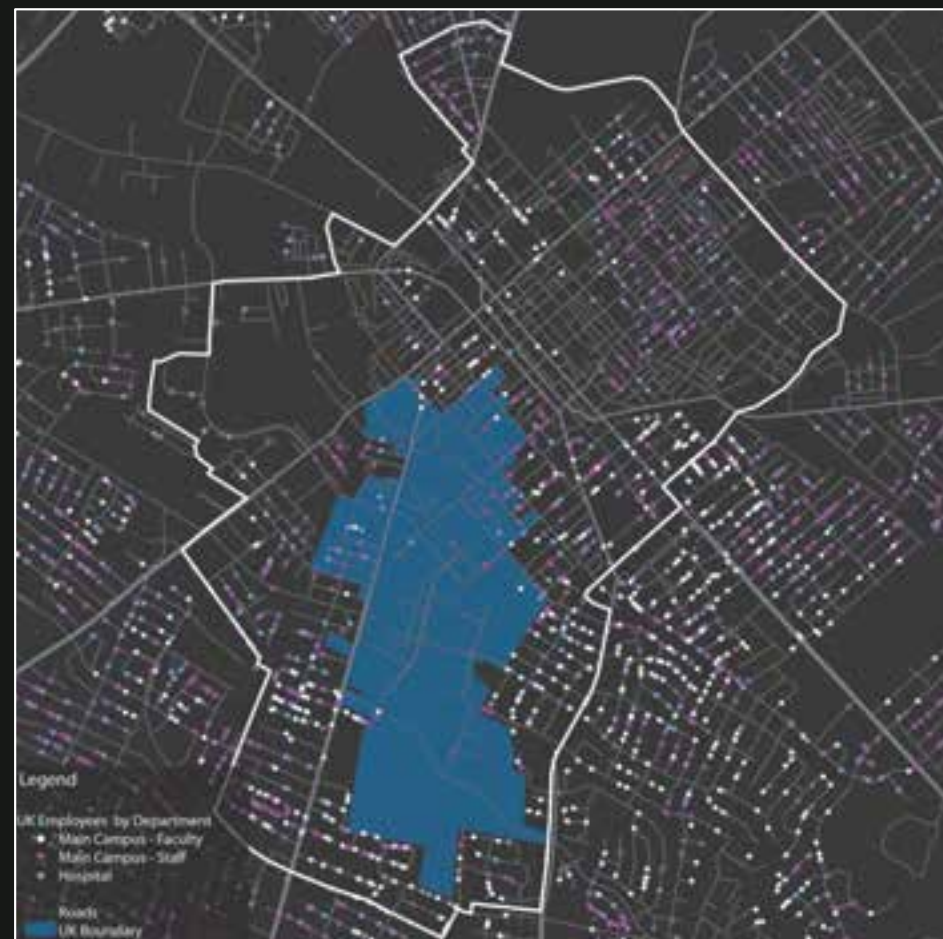
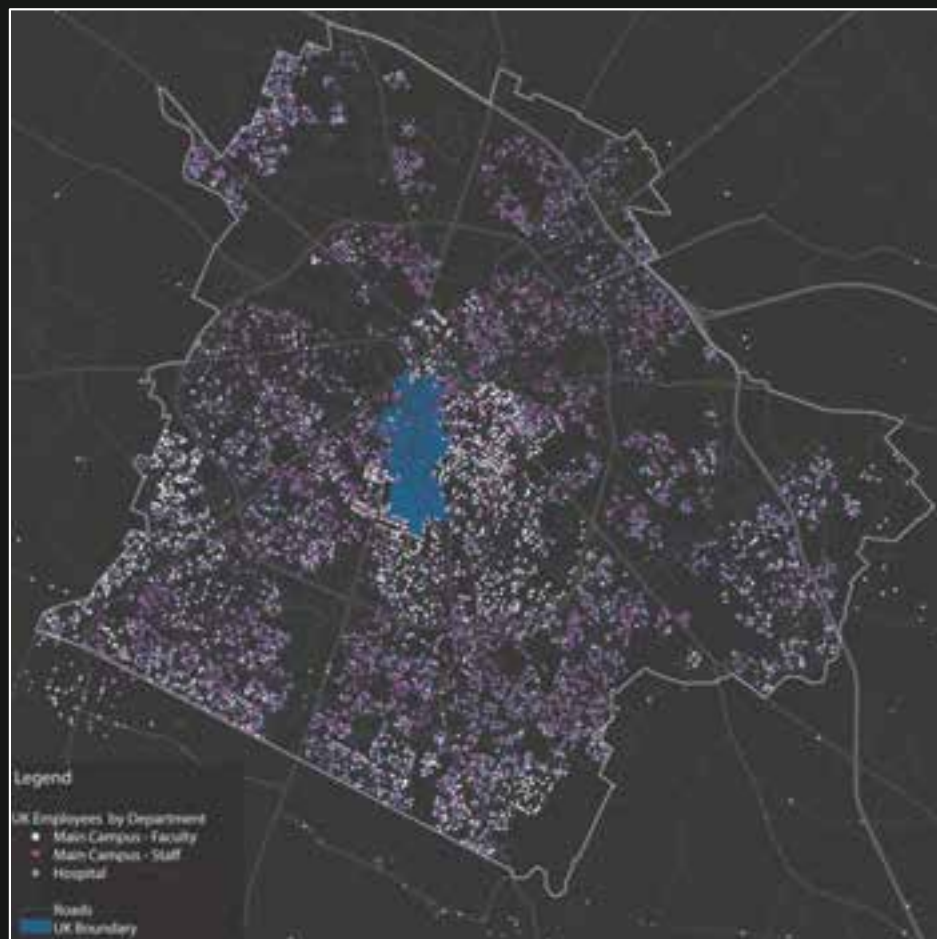
68%

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

7.7%

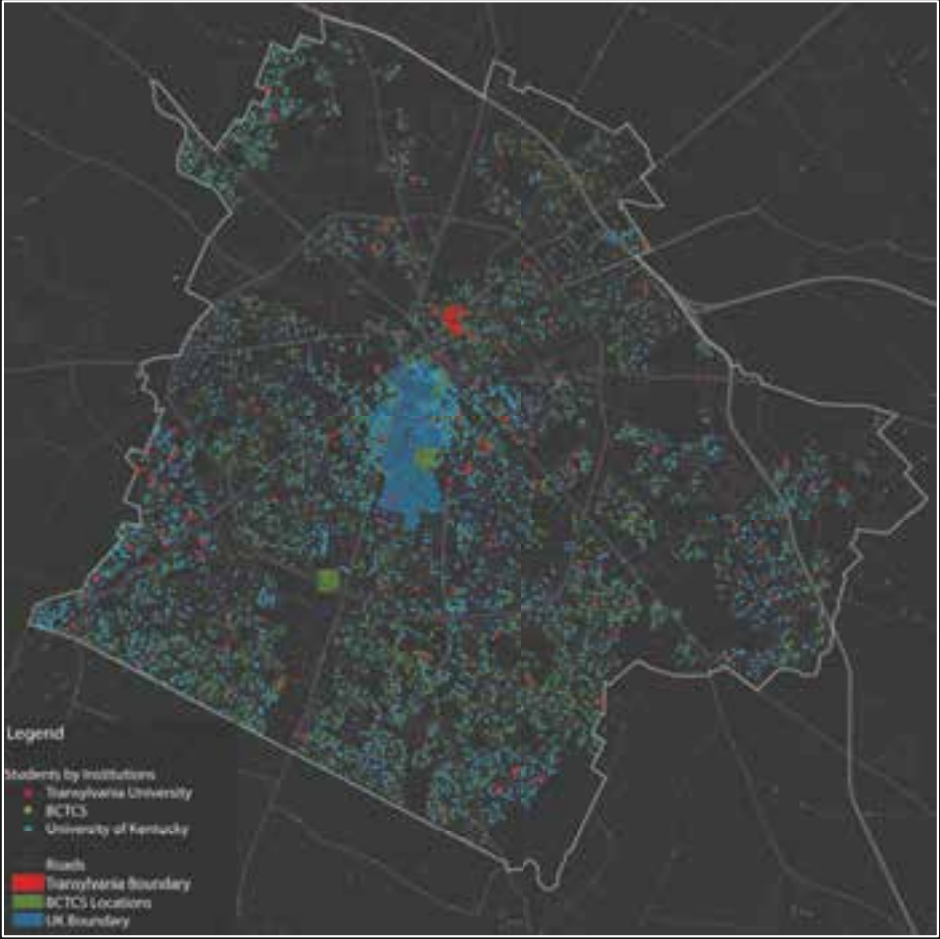
Employees live in Study Area **(1,200)**

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*0%

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

29%

Students live in Study Area (10,900)

Anchor Students

UK

Transylvania

BCTC

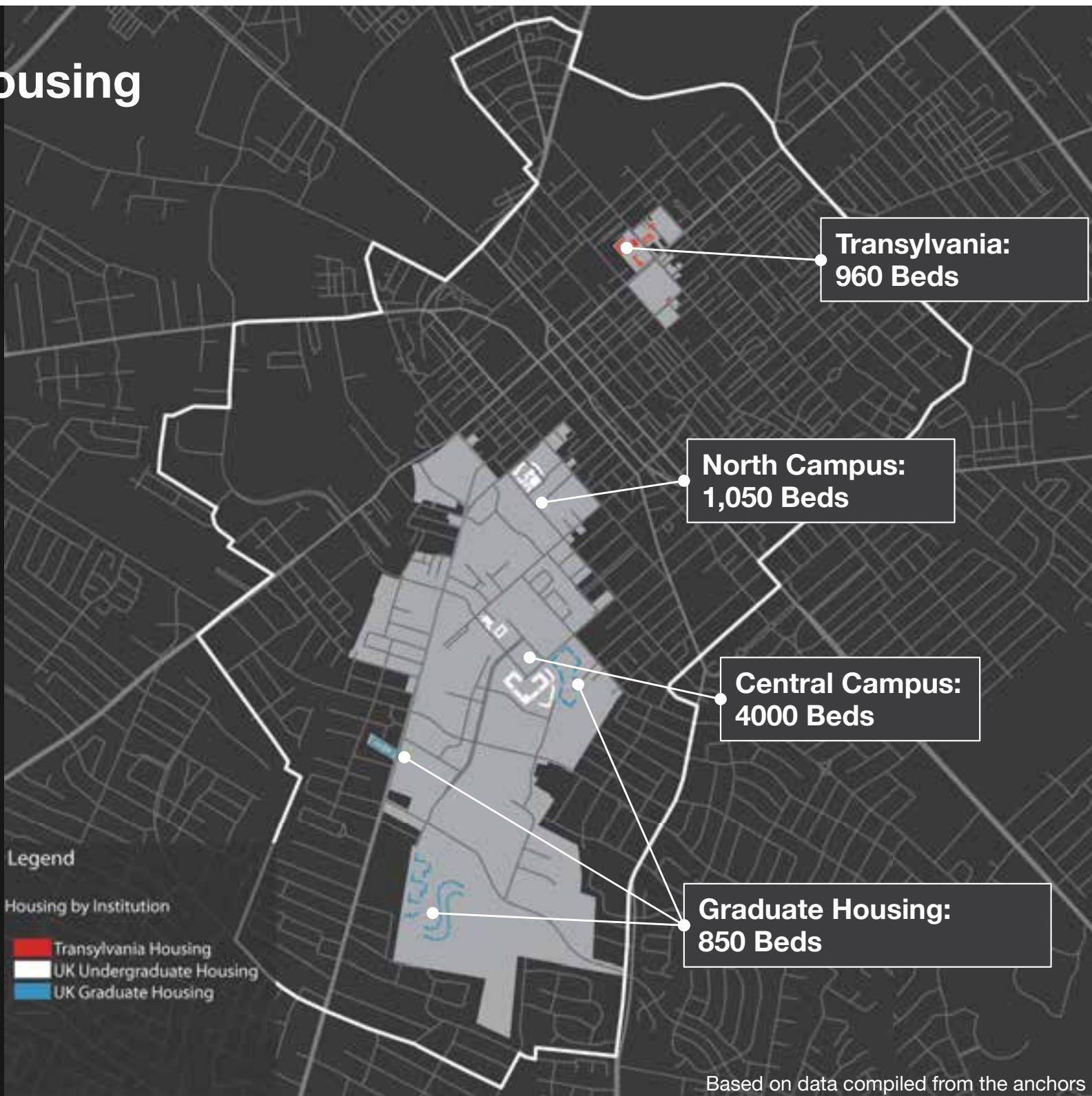


There is an even distribution of all students being captured in the city while the study area has a higher percentage of University of Kentucky Seniors.

