The Value of Downtowns: Comparisons

A COMPARATIVE ANALYSIS OF DOWNTOWN COLORADO SPRINGS, COLORADO

A 2024 IDA STUDY

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THE INTERNATIONAL DOWNTOWN ASSOCIATION

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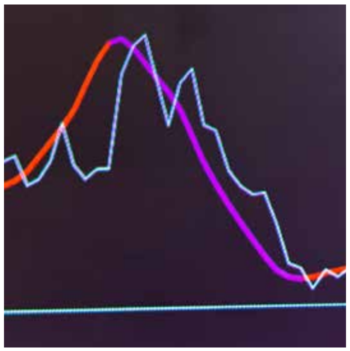

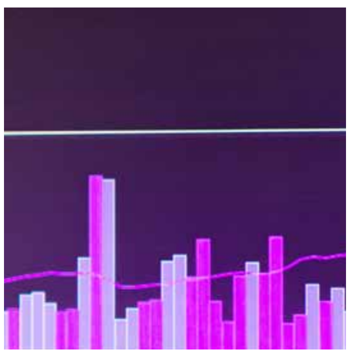

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The International Downtown Association is the premier association of urban place managers who are shaping and activating dynamic downtown districts. Founded in 1954, IDA represents an industry of more than 2,500 place management organizations that employ 100,000 people throughout North America. Through its network of diverse practitioners, its rich body of knowledge, and its unique capacity to nurture community-building partnerships, IDA provides tools, intelligence and strategies for creating healthy and dynamic centers that anchor the well-being of towns, cities and regions of the world. IDA members are downtown champions who bring urban centers to life. For more information on IDA, visit **downtown.org**.

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IDA would like to thank the following individuals for their efforts on the 2024 edition of this project:

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Overview

Strong downtowns are at the heart of any successful city or region. Their density brings people, firms, and ideas together in ways that grow the economy, create new opportunities, and form the basis of a community identity. As urbanist Richard Florida describes, "downtowns today are not just places to live, work and shop: They are the very best places for people and businesses to connect to each other. In big metros and small, downtowns occupy the most central locations and have the highest concentrations of spaces where people can come together."[1]

Downtowns spent decades orienting themselves around an office commuter population. However, the continuing prevalence of hybrid and remote work makes it unlikely that those workers will ever return in the same numbers. In a post-COVID-19 world, downtowns everywhere will remain a critical part of their cities' ecosystems, but they will need to adapt and change – as they have done before.

Set against the stunning backdrop of the Rocky Mountains, downtown Colorado Springs combines a blend of natural beauty and historic charm with more traditional downtown offerings such as a vibrant and active retail environment and a major concentration of employment. Downtown Colorado Springs is home to 11% of citywide jobs, and 1% of citywide residents, in just 0.9% of the city's land area. Downtown has been growing as well, particularly in employment, which has increased by 14% downtown since 2002, in contrast to most smaller downtowns which have lost employment over that timeframe. Additionally, many new developments have accommodated renewed residential growth, as new residents have been drawn to the vibrant environment facilitated by the activities of the Downtown Partnership of Colorado Springs and the Downtown Development Authority (DDA). Together, these trends have primed downtown Colorado Springs to grow into a true live-work-play neighborhood of the city.

While it remains smaller in scale than many of the peer downtowns, there are many areas where downtown Colorado Springs stands out as a leader, including in retail vibrancy, residential construction, and diversity.

Methodology

IDA worked with the Downtown Partnership of Colorado Springs to define a study area (pictured on the next page) and align it to census block group boundaries for ease of incorporating publicly available data from the U.S. Census and other data sources.

Demographic data used in this report extends to 2022, and the jobs data used dates to 2021. Real estate and retail figures generally date to 2023.

This comparison assesses how downtown Colorado Springs performs in key metrics across the principles of *economy, inclusion, vibrancy* and *resilience*. It compares downtown to its peers using three distinct approaches:

1. Comparisons Peers

Downtown Colorado Springs' peer group includes the downtowns in Austin, TX, Boise, ID, Huntsville, AL, Oklahoma City, OK, and Tucson, AZ. These comparison peers represent downtowns in our *Value of U.S. Downtowns and Center Cities* database which are similar to downtown Colorado Springs in population, jobs and density, and in the case of Austin, because of historical similarities between the cities. These downtowns are also generally similar in size, which lends to their comparability; however, Oklahoma City and Huntsville are larger than a typical downtown, at 5.3 and 4.9 square miles respectively.

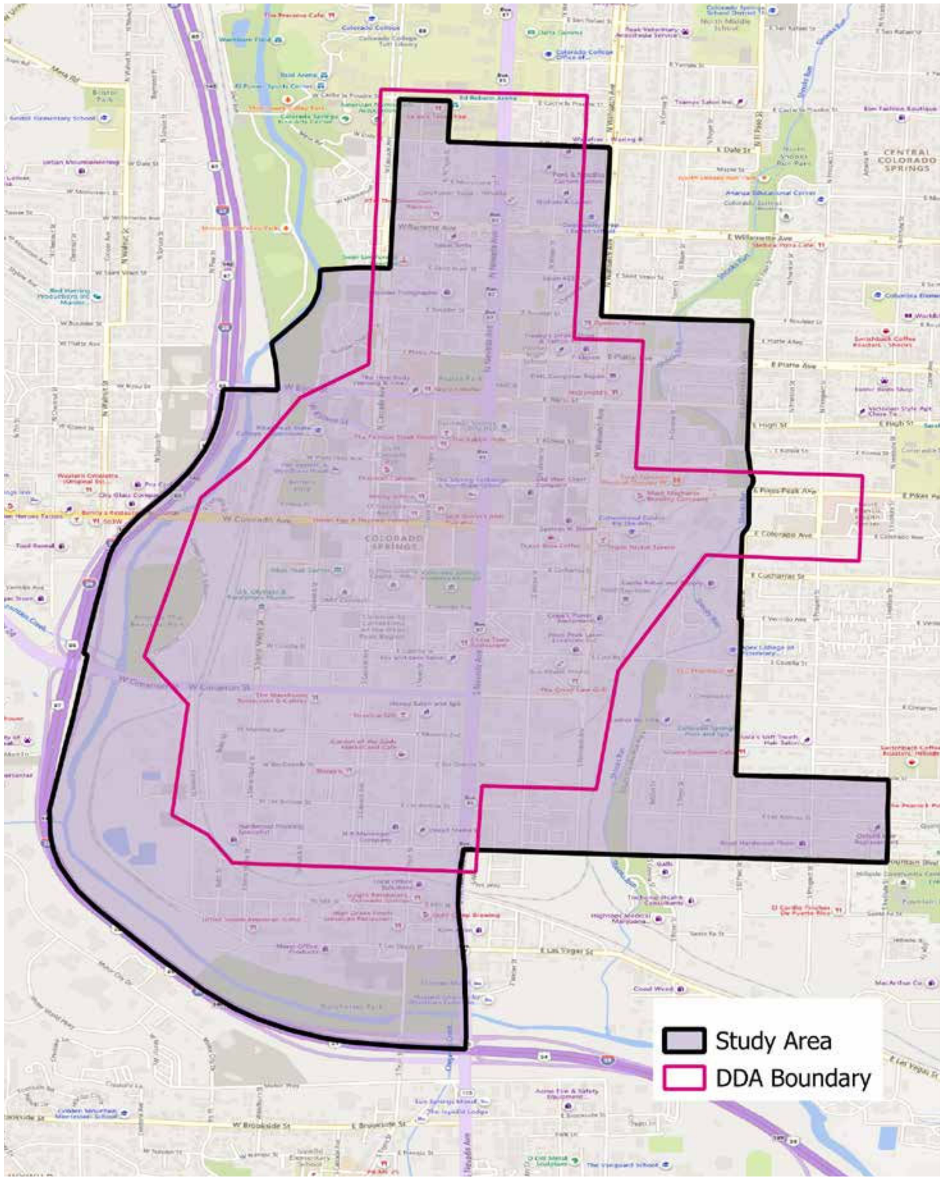
2. "Emerging" Tier

The *Value of U.S. Downtowns and Center Cities* study uses data collected across all districts, such as job and population density, property values and growth over time in jobs and population, to identify three tiers of districts, grouped by their stage of development. These groups–*established*, *growing* and *emerging* downtowns–provide an additional lens for comparison. Downtown Colorado Springs falls into the *emerging* tier of districts. See next page for more information.

3. All Value of Downtowns Participants

IDA has conducted its *Value of U.S. Downtowns and Center Cities* analysis for more than five years. To date, the study has collected extensive data on 54 downtowns and commercial districts across the country, creating the basis for this comparisons report. The full list of downtowns and their tier classification appears in the Appendix.

Study Area



Downtown Typologies

Using data collected for the *Value of U.S. Downtowns and Center Cities* study, we identified three tiers of districts, defined by their stage of development. We divided the study districts into *established, growing*, and *emerging* tiers based on the significance of their population and jobs to their respective cities, as well as density of residents and jobs within the district, assessed value per square mile, the rate of population growth from 2000 to 2022, and the rate of job growth from 2002 to 2021. This analysis places Colorado Springs among the *emerging* tier of downtowns.

Emerging districts like downtown Colorado Springs have a low proportion of citywide significance in terms of jobs and population (as a group they average 2.6% of overall population and 17% of jobs) and have lower densities. *Emerging* downtowns don't yet have the high share of jobs and residents found in other downtowns, in part because they tend to be smaller and have lower density of development relative to other downtowns. But this also also means that they have substantial potential; typically, property value per square mile remains low relative to other urban places, allowing developers to see greater returns on their investments. Similarly, lower rents make these downtowns more attractive to small businesses and creators/makers than downtowns in other cities.

For the full set of cities by tier, accompanying data points, and methodology, refer to the *Value of U.S. Downtowns and Center Cities* compendium, which is available on the IDA website, downtown.org.

Emerging Downtowns

- Albuquerque
- Baton Rouge
- Birmingham
- Cleveland
- **Colorado Springs**
- Corpus Christi
- El Paso
- Evansville
- Grand Rapids
- Hollywood
- Lancaster
- Little Rock
- Oklahoma City
- New Orleans
- San Antonio
- Spartanburg
- Tampa
- Toledo
- Tucson
- Tulsa
- University Circle
- Waikiki
- Wichita

The Value of Downtowns Principles

ECONOMY

Downtowns and center cities occupy a small share of city land area but have substantial regional economic significance. As traditional centers of commerce, transportation, education, and government, downtowns frequently function as economic anchors of their regions. Because of a relatively high density of economic activity, investment in the center city provides a greater return per dollar than other parts of the city. Just as regional economies vary, so do the economic profiles of center cities—the relative concentration of jobs, economic activity, retail spending, tax revenue, and innovation varies across our sampling. Comparing the economic role of downtowns and center cities to the larger city or region is useful in articulating their unique value, as well as in setting development policy.

INCLUSION

Downtowns and center cities welcome all residents of the region as well as visitors, by providing access to opportunities, essential services, culture, recreation, entertainment, and civic activities. Though the specific offerings of each downtown may vary, they share the attributes of density, accessibility, and diversity, which promotes this access.