On-Campus Housing

UK currently has about **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.



Based on data compiled from the anchors

UK Housing

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

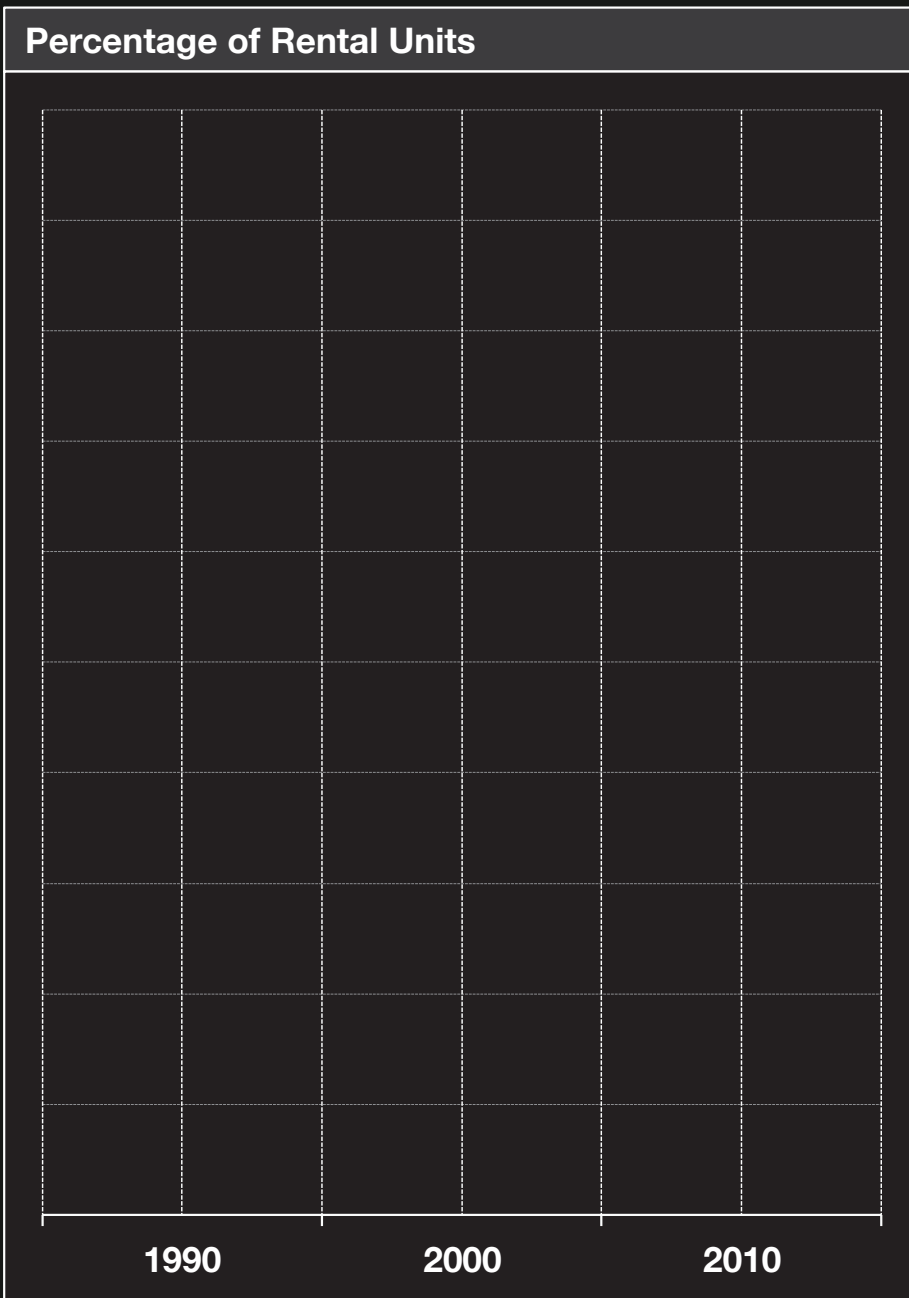
Percentage Rental Units

Percentage Non-Family Households

Commercial Corridors

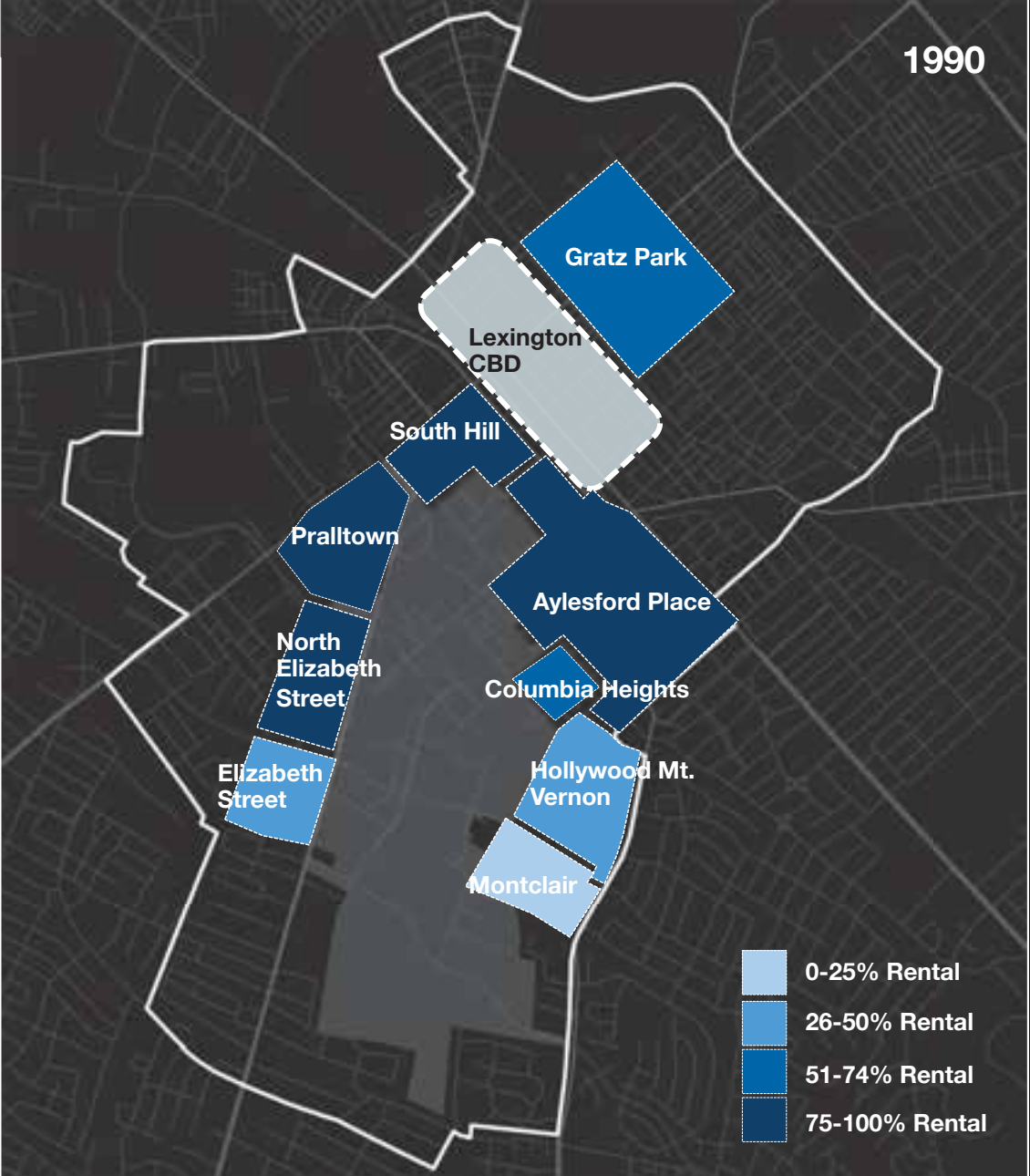
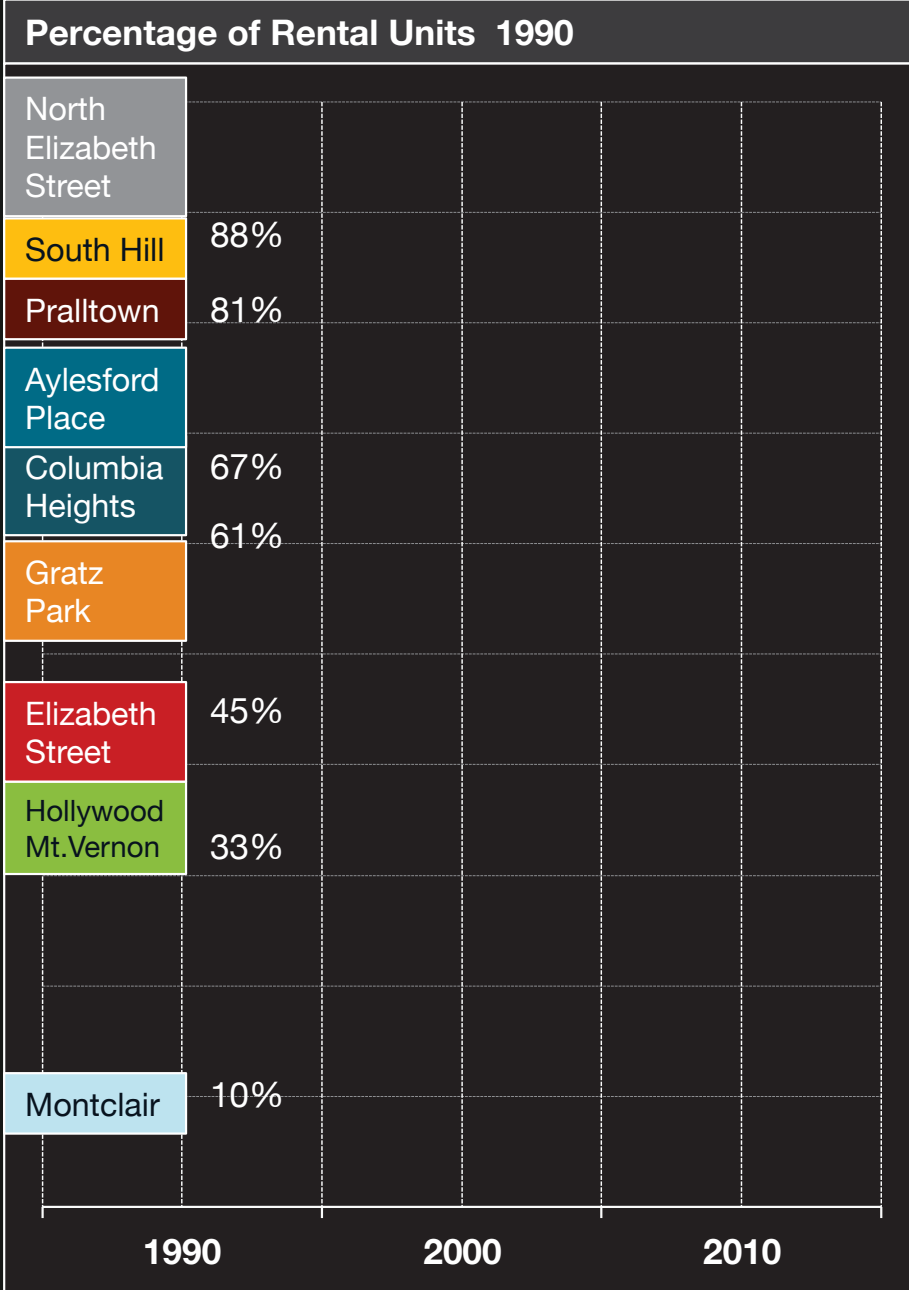


Neighborhood Analysis



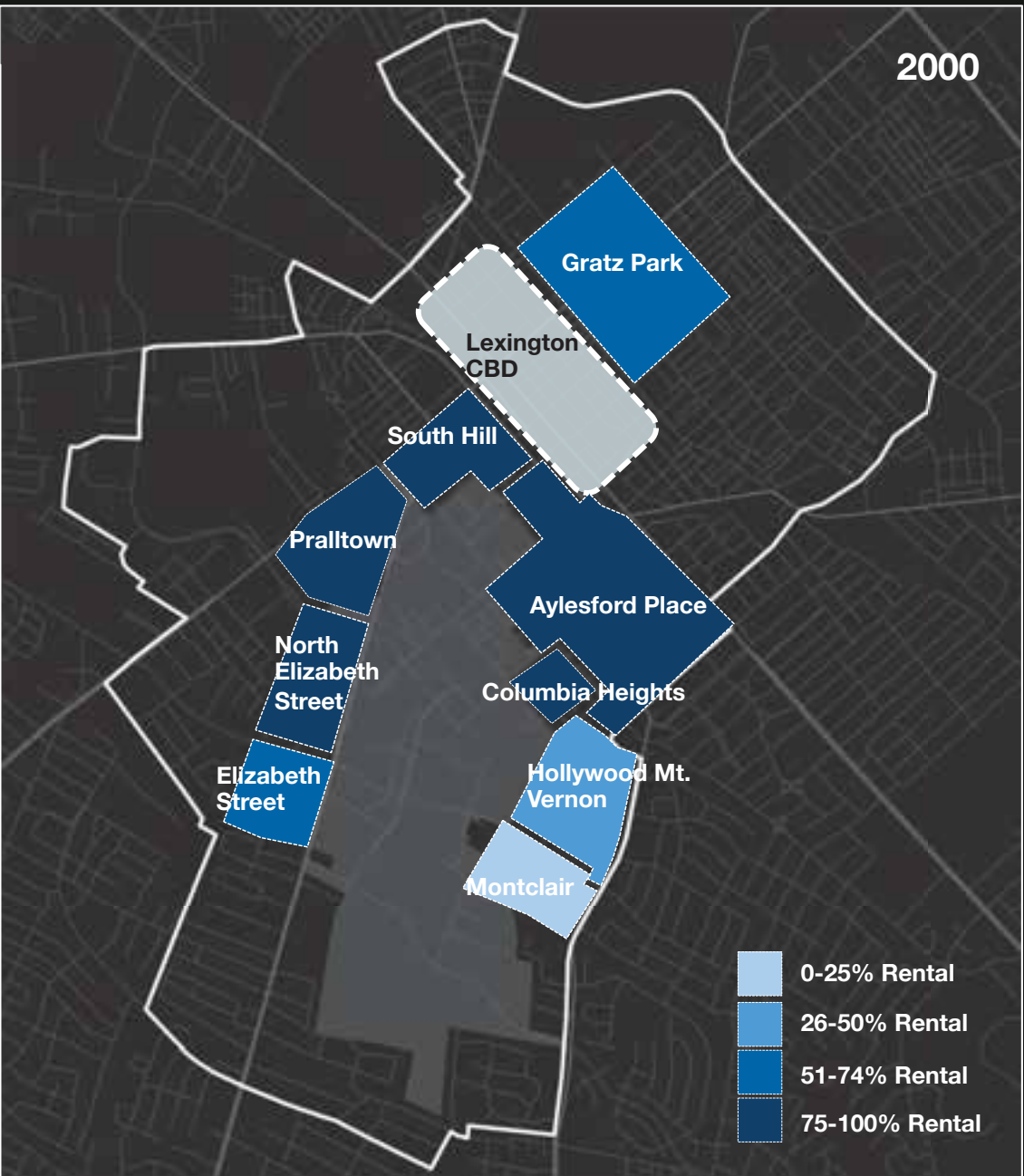
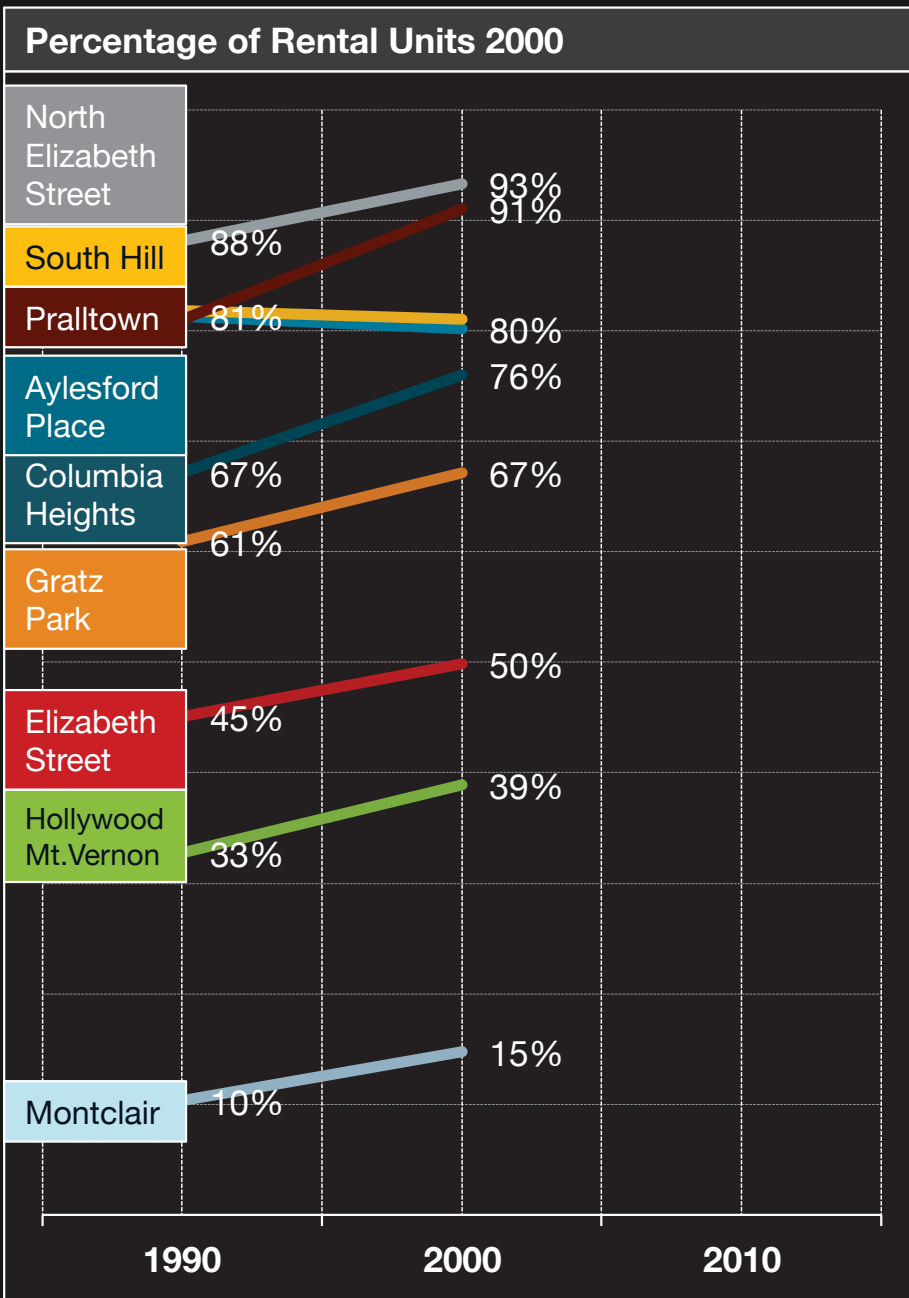
Source: American Community Survey