VIBRANCY

Thanks to a wide base of users, downtowns and center cities can support a variety of retail, infrastructure, and institutional uses that offer broad benefits to the region. Many unique regional cultural institutions, businesses, centers of innovation, public spaces, and activities are located downtown. The variety and diversity of offerings respond to the regional market and reflect the density of downtown development. As downtowns and center cities grow, their density—of spending, users, institutions, businesses, and knowledge—allows them to support critical infrastructure, such as public parks, transportation services, affordable housing, or major retailers that can't function as successfully elsewhere in the region.

IDENTITY

Downtowns and center cities preserve local heritage, provide a common point of physical connection for regional residents, and actively contribute to the brand of their region. Combining community history and personal memory, a downtown's cultural value plays a central role in preserving and promoting the region's identity. Downtowns and center cities serve as places for regional residents to come together, participate in civic life, and celebrate their region, which in turn promotes tourism and civic society. Likewise, the "postcard view" visitors associate with a region is virtually always an image of the downtown.

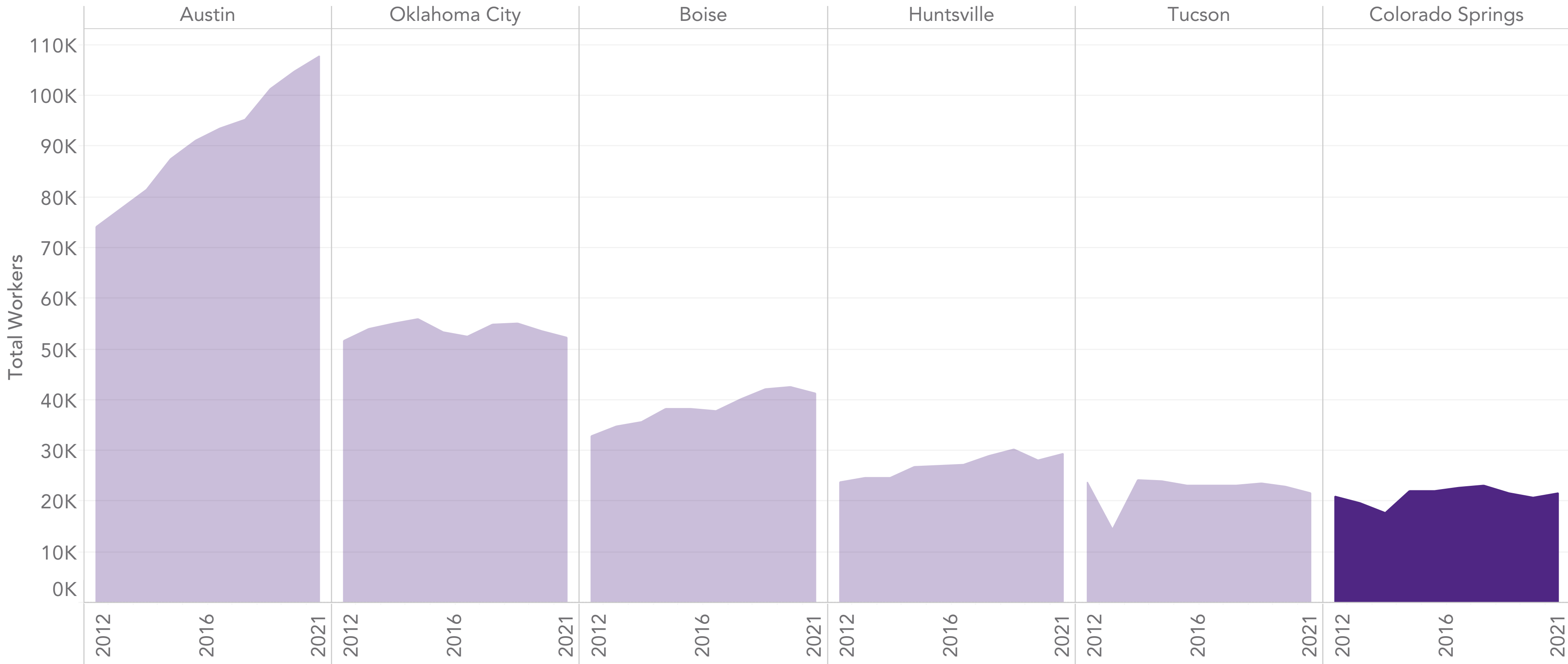
RESILIENCE

Resilience, broadly defined, represents a place's ability to withstand shocks and stresses. Because of the diversity and density of resources and services, center cities and their inhabitants can better absorb economic, social, and environmental shocks and stresses than their surrounding cities and regions. The diversity and economic strengths of downtowns and center cities equip them to adapt to economic and social shocks better than more homogenous communities. Consequently, they can play a key role in advancing regional resilience, particularly in the wake of economic and environmental shocks that disproportionately affect less economically and socially dynamic areas.

Downtown Colorado Springs Key Findings

- After holding steady in residential population for several years, new residential developments have resulted in a jump in several hundred residents. With almost 2,000 units in the pipeline, this signals the beginning of a period of rapid growth for the district.
- Downtown Colorado Springs has a strong retail real estate market – despite being lower in both job density and retail density, retail real estate market fundamentals are near the front of the pack among the comparison peers.
- A mix of diverse and unique industries has brought strong job growth to downtown Colorado Springs. While it does not stand out among the comparison peers, many of which have shown extraordinary job growth, it is unusually positive compared to *emerging* downtowns.

Study Area Worker Change

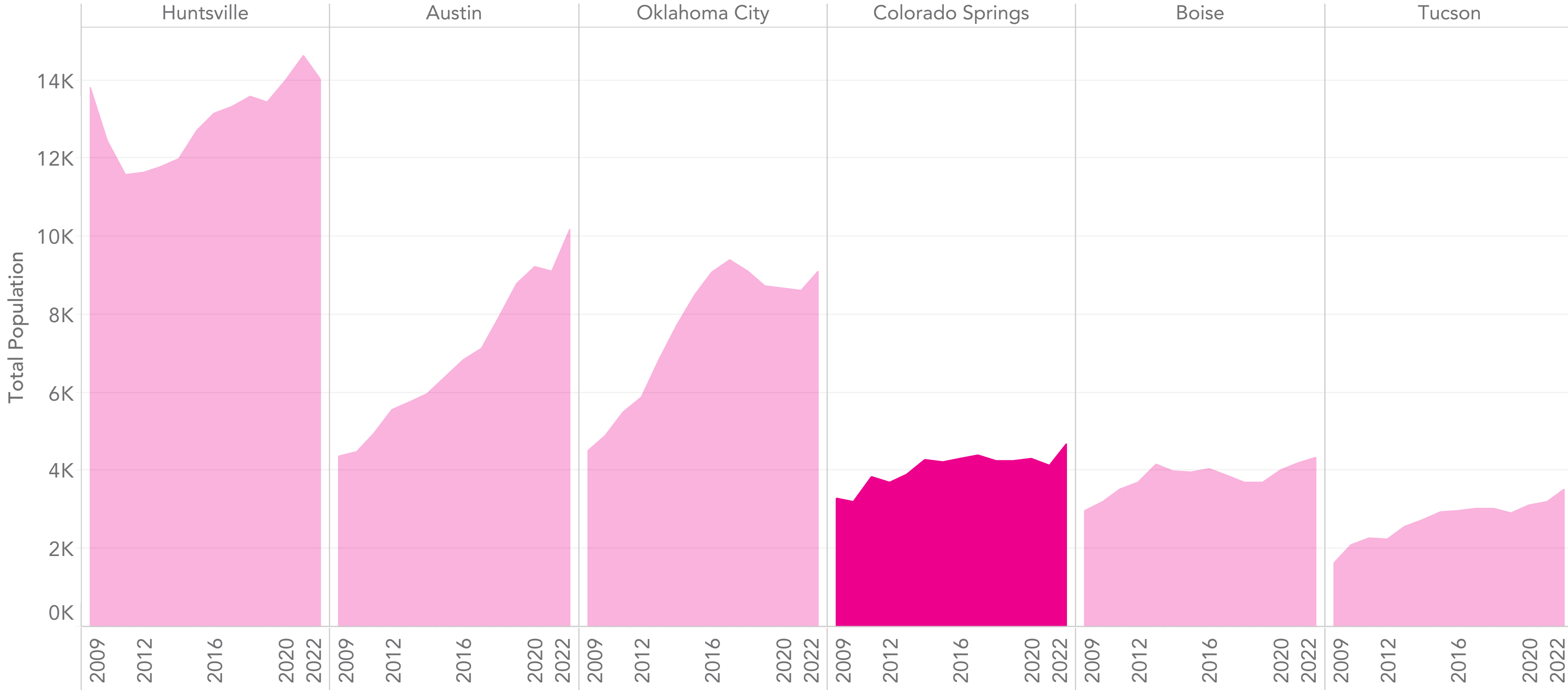


Sources: LEHD On the Map (2012–2021)

Downtown Colorado Springs has largely held steady in total jobs over recent years.

With 21,675 downtown workers, downtown Colorado Springs has the smallest count of primary jobs, a worker's best paying job or only job, of the downtowns in this peer set. However, downtown Colorado Springs is nearly tied with downtown Tucson in job count. Job counts in downtown Colorado Springs have been growing gradually. While that growth has not been nearly as rapid as the employment growth in downtown Austin, downtown Colorado Springs also has avoided a trend of employment decline common among *emerging* downtowns, which averaged -8% job growth from 2002 to 2021.

Study Area Resident Population Change



Sources: American Community Survey 5-Year Estimates (2009–2022)

After largely holding steady in residential population, downtown Colorado Springs has shown new growth in recent years.

In its peer group, downtown Colorado Springs' residential population of 4,683 is in the middle of the pack, ahead of Tucson and Boise, but behind the much denser downtown Austin and the geographically much larger study areas of downtown Huntsville and Oklahoma City. The residential population in downtown Colorado Springs largely held steady without much growth in the later part of the 2010s, before jumping by over 500 residents in a single year from 2021 to 2022.

This reflects the large amount of new residential development that has been occurring in downtown Colorado Springs, which the Downtown Partnership of Colorado Springs described as "the early wave of the tsunami of apartments yet to come" in their 2024 State of Downtown Colorado Springs report. More than 1,000 new residential units have been built since 2016, with another nearly 2,000 under construction, indicating that downtown Colorado Springs is truly beginning a phase of renewed growth.

Economy

Downtowns play a central role in the regional economy due to their concentration of employment, commercial real estate, and tax-revenue generation. The average downtown represents about three percent of all citywide land but contains one-quarter of a city's jobs, contributes 17% of property tax revenue, and commands the city's highest commercial real estate values per square foot.