Neighborhood Analysis



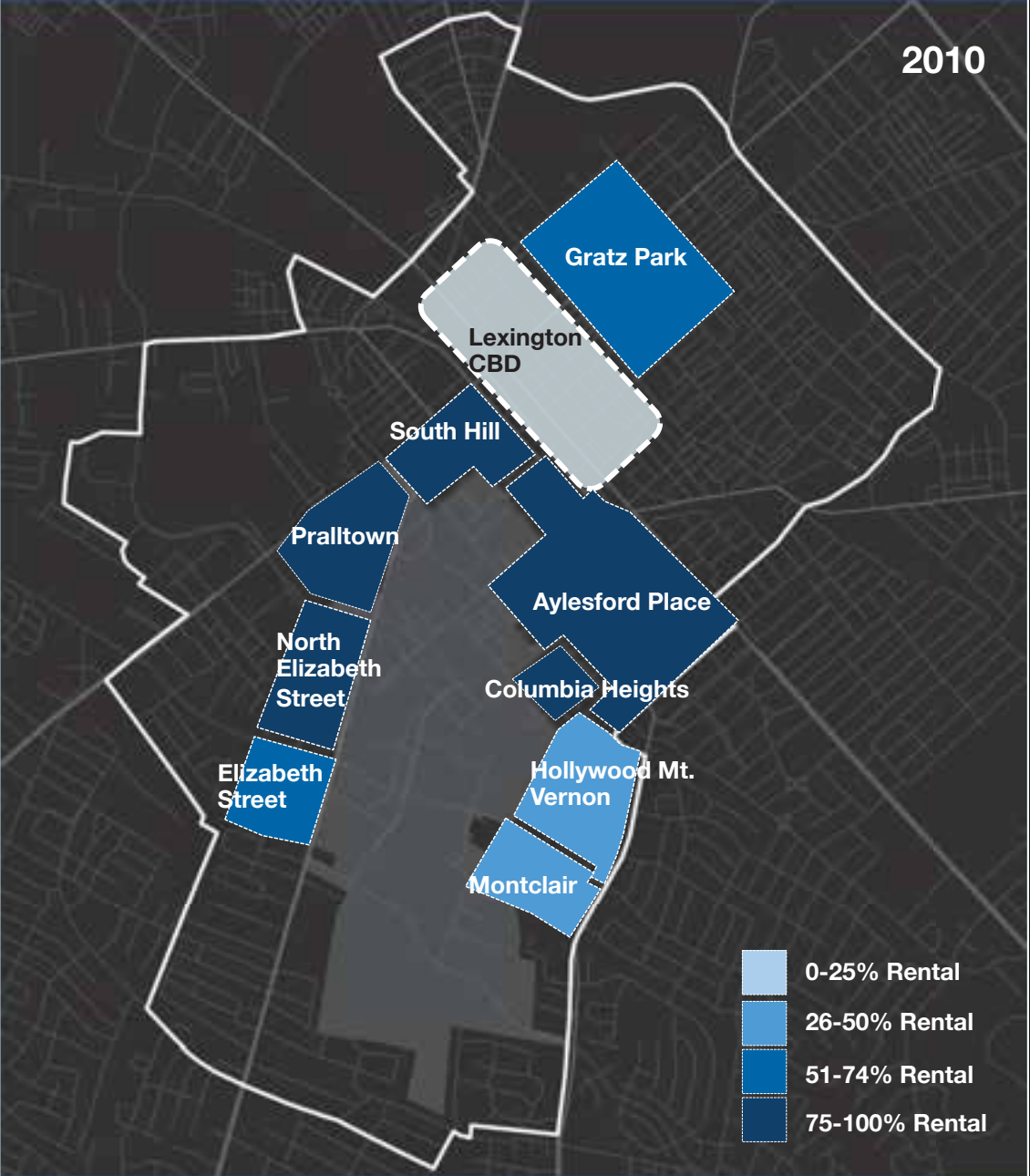
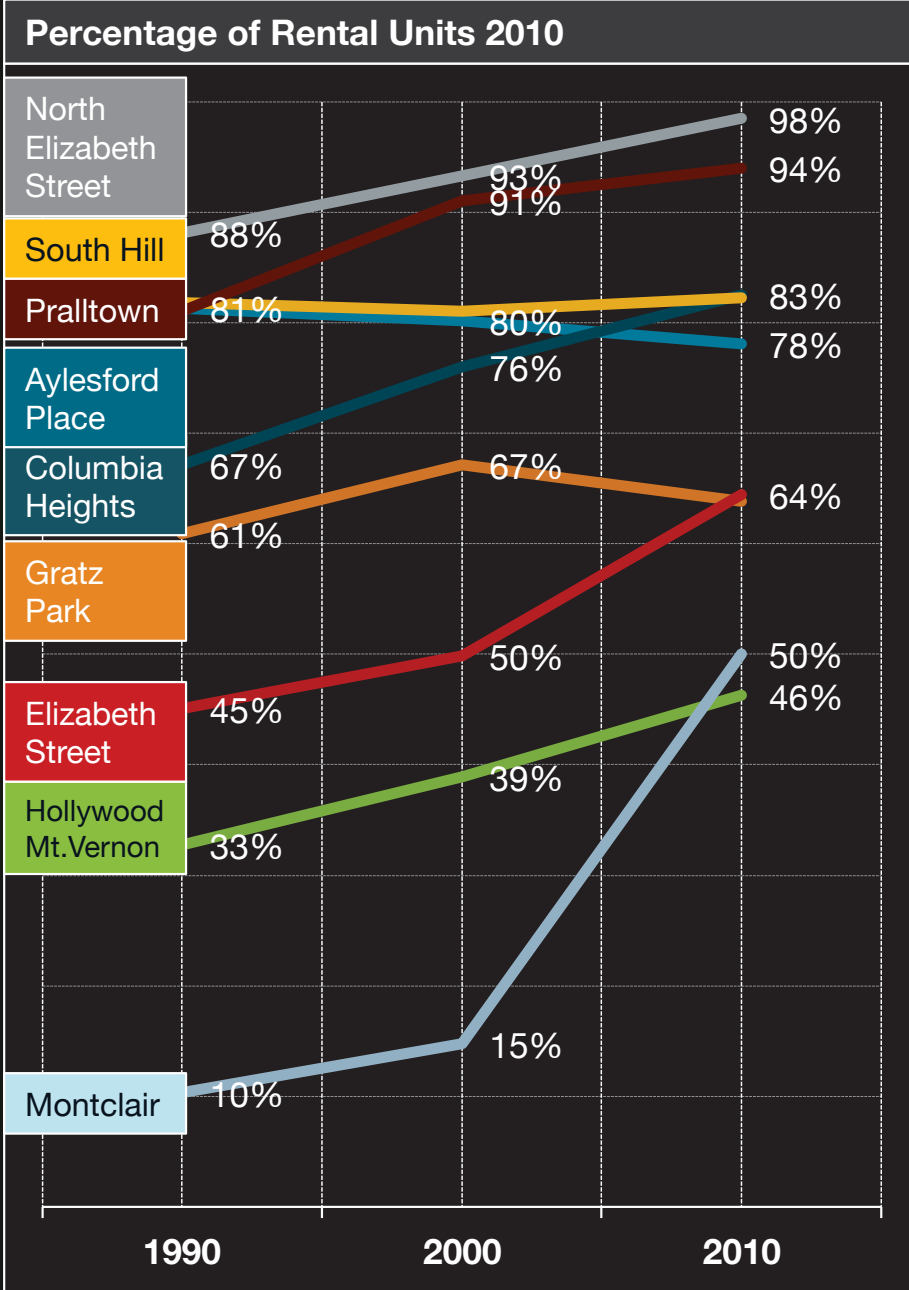
Source: American Community Survey

Neighborhood Analysis



Source: American Community Survey

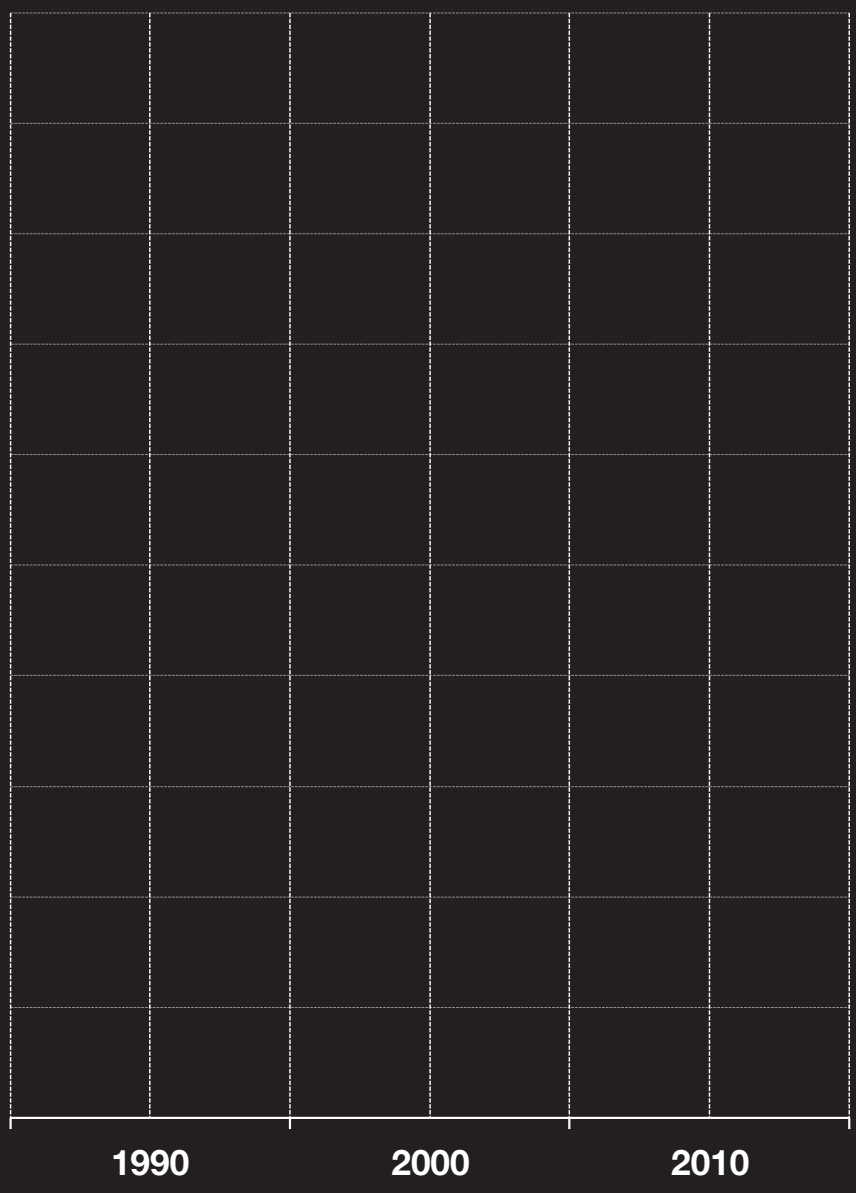
Neighborhood Analysis



Source: American Community Survey

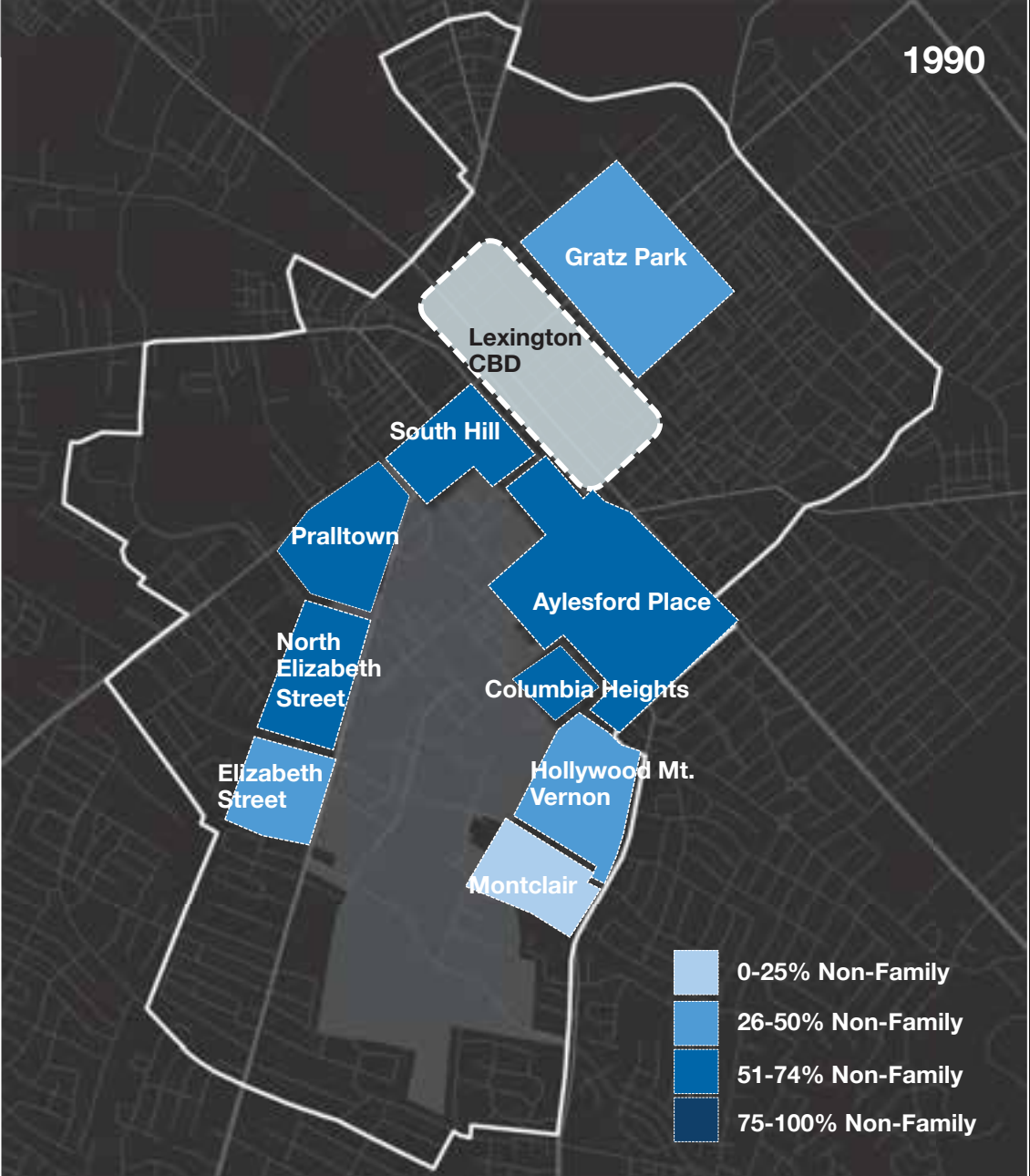
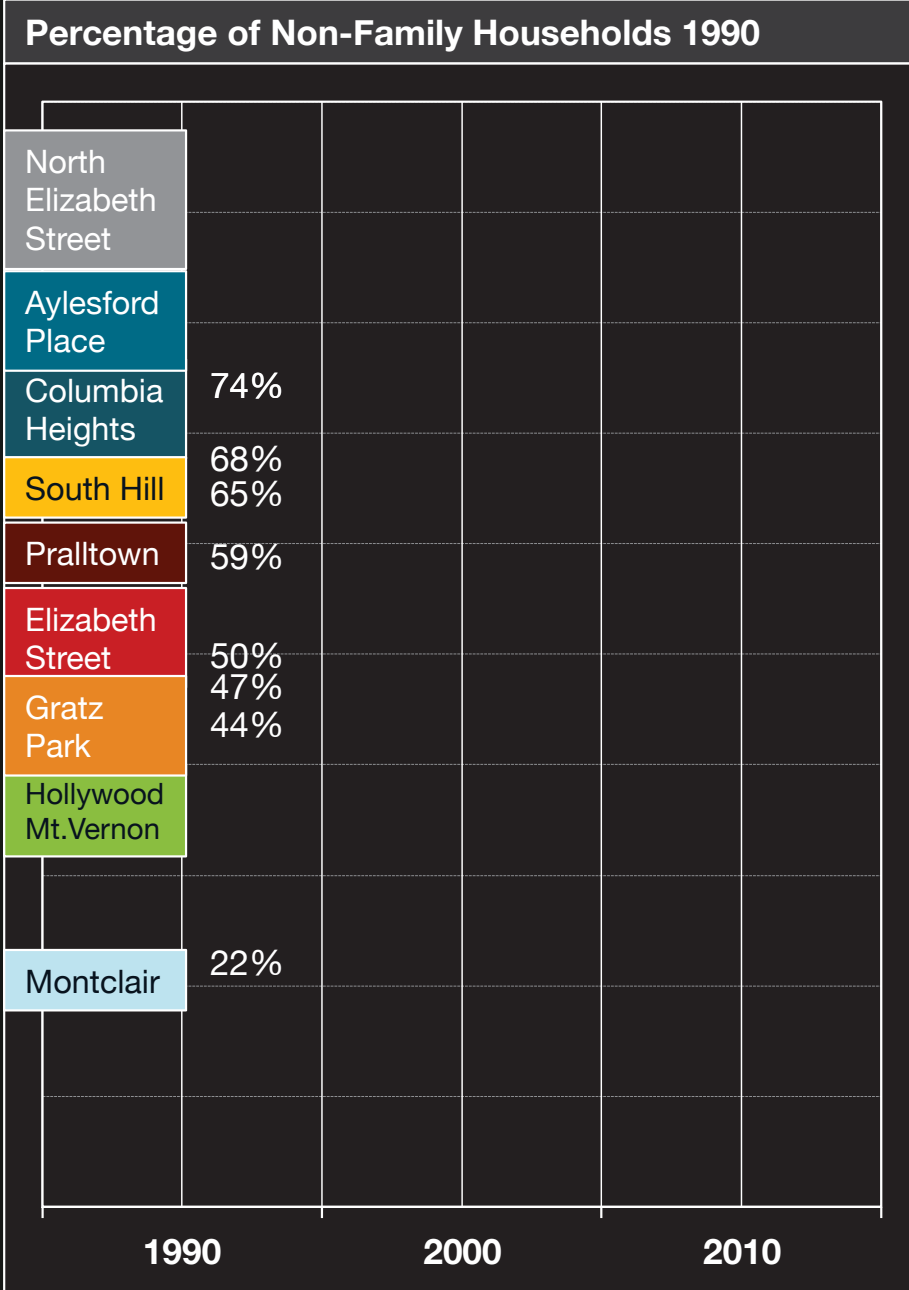
Neighborhood Analysis

Percentage of Non-Family Households



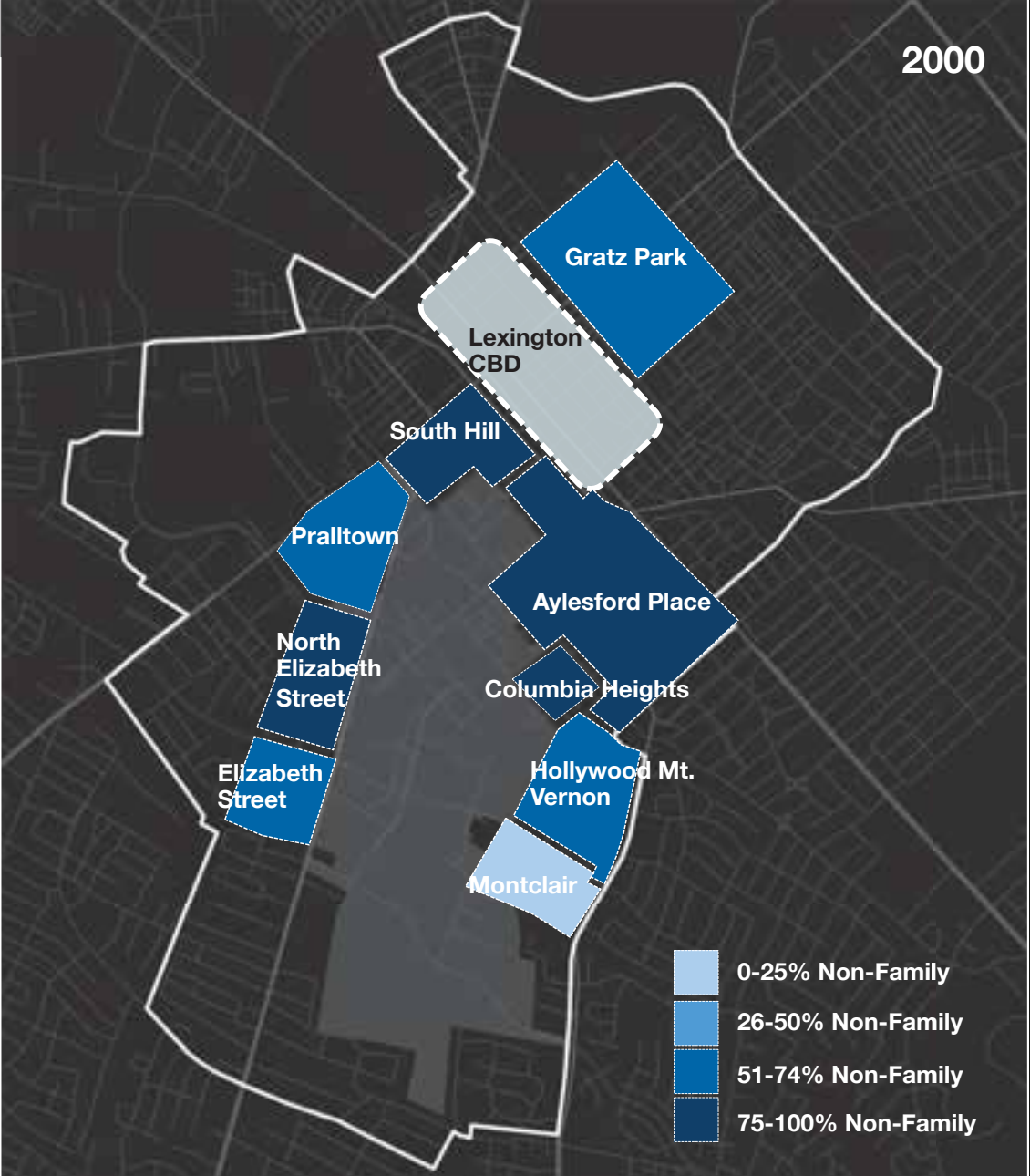
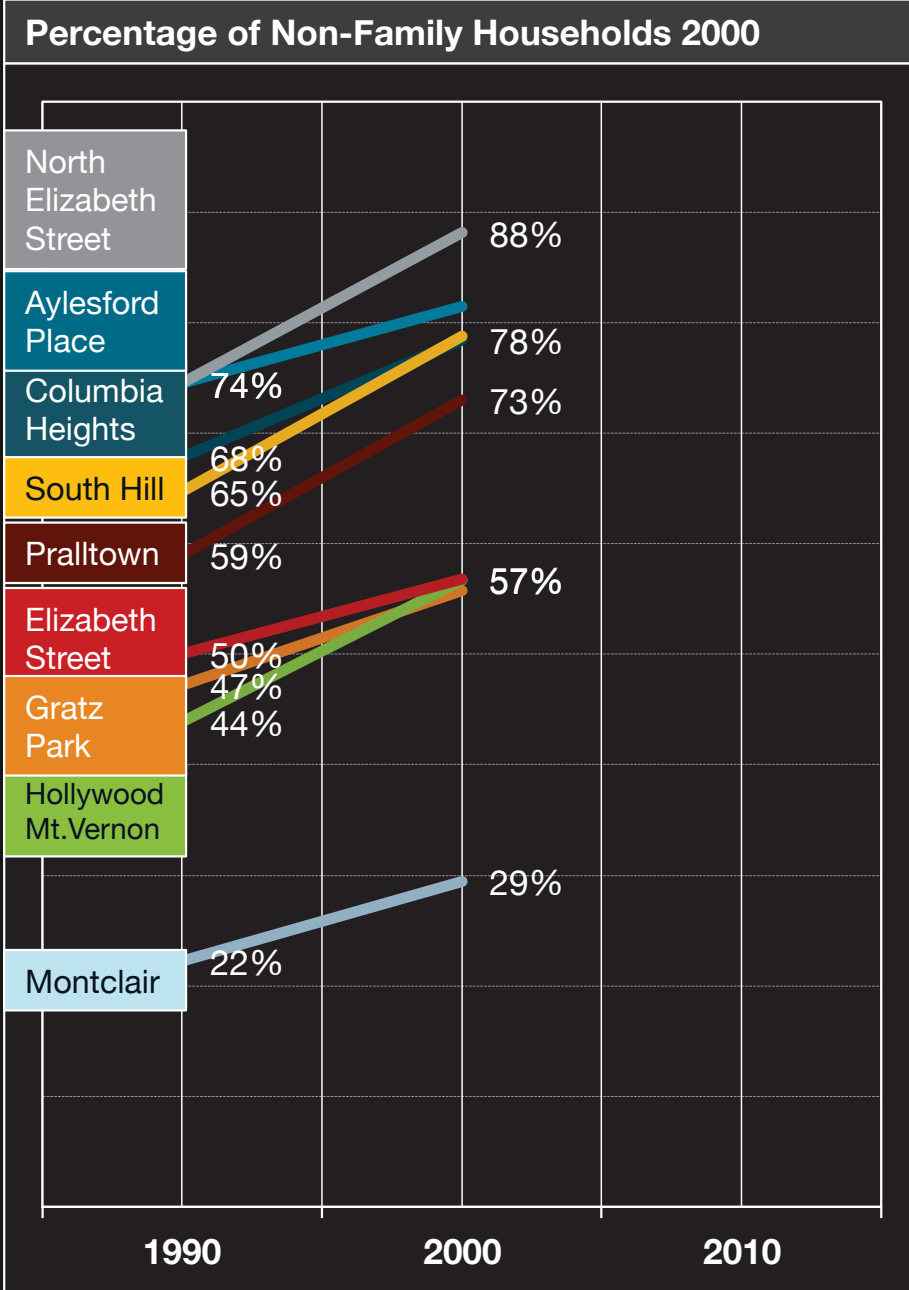
Source: American Community Survey