Employment	Downtown Colorado Springs	Comparisons Peers Average	Emerging Average	Study Average
Growth in Employment (2002-2021)	14%	12%	-8%	6%
Citywide Jobs	11%	16%	14%	24%
Citywide Knowledge Jobs	8%	18%	15%	27%
Citywide Creative Jobs	7%	16%	23%	30%
Residents 25+ holding a Bachelor's Degree or higher	35%	53%	40%	53%

Source: LEHD On the Map (2021), American Community Survey 5-Year Estimates (2018–2022)

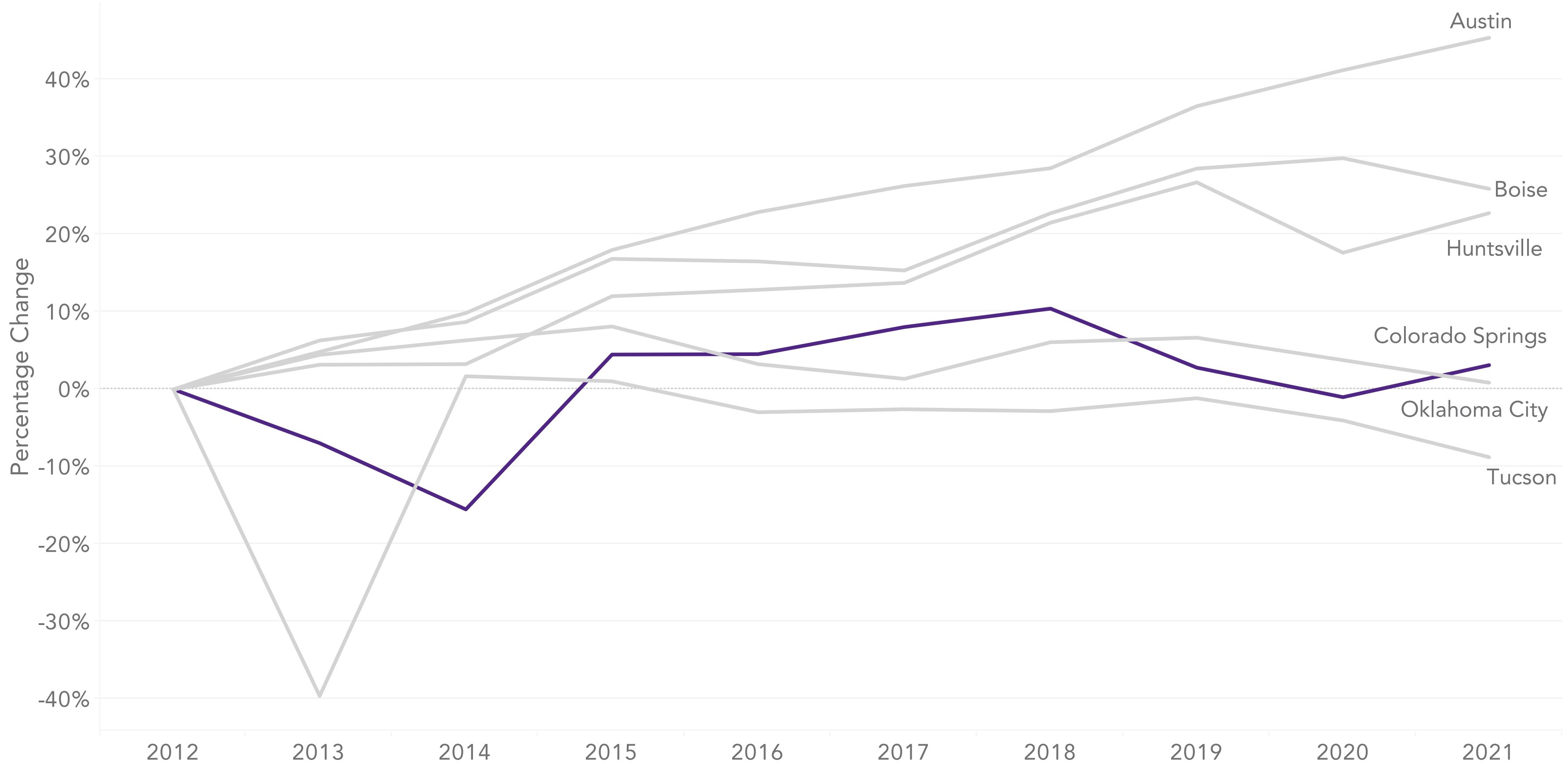
Downtown Colorado Springs bucks the trend of declining employment among *emerging* downtowns.

Overall, since 2002, job growth in downtown Colorado Springs has been about on average for IDA's study. Among *emerging* downtowns, Colorado Springs is an outlier in job growth – on average *emerging* downtowns have shrunk in employment by 8% since 2002. Among those *emerging* downtowns, only University Circle in Cleveland, OH and Hollywood in Los Angeles, CA experienced greater growth than downtown Colorado Springs.

Downtown Colorado Springs has a fairly small share of jobs relative to the rest of IDA's study in a few key sectors: just 7% of the city's creative sector jobs, and 8% of the city's knowledge industry jobs, are located in downtown. This is far below the 30% and 27% respectively that are averaged among all study downtowns. The comparison peers are more similar to downtown Colorado Springs in this regard. However, the peers are still much higher. These sectors of creative employment and the Knowledge Industry, while a cornerstone of employment in many downtowns, are not as concentrated downtown in Colorado Springs. The employment base for downtown Colorado Springs is largely oriented around the public administration sector, with additional strong presences in professional services, utilities, and health care.

Downtown Colorado Springs also has a smaller share of overall citywide employment than the comparison peers, though this may change with time as it continues its slow-and-steady growth.

Relative Downtown Employment Growth (2012–2021)



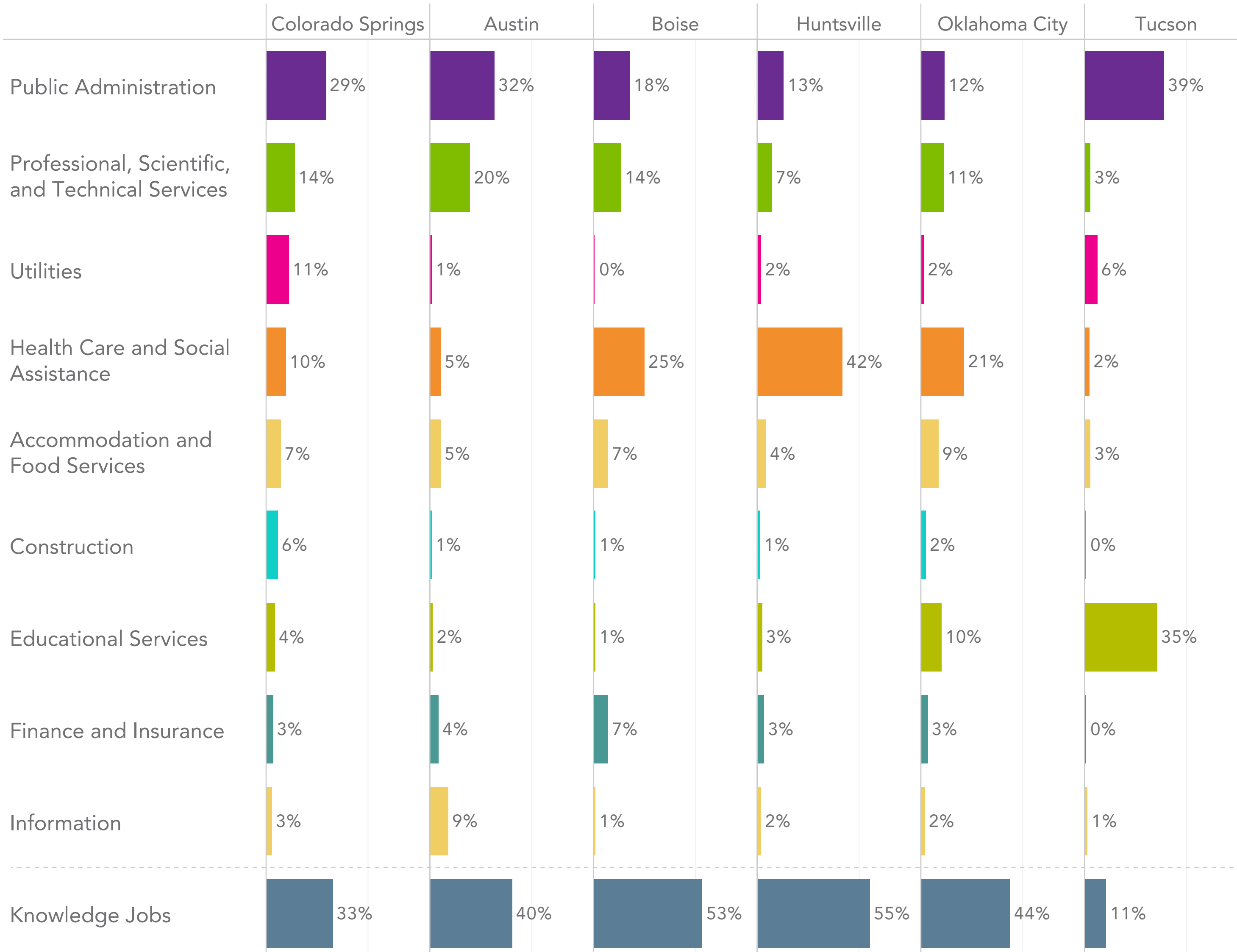
Source: LEHD On the Map (2012–2021)

Job growth in the comparison peers is bifurcated between high growth Austin, Boise and Huntsville and stable Tucson, Oklahoma City and Colorado Springs.

Examining relative job growth since 2012 shows two clear subgroups within the comparison peers. Austin, Boise, and Huntsville have experienced significant and relatively consistent job growth, with all these experiencing over 20% higher downtown job counts in 2021 than in 2012. Meanwhile Colorado Springs, Oklahoma City, and Tucson have experienced more sporadic or fluctuating job environments, with Colorado Springs at 3% higher job counts in 2021 than in 2012.

Colorado Springs appears to have weathered the effects of the COVID-19 pandemic well compared to these two peers, and as a result has pushed ahead of these other two in relative job growth since 2012. Among the comparison peers, only Austin, Huntsville, and Colorado Springs experienced positive job growth in 2021.

Percentage of Downtown Primary Jobs in Top Industries



Source: LEHD On the Map (2021)

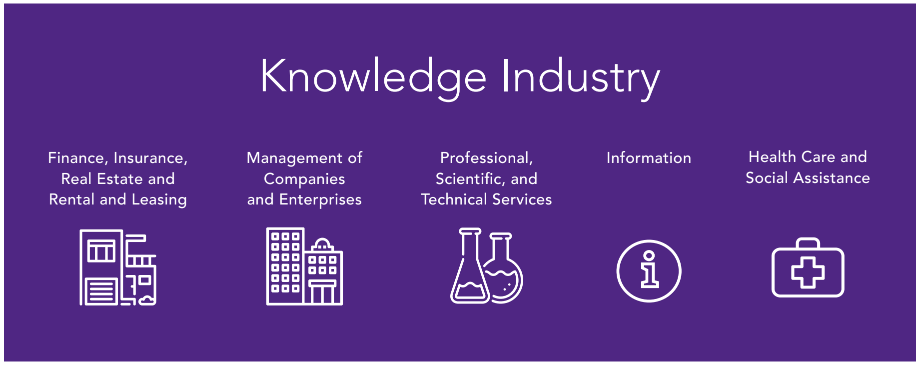
Downtown Colorado Springs has a relatively low share of jobs in the knowledge industry, but a diverse spread of jobs across other sectors.