Neighborhood Analysis



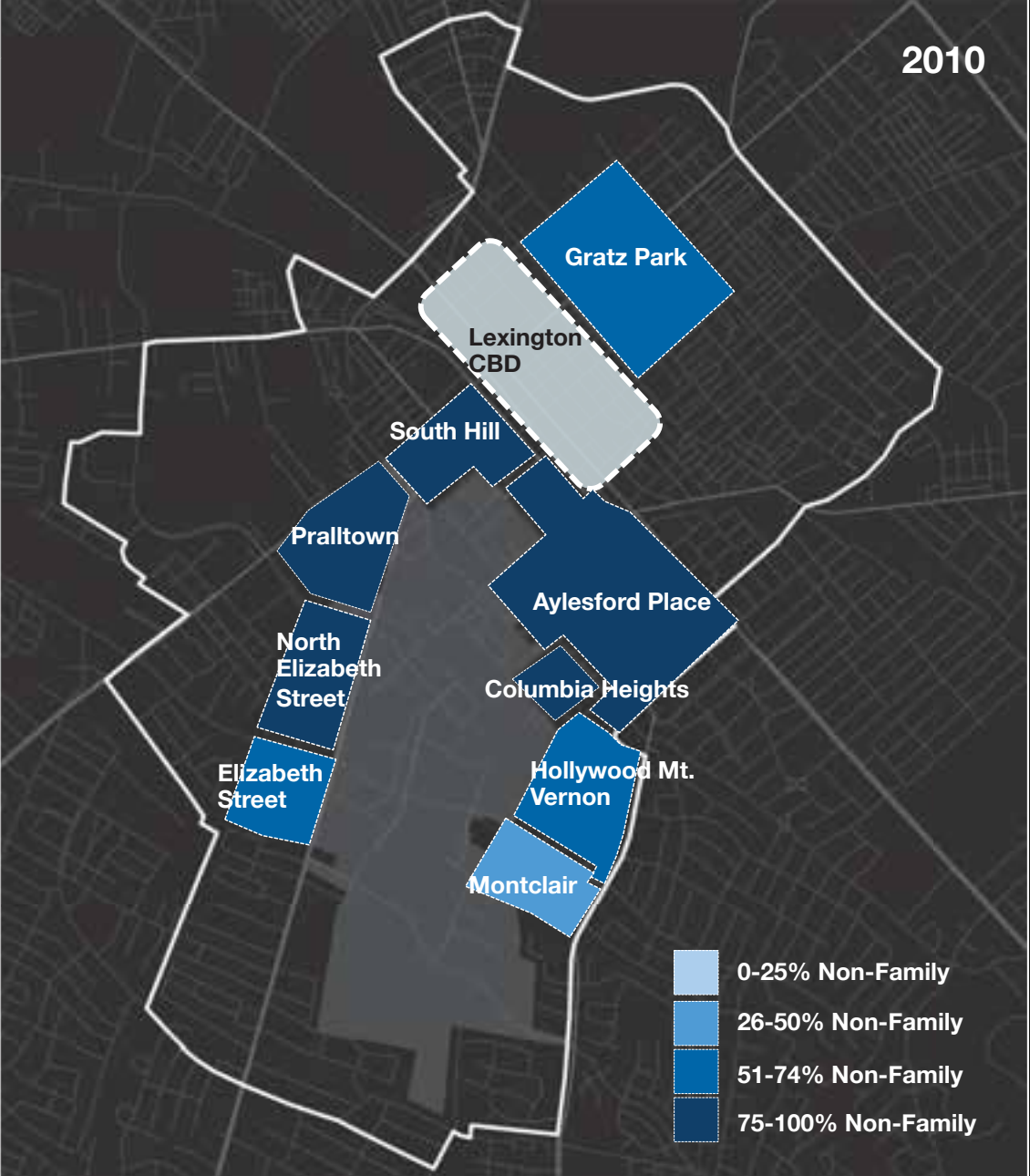
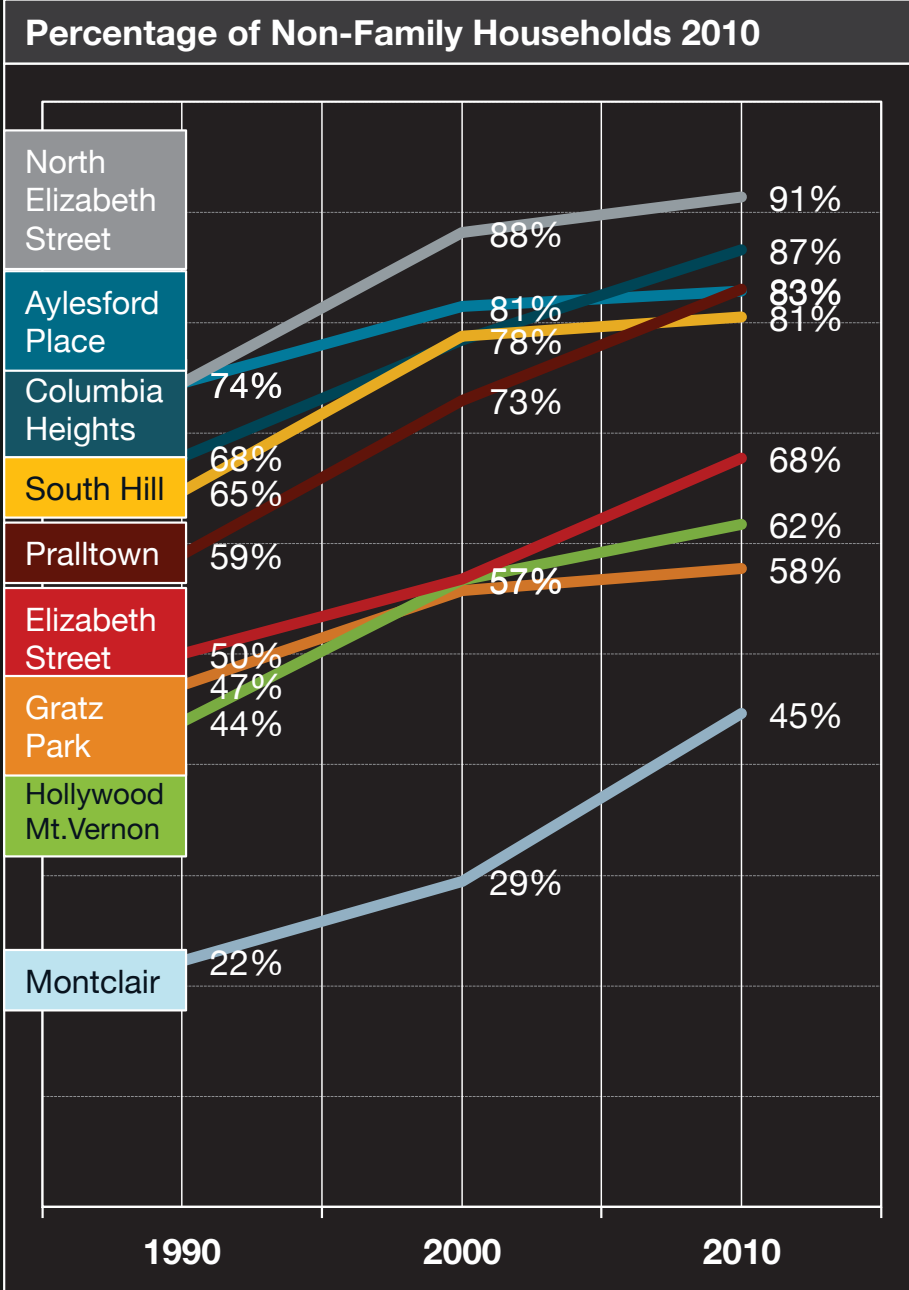
Source: American Community Survey

Neighborhood Analysis



Source: American Community Survey

Neighborhood Analysis



Source: American Community Survey

Neighborhood Analysis



Once healthy residential neighborhoods becoming dominated by poorly maintained student rental properties

A photograph of a two-story house with a porch and a 'FOR RENT' sign in the yard. The house has light-colored siding and a dark roof. A black car and a red SUV are parked in the driveway. The text 'PARTIES NOISE TRASH CRIME' is overlaid in white, bold, sans-serif font on the left side of the image.


**PARTIES
NOISE
TRASH
CRIME**

A photograph of a row of houses with a large yellow 'TENSION' text overlay. The houses are in a row, and the foreground is covered in fallen leaves. The text 'TENSION' is overlaid in large, bold, yellow, sans-serif font across the middle of the image.

TENSION

A photograph of a two-story house with a porch and a 'FOR RENT' sign in the yard. The house has light-colored siding and a dark roof. A black car and a red SUV are parked in the driveway. The text 'PARTIES NOISE TRASH CRIME' is overlaid in white, bold, sans-serif font on the left side of the image.

**PARTIES
NOISE
TRASH
CRIME**

A photograph of a large, multi-story brick building, likely a campus residence hall. The building has many windows and a prominent entrance. The text 'CAMPUS POLICY DRY CAMPUS CODE OF CONDUCT' is overlaid in white, bold, sans-serif font on the left side of the image.

**CAMPUS POLICY
DRY CAMPUS
CODE OF CONDUCT**

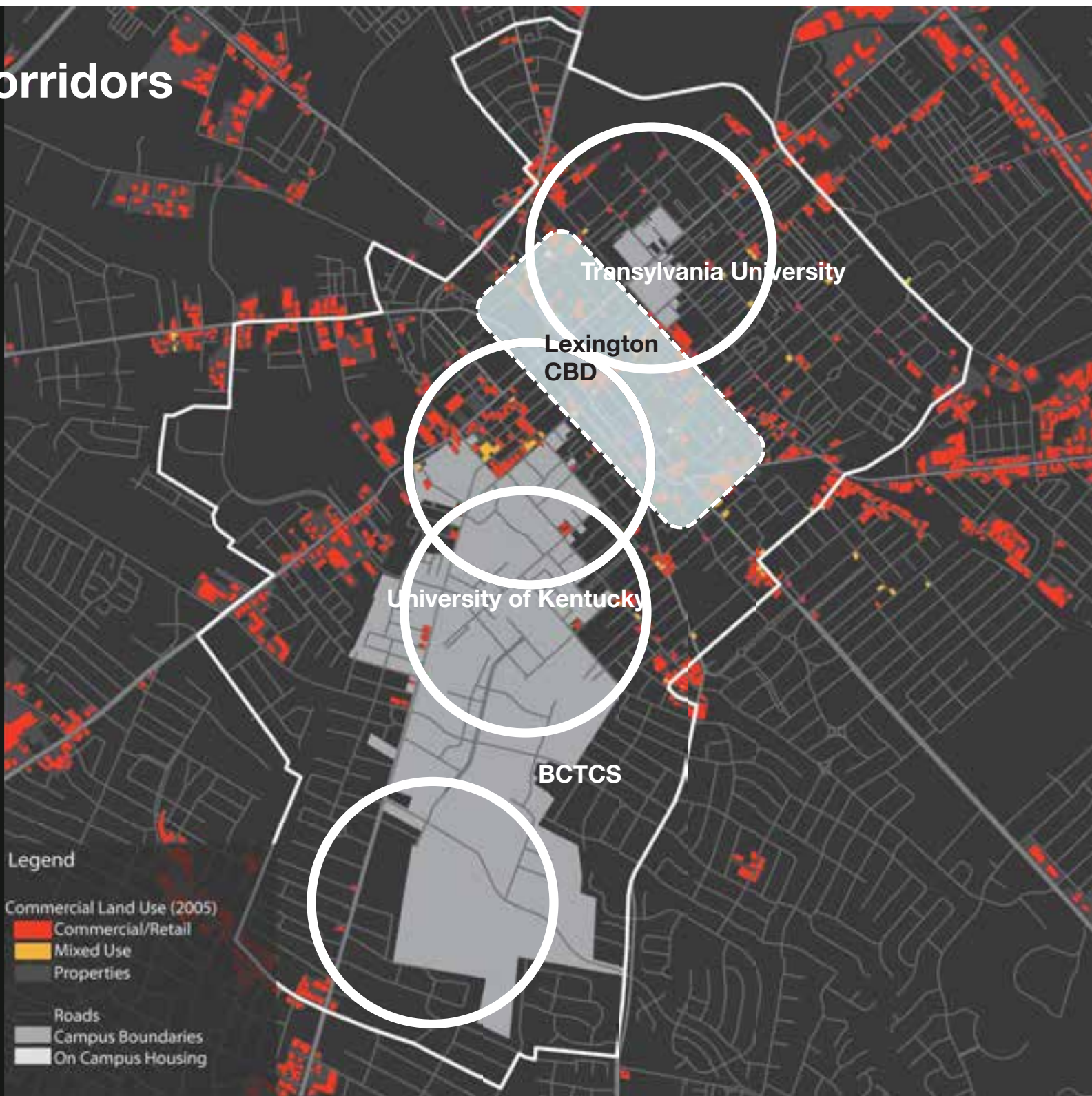
Commercial Corridor Analysis



Commercial Corridors

Commercial, Retail, and Mixed Use zoning

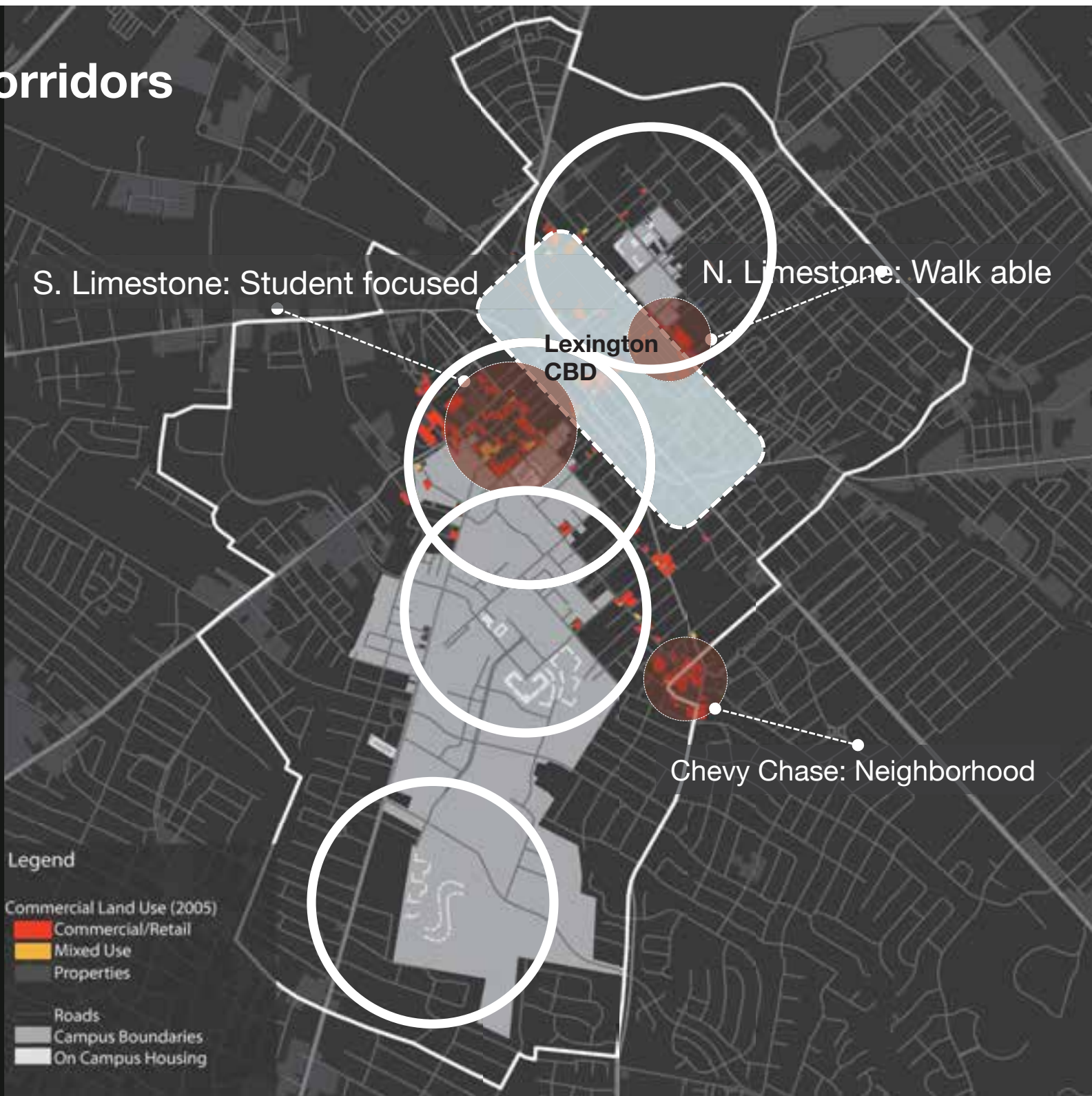
0.5 miles from population 'center of gravity'



Source: LFUCG

Commercial Corridors

'Walk able' retail



0.5 miles from population 'center of gravity'

Commercial Corridors

'Walk able' retail

- Grocery Stores
- Proposed Multi-Unit Student Housing
- 0.5 miles from population 'center of gravity'

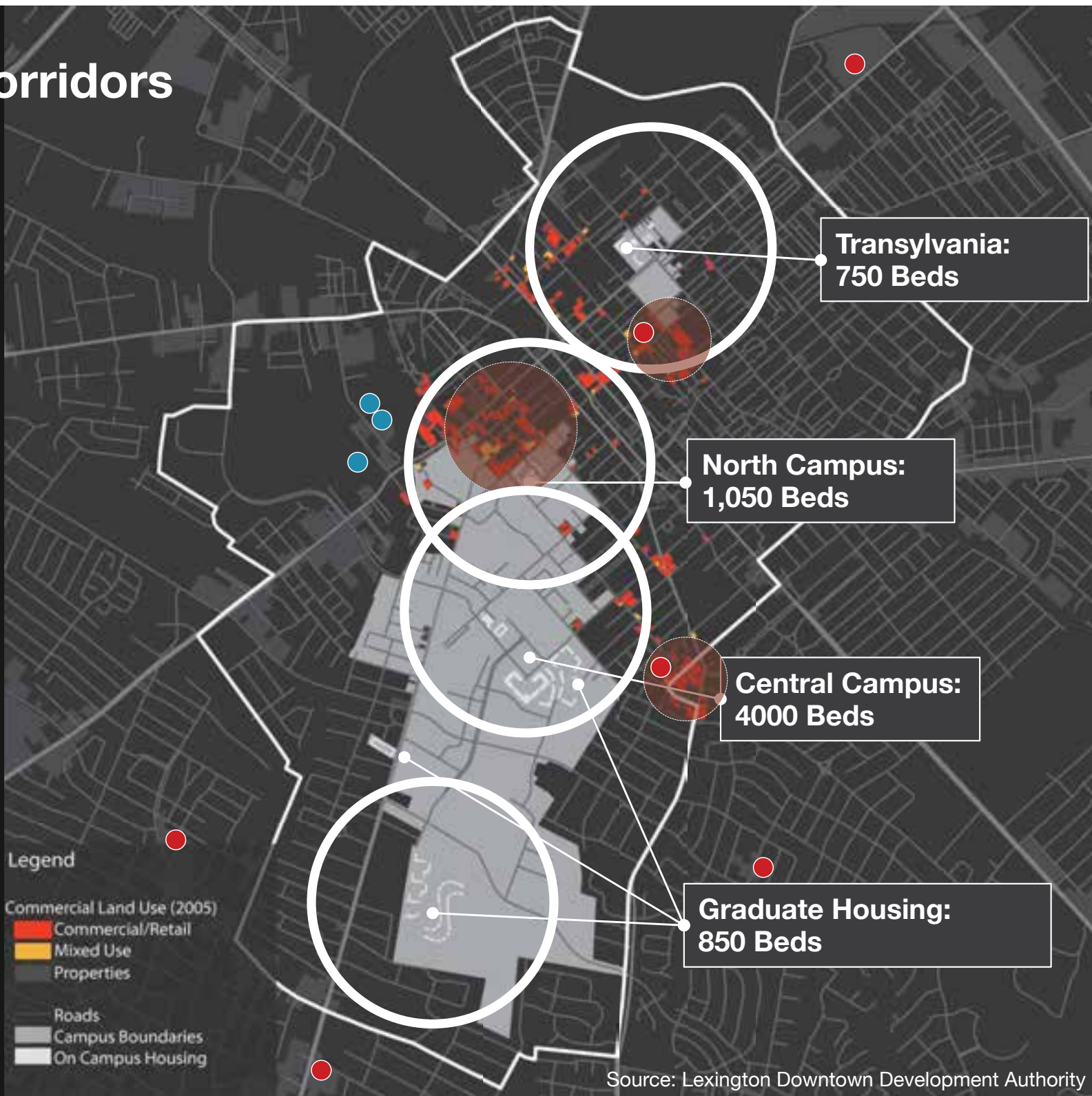


Source: LFUCG

Commercial Corridors

Nearly **5,000 beds** are not within walking distance to a commercial corridor

- Grocery Stores
- Proposed Multi-Unit Student Housing



Source: Lexington Downtown Development Authority

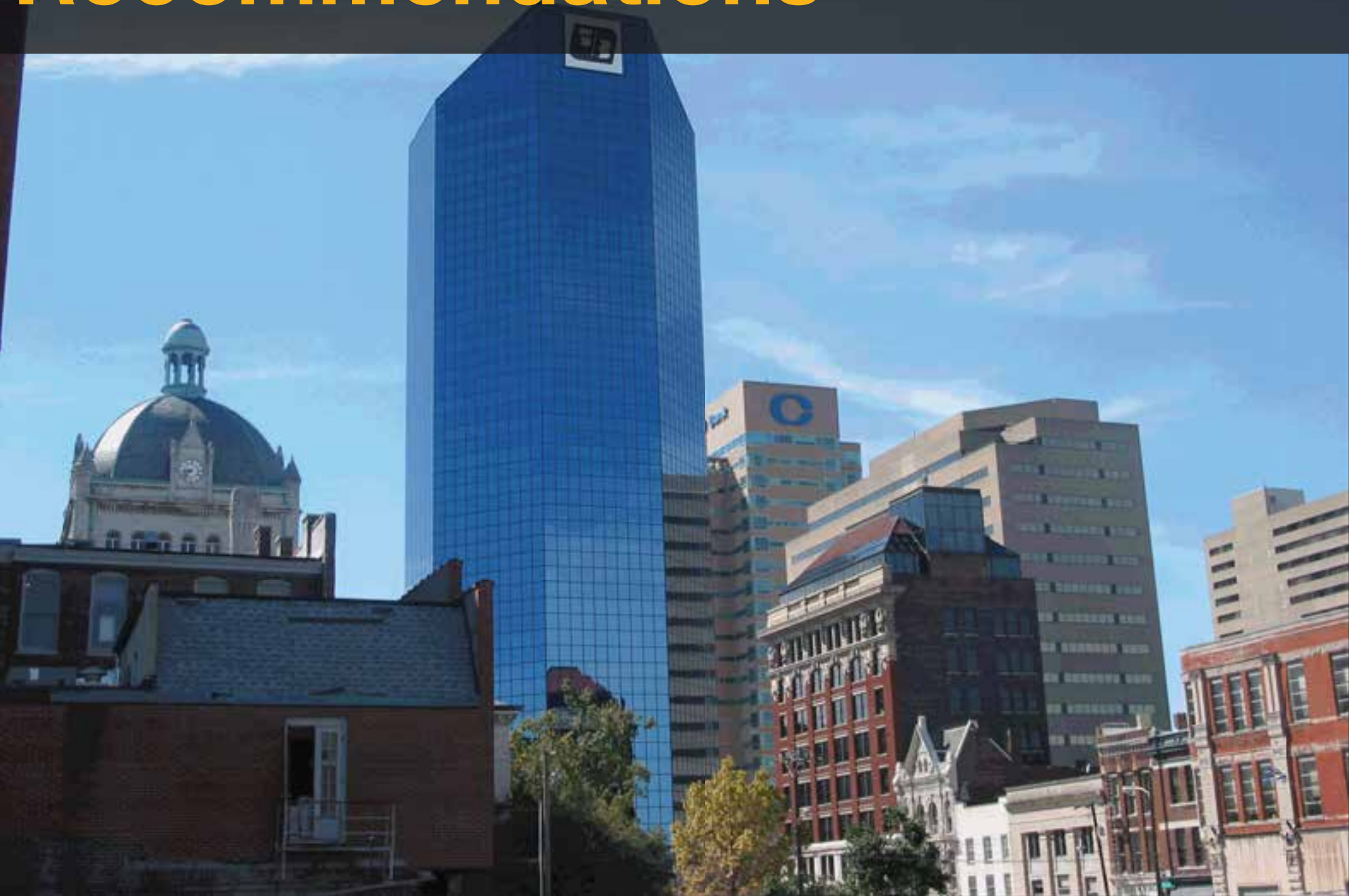
Neighborhood and Commercial Corridor Analysis