Downtown Colorado Springs has a small share of knowledge industry jobs relative to most of the comparison peers. This industry, which makes up a wide variety of sectors which all demand highly educated workers and heavy use of technology, makes up 33% of downtown Colorado Springs jobs. Only Tucson, with just 11% of downtown jobs, has a smaller knowledge industry.

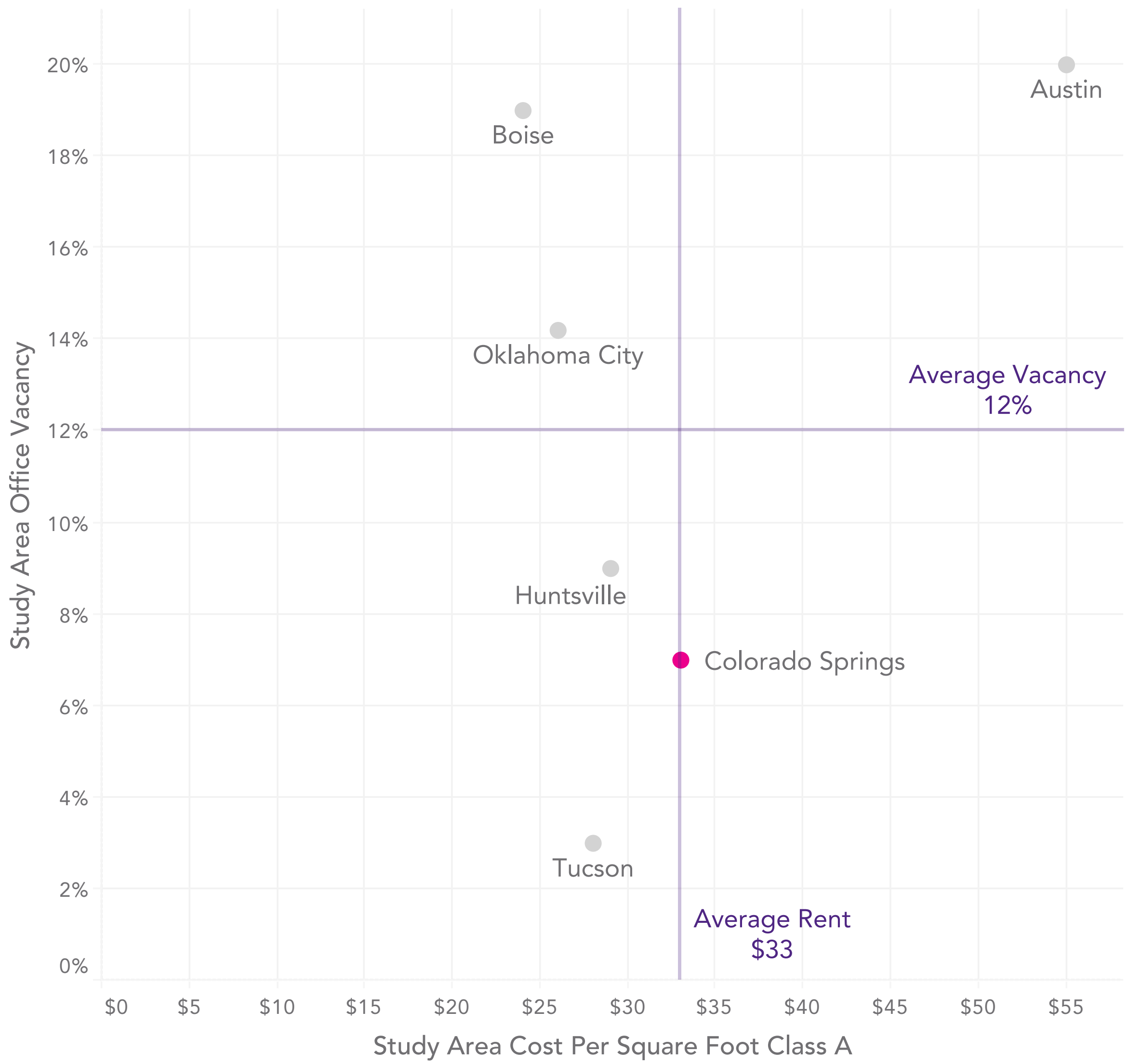
Despite the lack of knowledge industry jobs, Colorado Springs does have a diverse set of employers downtown, with four different sectors providing at least 10% of the downtown employment base. Only Oklahoma City has a similarly diverse set of downtown employers. The largest single sector in downtown Colorado Springs by far is public administration, which makes up 29% of jobs. Several other of the comparison peers have similarly large public sector employment downtown, including Austin and Tucson.

While among the comparison peers only Tucson and Oklahoma City have major educational services sectors as part of their downtown employment, Colorado Springs' Colorado College is just outside the study area, although the campus is included in other methods of defining downtown Colorado Springs. If that had been included in the study area, it would add nearly 1,000 faculty and staff to this sector and make it the 5th largest downtown employment sector after health care & social assistance.

In two sectors, utilities and construction, downtown Colorado Springs stands out with a larger share of employment than any of the comparison peers. The utilities sector has long been a significant employer downtown, and as of 2021 accounts for nearly 2,500 jobs. The construction sector, while smaller at only about 1,300 jobs, has been growing extremely rapidly, and has expanded by 68% in employment since 2012. This is a significant sign of the growth that downtown Colorado Springs has experienced and is likely to continue to experience into the foreseeable future.



Downtown Office Vacancy and Rent



Downtown Colorado Springs has a desirable combination of high office rents and low vacancies relative to the peers.

Compared to most of the comparison peers, downtown Colorado Springs has a favorable office real estate market, despite the impact of the COVID-19 pandemic and the lasting popularity of remote and hybrid work models. Though the downtown vacancy rate of 7.3% is up significantly from a low of 3.6% in 2021, vacancy remains far lower than most of the peers. Only downtown Tucson is lower among the peers with a downtown office vacancy rate under 3%, and several of the peer downtowns, including Austin and Boise, are far higher, nearing 20% office vacancy.

Office rents in downtown Colorado Springs also remain head and shoulders above the majority of the peers. With an average asking rent of $33.15, downtown Colorado Springs' Class-A office rents are not just above the average among the comparison peers, but second only to downtown Austin's rents. In downtown Austin, rents have remained very high relative to the comparison peers at nearly $60 per square foot, despite the highest vacancies in the group.

While it is doubtless that the ripple effects of the COVID-19 pandemic's impact on traditional work models on the office real estate market have yet to be fully felt, so far the downtown Colorado Springs office real estate market is very strong compared to the peers.

Sources: Downtown Partnership of Colorado Springs (2023), Cushman and Wakefield (2024), Downtown Austin Alliance (2023), Downtown Huntsville (2023), Greater Oklahoma City Chamber (2024).

Downtown Colorado Springs' lower density than the peer downtowns means lower total land value.

Downtown Colorado Springs is slightly below the average in market value per square mile in downtown compared to the comparison peers, and far below the average for *emerging* downtowns. In large part this can be attributed to the much lower density in downtown Colorado Springs than many of the comparison peers. Within the context of Colorado Springs, downtown still has a strong impact: at less than 1% of the city land area, downtown has accumulated 2.5% of citywide property tax revenue, and about 2% of all property value, showing the value of the vibrant mixed-use environment.

This is another metric where downtown Austin is well beyond the scale of the rest of the comparison peers. With an estimated market value of almost $11 billion per square mile of downtown property, downtown Austin not only leads this comparison peer group, but is ahead of all but a handful of IDA's study downtowns in property values.

Land Value	Downtown Colorado Springs	Downtown Austin	Comparisons Peers Average (excluding Austin)	Emerging Tier Average	Study Average
Estimated Market Value per square mile	$1.0B	$10.9B	$1.1B	$3.17B	$3.88B
Citywide Market Value	1.9%	10%	4.8%	8%	12%

Sources: El Paso County Assessor; and assessor's office in each UPMO partner county or city

Inclusion

As the economic center and heart of the city, a downtown must include all populations and represent the city around it. Downtowns and center cities provide access to opportunities and essential services for diverse users, positioning them as highly inclusive urban nodes.

Population	Downtown Colorado Springs	Comparisons Peers Average	Emerging Average	Study Average
Citywide Population	1.0%	2.1%	2.1%	4.8%
Resident Growth 2000 to 2022	13%	64%	25%	61%
Density (residents/acre)	4	6	8	13
Diversity Index	61	57	67	66

Sources: American Community Survey 5-year Estimates (2020), U.S. Census (2000), ESRI Business Analyst Online (2022)

Downtown Colorado Springs has a small share of city residents and low residential density relative to the comparison peers.

With just under 5,000 residents in a city of almost half a million, downtown Colorado Springs has a small share of residents relative to its comparison peers. To some extent, this can be explained by the difference in size of downtowns: the study area is 1.8 square miles, or 0.9% of the citywide land area, compared to a comparison peers average of 2.5 square miles and 1.1% of their respective city's land area. However, those averages are skewed by the large downtowns, either geographically or relative to the city, in Boise, Oklahoma City and Huntsville, and so it cannot fully explain the difference between the Colorado Springs study area and the comparison peers average.

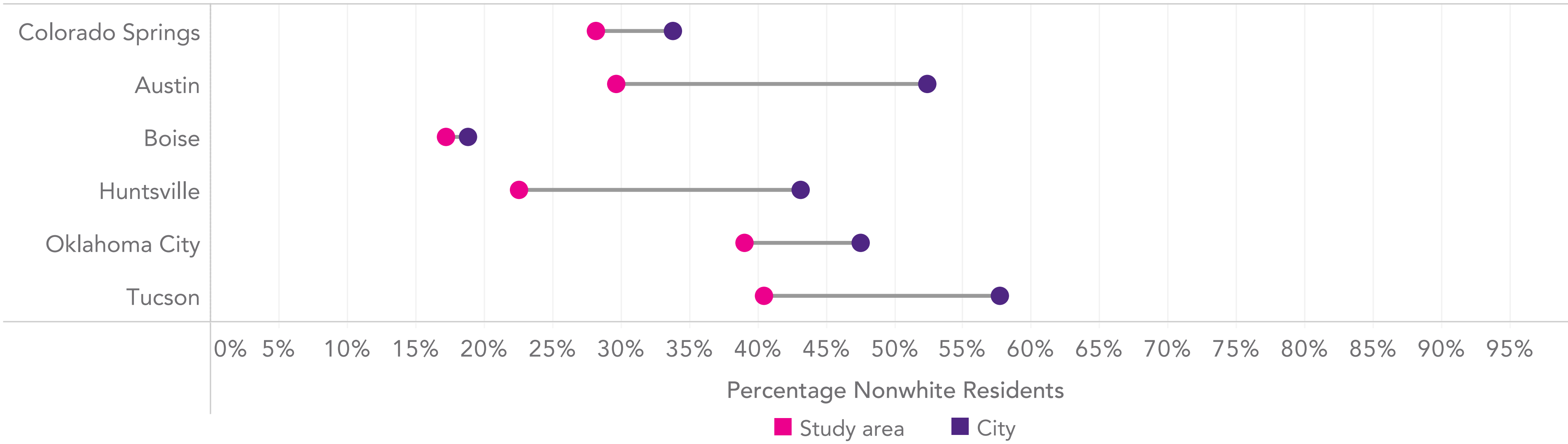
Colorado Springs still has a low downtown residential density. Just 4 residents per acre in downtown makes it the 7th lowest density residential population of all study downtowns, and in the comparison peers only downtown Oklahoma City at 3.3 residents per acre is less dense. However, with nearly 2,000 units under construction inside the DDA boundary, it is inevitable that this residential density will rise significantly in coming years. One further bright spot – downtown Colorado Springs is somewhat more diverse than the comparison peers downtowns. The Diversity Index, a metric which measures the likelihood that two randomly selected residents will have different racial or ethnic backgrounds on a 1-100 scale, puts downtown Colorado Springs at 61, above the comparison peers average of 57, but lower than the study-wide average of 66.