- 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



Lexington

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



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 walk able, 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

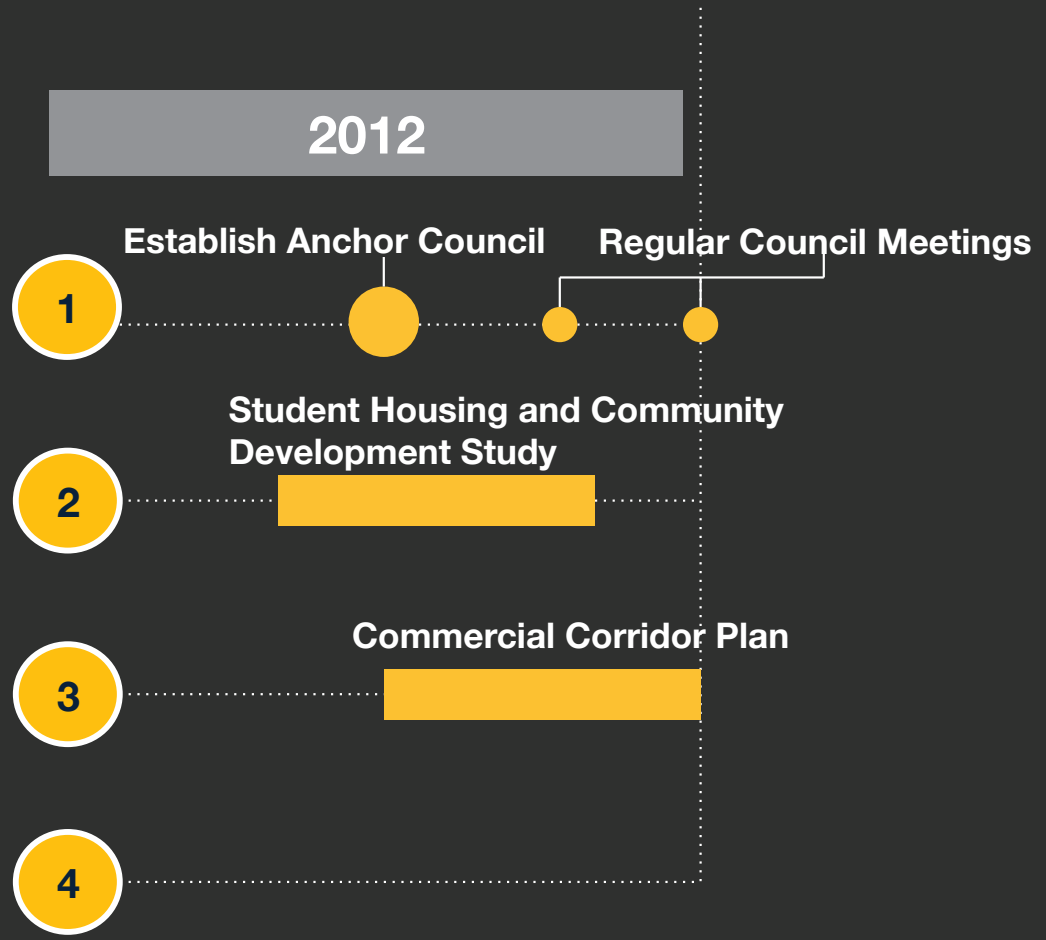
4

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

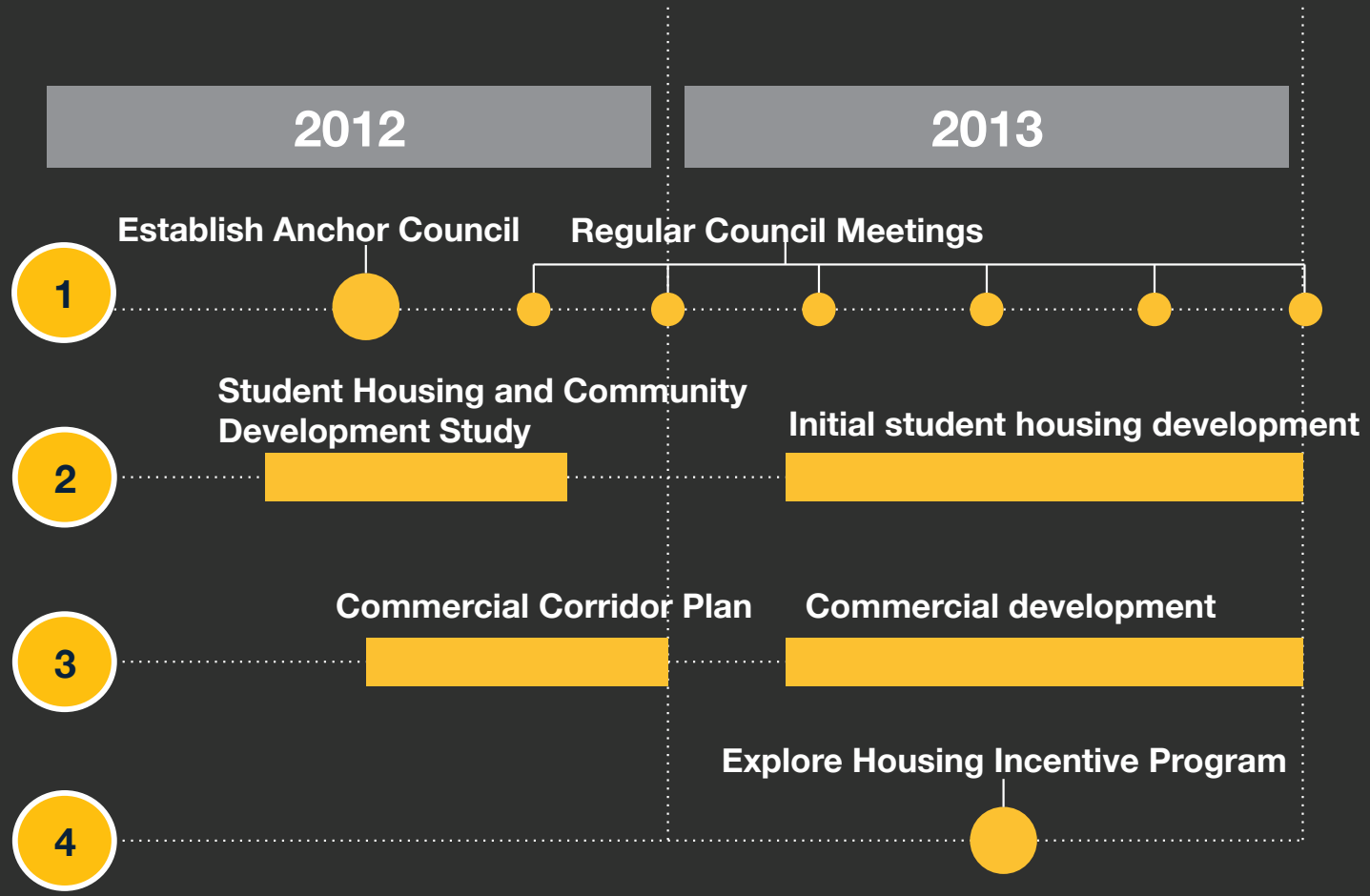
Recommendations

Sequencing



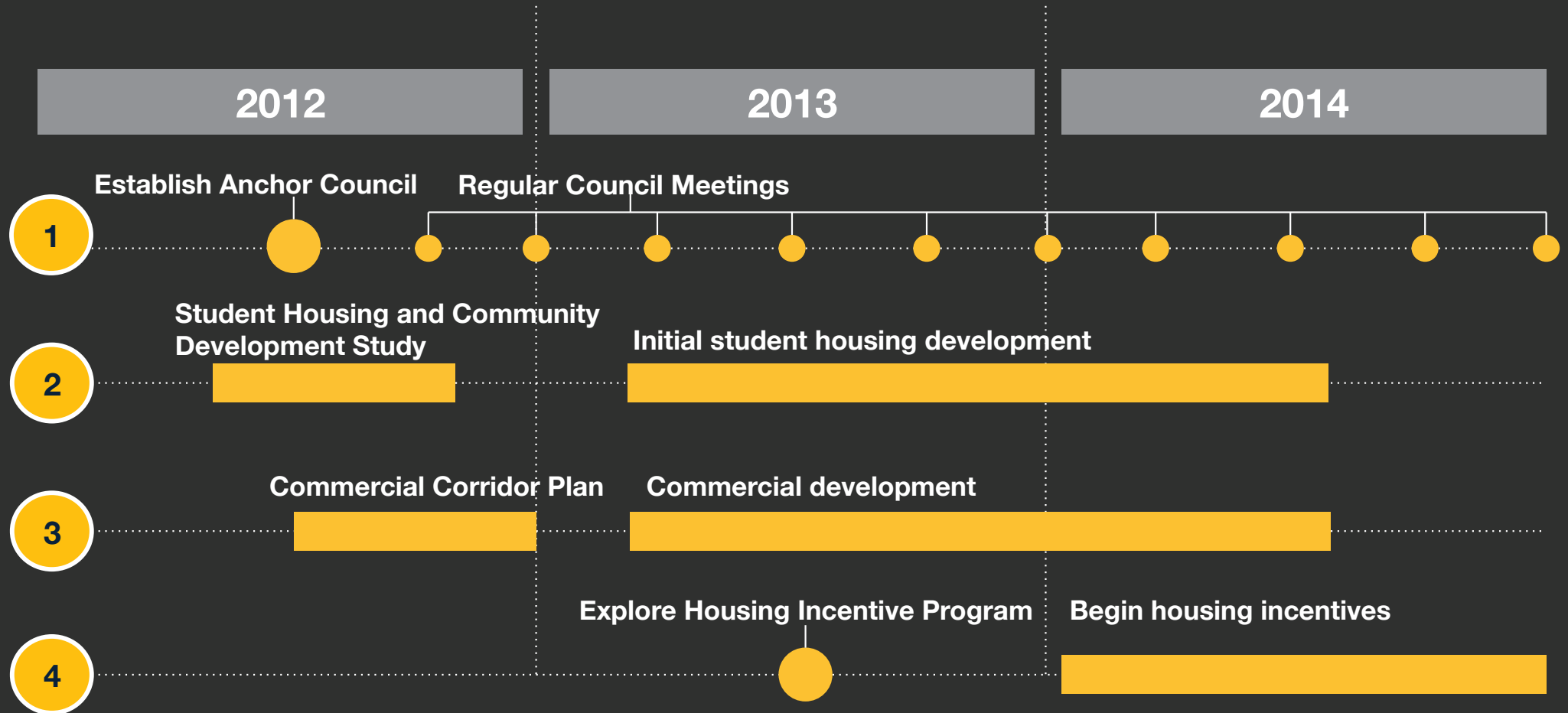
Recommendations

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Recommendations

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