In Colorado Springs, there is minimal racial disparity between downtown and city residents, unlike many of the comparison peer cities.

Measuring residential racial diversity provides a good proxy to show downtown inclusiveness, though it must be considered within the context of the city as a whole. Downtown Colorado Springs' population is 72% White, compared to 66% of citywide residents, and 13% Hispanic/Latino, compared to 19% for the city. Among the comparison peers, downtown Colorado Springs is not the most diverse when measuring by the share of Nonwhite residents, but it does stand out for how similar it is to the city in residential racial diversity.

Among the comparison peers, only Boise, with just a 2% difference in share of Nonwhite residents, has a downtown population more similar to the citywide population in racial diversity. In all of the comparison peers, the downtown population has a higher share of White population than the city overall. On average among the comparison peers, the downtown has a 13% lower share of Nonwhite residents, a substantial gap in residential racial diversity. By contrast, in Colorado Springs that gap is less than half, with just 6% higher share of White population downtown.

Percentage of Nonwhite Residents, Study Area and City Comparison



Source: American Community Survey 5-Year Estimates (2018–2022)

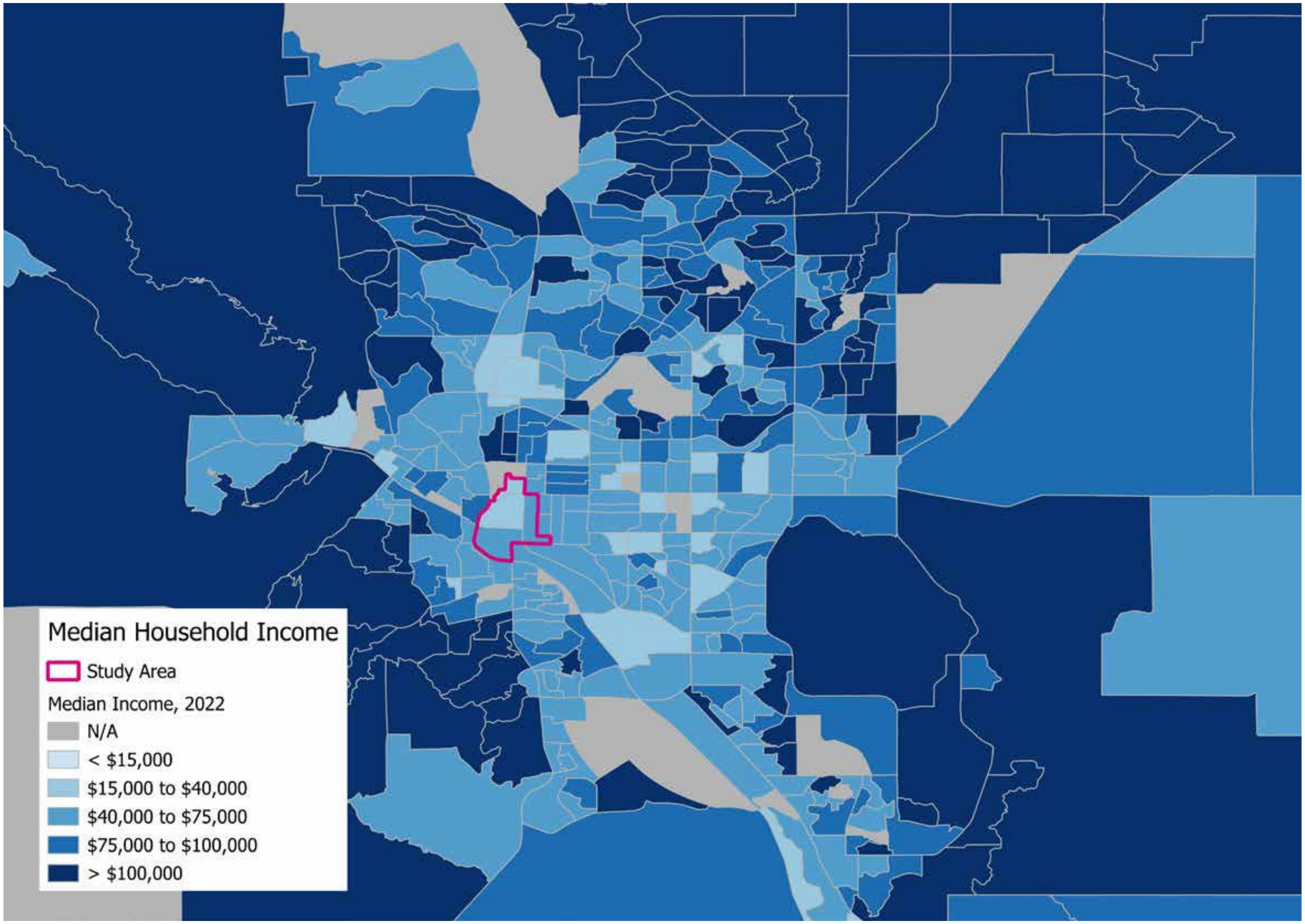
Downtown Colorado Springs' residents have average income and rent levels compared to most peer downtowns, but these are much lower than in downtown Austin.

Median household income in downtown Colorado Springs was just over $43,000 in 2022. Though median household incomes in downtown Colorado Springs are typical of an *emerging* downtown, they are significantly below the study average, and far below the comparison peers' average. However, Austin is a significant outlier in this regard; Very high incomes among residents of Austin's downtown raise the median household income there to $148,233. When excluding downtown Austin from the group, the comparison peers average falls by over 20% to $52,358 – far closer to the downtown Colorado Springs median.

Similarly, with an American Community Survey reported median gross rent of just over $1,000, rents in downtown Colorado Springs are very similar to the average among *emerging* tier districts in IDA's study, but notably lower than both the study-wide average and the comparison peers average. This is another area where downtown Austin's unique and disproportionate impact is felt; by removing that district from the comparison peers the group average rent falls to $1,078 – roughly equal to the downtown Colorado Springs median. It is worth noting that while these American Community Survey figures provide a point of common comparison across all the comparison peer downtowns, the Downtown Partnership of Colorado Springs reports much higher rent figures, with effective rents averaging $1,918 per unit as of Q4 2023, and about 53% higher than Colorado Springs' citywide average for rents.

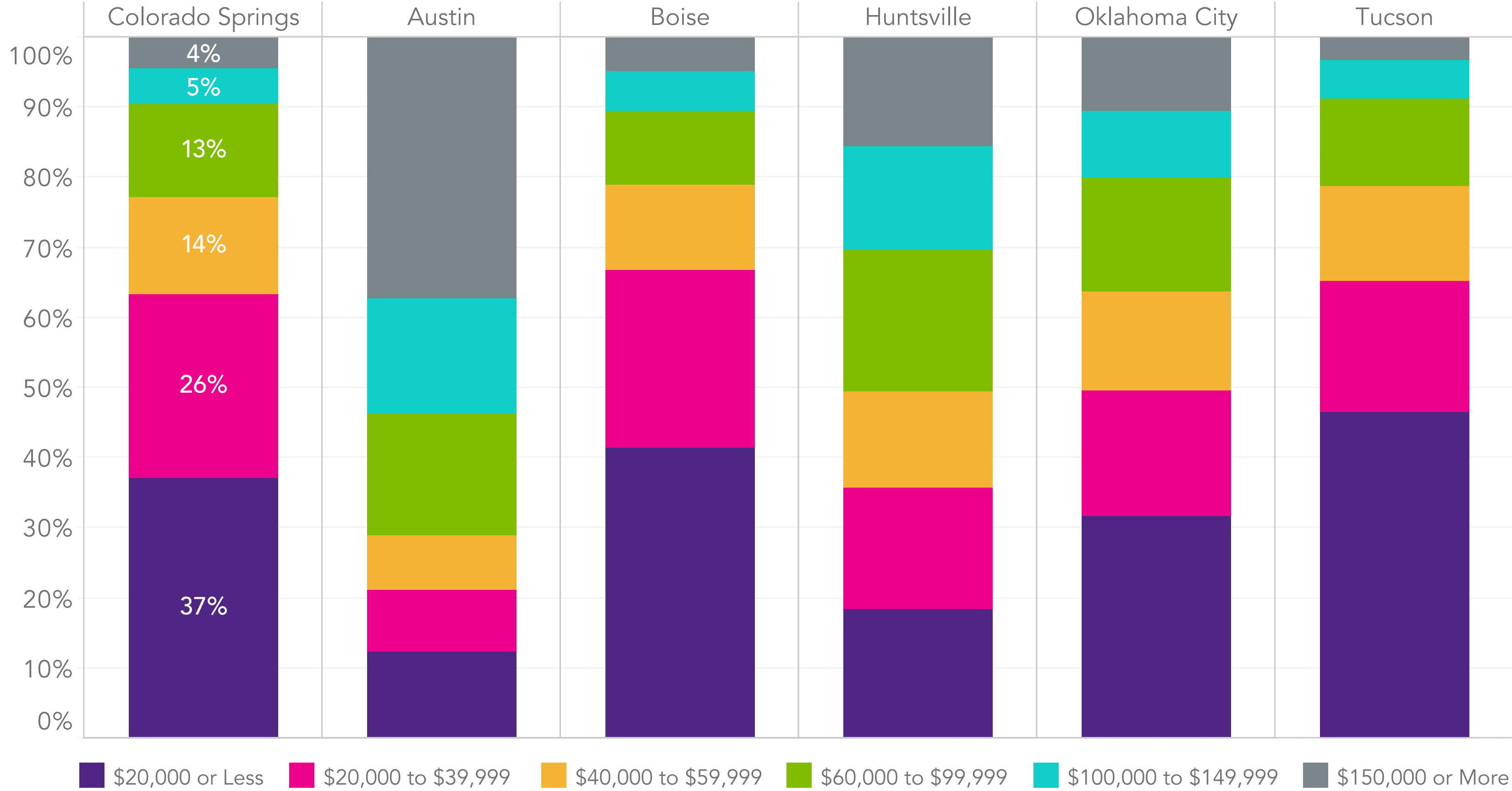
Residents	Downtown Colorado Springs	Downtown Austin	Comparisons Peers Average (excl. Austin)	Emerging Tier Average	Study Average
Median Household Income	$43,109	$148,233	$52,358	$44,893	$62,297
Median Gross Rent	$1,014	$2,635	$1,078	$1,079	$1,435
Owner-Occupied Units	27%	43%	27%	16%	21%

Source: American Community Survey 5-Year Estimates (2018–2022)



Source: American Community Survey 5-Year Estimates (2018–2022)

Percent of Households by Income



Source: American Community Survey 5-Year Estimates (2018–2022) Note: Numbers may not total to 100% due to rounding.

Downtown has a high share of lower income households, but this is common among the comparison peers.

A significant majority, almost two-thirds, of downtown Colorado Springs households have incomes under $40,000. This is not wholly out of place among the peers though; both Boise and Tucson are nearly identical in income distribution, and Oklahoma City also has a similarly high share of lower-income households, with almost half of households at income levels below $40,000.

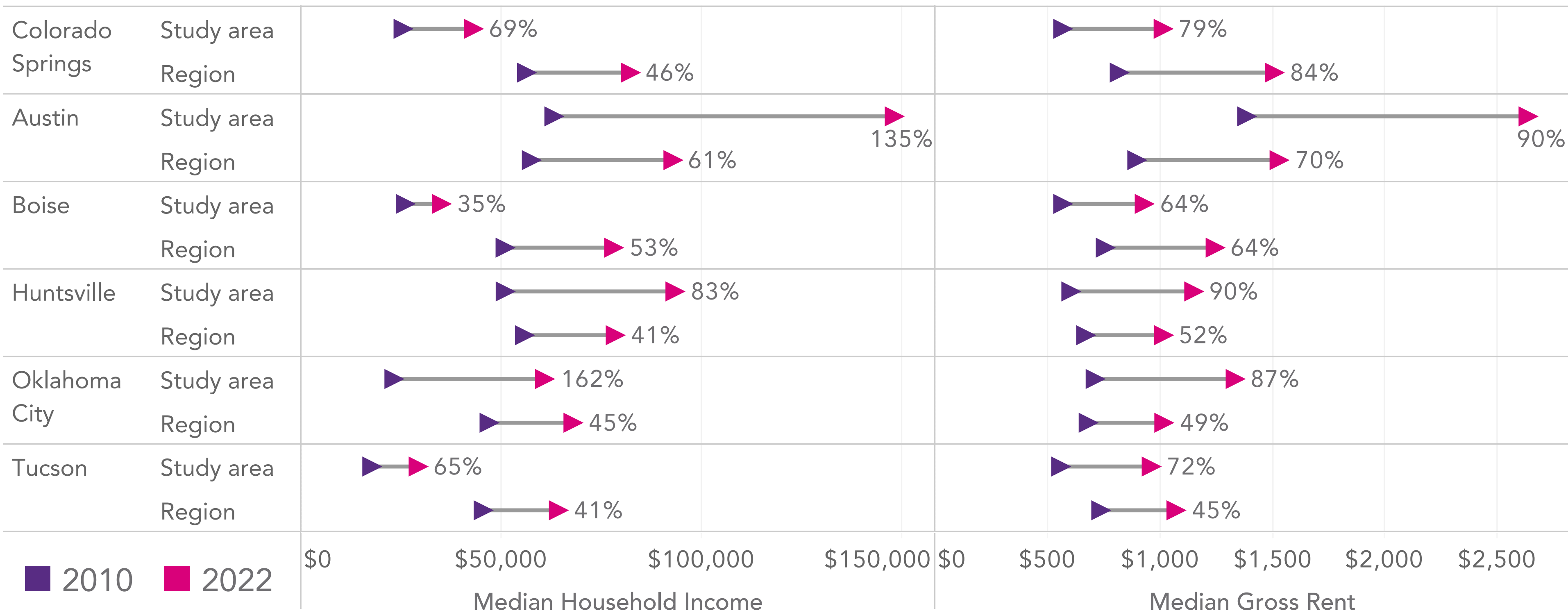
Among the comparison peers, only Austin dramatically stands out with regards to the income distribution, as might be expected given the very high median income of downtown residents. Over 35% of downtown Austin households have incomes over $150,000, and in total nearly 55% of downtown Austin households have incomes over $100,000. By contrast, fewer than 10% of downtown Colorado Springs households have incomes above $100,000.

Downtown Colorado Springs' income and rent increases have been on-par with the comparison peers.

Incomes in downtown Colorado Springs are lower than typical for the region, something shared in common with the downtowns in Boise, Oklahoma City, and Tucson. In the case of Colorado Springs, the downtown incomes are growing faster than the region's overall median income level; however they are not growing as rapidly as some of the comparison peer downtowns – only Tucson and Boise had lower income growth from 2010 to 2022.

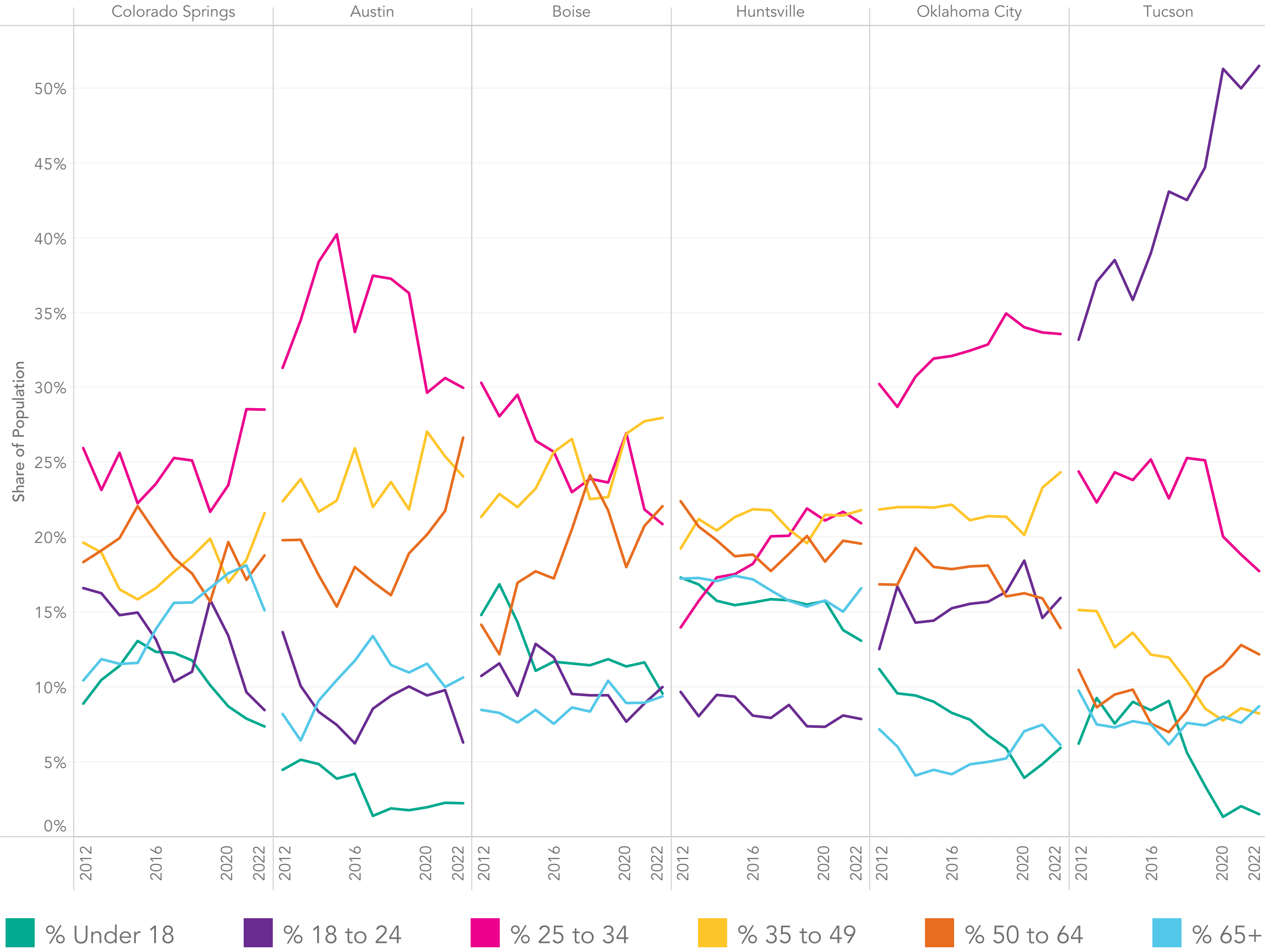
In downtown Colorado Springs, median rents nearly doubled from 2010 to 2022, marginally slower than the Colorado Springs region overall. That's uncommon among the comparison peers; in none of the other comparison peers did downtown rents increase more slowly than the regional average. Among the comparison peers, only Boise and Tucson also can still say they have lower average rents than typical for the region. However, more current data tracked by the Downtown Partnership of Colorado Springs shows rents increasing at a pace on par with citywide, and downtown average rents in 2023 about one-third higher than those citywide.

Household Income and Rent Growth Over Time Study Area and Region



Source: American Community Survey 5-Year Estimates (2006–2010, 2018–2022)

Percent of Residents by Age Over Time



Source: American Community Survey 5-Year Estimates (2012–2022)

In recent years, downtown has seen a growing share of 25-34 year old and 65+ residents, and a shrinking share of younger residents.

Since 2015, the share of population in the youngest age brackets, residents under 18 and 18-to-24-year-olds, has fallen by about half in downtown Colorado Springs. Similar trends can be observed in some of the comparison peer downtowns; in Austin, the 18-to-24-year-old population has steadily evaporated, perhaps a result of the rapidly rising rents in that district forcing out college-aged student-residents to other neighborhoods in Austin.

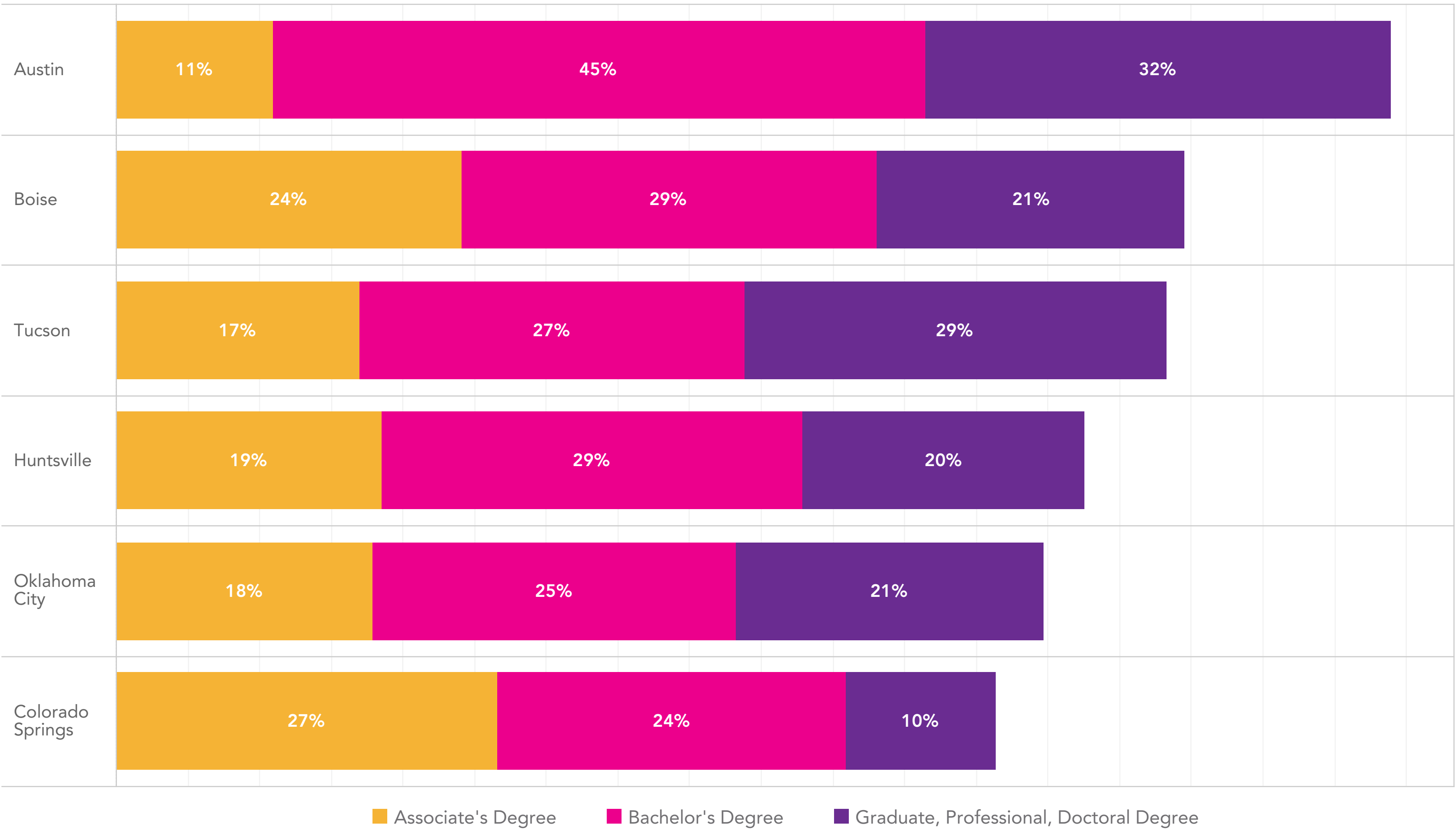
25-to-34-year-olds, sometimes known as 'young professionals,' are a coveted age group due to their propensity to spend money locally and are an age group that has been on the rise in many downtowns that have participated in IDA's study. Downtown Colorado Springs is no exception to this trend, and the 25-to-34-year-old age group has established itself as by far the single largest age group among downtown residents. This is something that Colorado Springs shares in common with both downtown Austin and downtown Oklahoma City.

Downtown Colorado Springs also has seen a growing share of 65+ residents, from 10% of residents in 2010 to 18% in 2021, before dipping slightly in 2022. This is yet another demographic similarity shared with Austin, which also has seen the share of downtown residents aged 65 and older grow over the past decade.

Downtown Colorado Springs has the lowest educational attainment for residents among the comparison peers.

Only 61% of downtown Colorado Springs residents have a college degree, the lowest among these comparison peers, with the closest downtown being Oklahoma City at 65%. Notably though, downtown Oklahoma City residents are twice as likely to have a Graduate, Professional, Doctorate, or other advanced degree – 20% to downtown Colorado Springs' 10%. The lower levels of educational attainment among downtown Colorado Springs residents certainly is a significant factor in many other metrics, such as the low income levels for downtown residents relative to the comparison peers.

Percent of Residents by Education



Source: American Community Survey 5-Year Estimates (2018–2022)

Vibrancy

Vibrancy and urban amenities make downtowns rich, attractive environments. Thanks to density of people and connectivity to jobs, resources, and amenities, downtowns support a vibrant variety of uses.

Downtown Colorado Springs has a retail environment that is about average among the comparison peers.

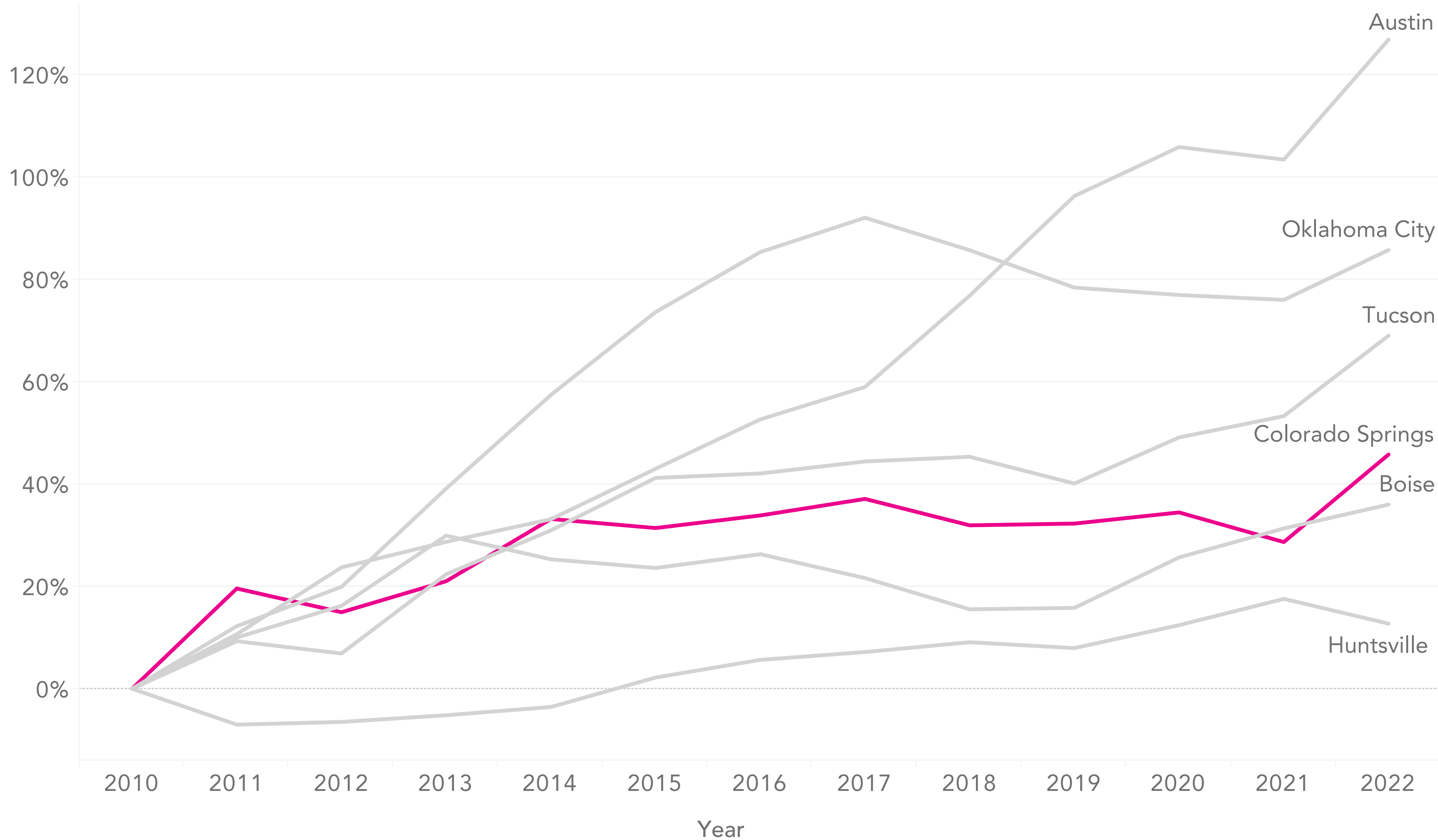
In downtown's share of citywide retail sales, Colorado Springs places third in this study set, ahead of all peers except Huntsville and Boise, which stand above the set with 9.9% and 8.7% of their city's retail sales respectively. It is important to note, however, that these two downtowns are more than twice as large as downtown Colorado Springs relative to the city's area. The downtown area makes up 1.9% of Boise's total land area, and 2.3% of Huntsville's, while downtown is only 0.9% of Colorado Springs' total area. Considering this, downtown Colorado Springs stands up with the best of the comparison peers in downtown retail concentration.

Downtown Colorado Springs is slightly below the average in both retail sales and storefront businesses per square mile, but this is another area where Austin is an outlier. Without Austin in the comparison peers, the average falls to 145 storefront businesses and $172M in sales per square mile, roughly equal with downtown Colorado Springs. This demonstrates that having lower job and population density than most of the peers, downtown Colorado Springs is still able to support a vibrant and active retail environment.

Retail	Downtown Colorado Springs	Comparisons Peers Average	Emerging Tier Average
% Citywide Retail Sales	4.6%	5.3%	6%
Retail Sales per sq. mi.	$183.5M	$216M	$209.4M
Retail Businesses per sq. mi.	141	189	167

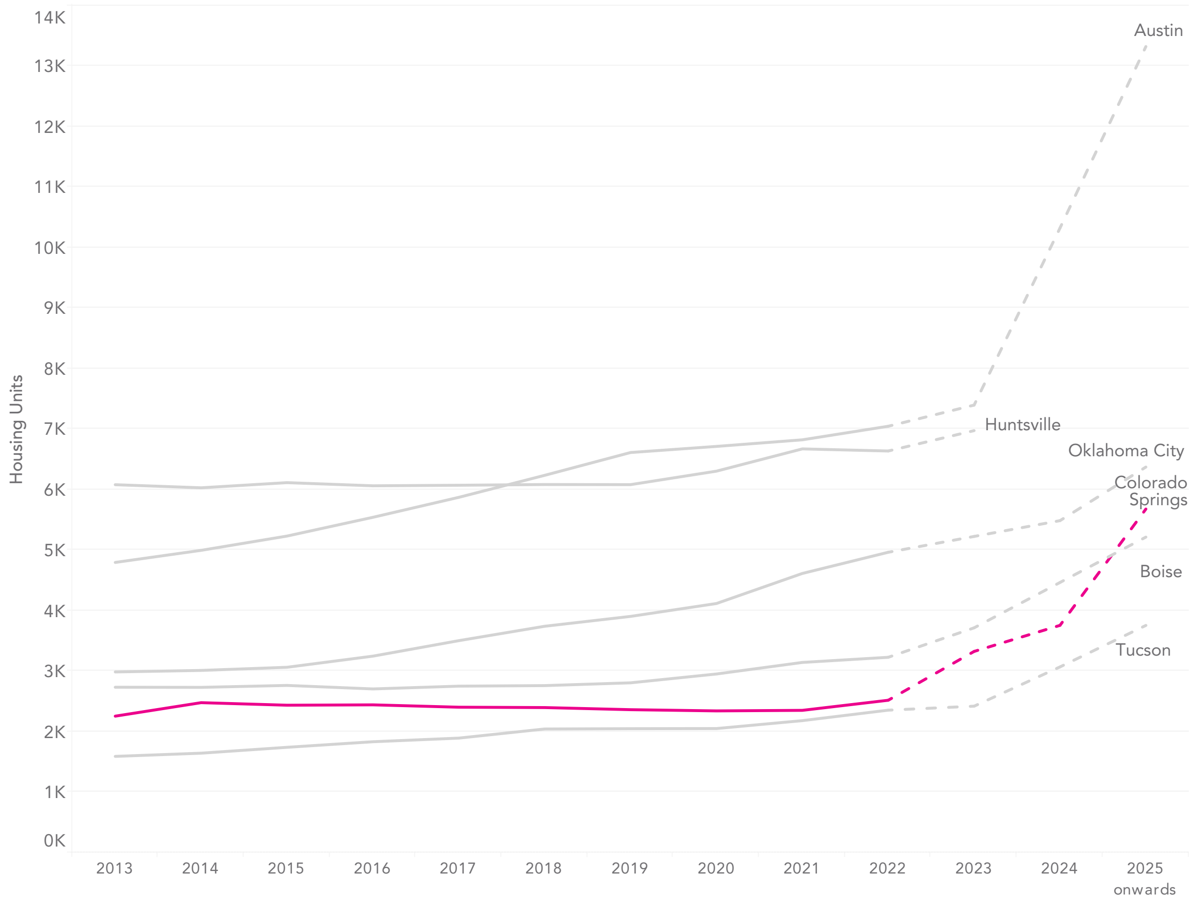
Source: ESRI Business Analyst Online (2023)
Note: Retail figures exclude Waikiki, which is an outlier among Emerging Downtowns.

Relative Population Growth since 2010



Source: American Community Survey 5-Year Estimates (2010–2022)

Downtown Housing Units

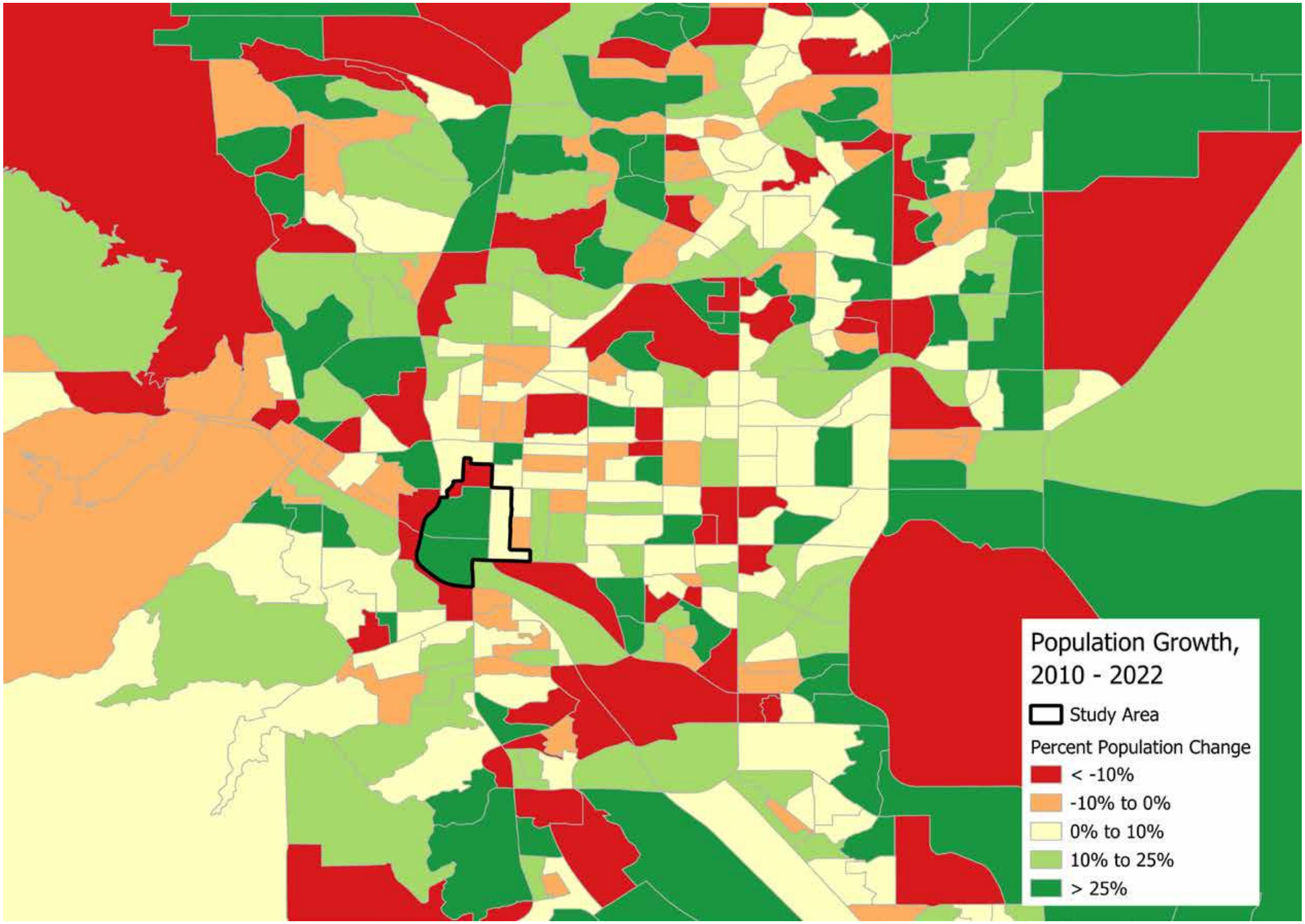


Source: American Community Survey 5-Year Estimates (2013–2022), Downtown Boise Association (2023-2025), Downtown Tucson Partnership (2023-2025), Downtown Partnership of Colorado Springs (2023-2025).
Note: Note: "2025 Onwards" includes all units under construction as of 2024. Downtown Huntsville data not available after 2023.

Renewed construction activity promises explosive residential growth in the near future for downtown Colorado Springs.

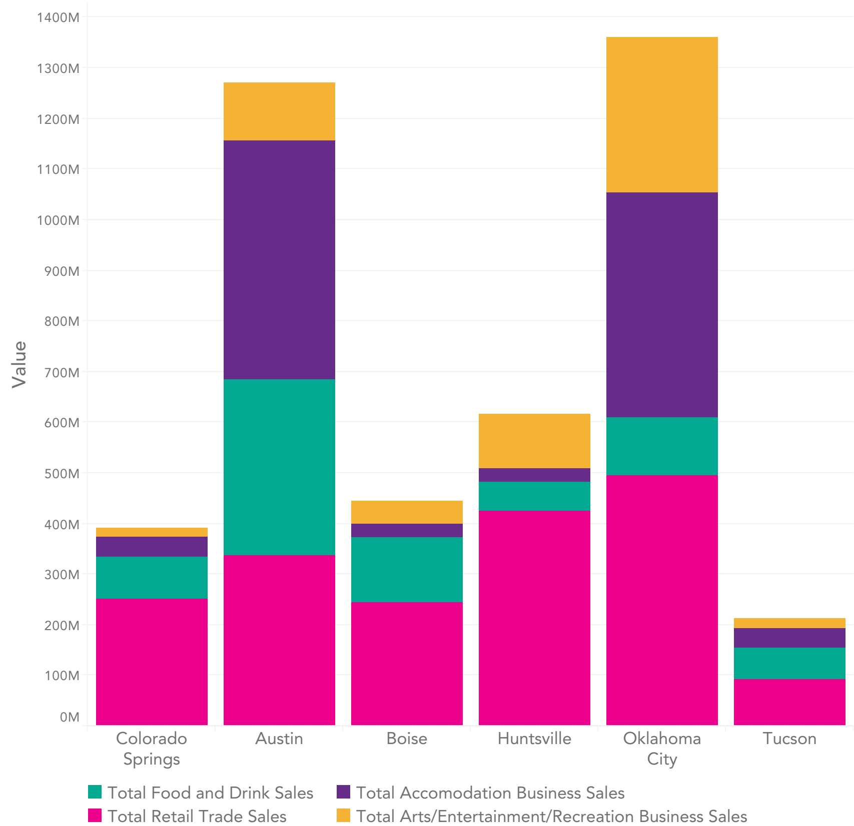
The most recent data on new construction shows that downtown Colorado Springs is experiencing the beginnings of a second wave of population growth. In 2023, 431 new multi family units were delivered just within the DDA boundaries. With an additional 1,923 under construction, those 500 new residents are likely just the very beginnings of a phase of renewed and rapid population growth for downtown Colorado Springs as new residents are drawn to the unique and amenity-rich environment downtown.

Downtown has seen some of the strongest population growth of any neighborhood in central Colorado Springs.



Source: American Community Survey 5-Year Estimates (2010–2022)

Downtown Business Sales in Selected Categories

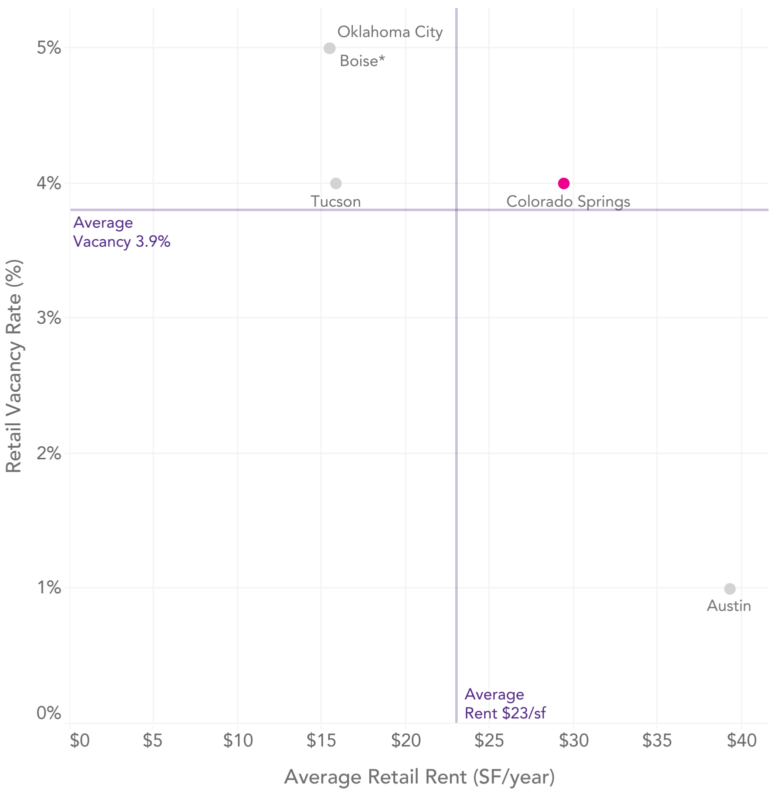


Source: ESRI Business Analyst Online (2023)

Downtown's retail market is comparable with the comparison peers – except Austin and Oklahoma City.

Measuring downtown sales from four categories of businesses: Retail Trade, Food and Drink, Accommodation, and Arts, Entertainment, and Recreation, two of the comparison peers stand above all the rest: Austin and Oklahoma City. These two downtowns have more than double the total sales of the next highest peer downtown, Huntsville. Leaving out these two downtowns, Colorado Springs is about slightly below, but more comparable with the level of gross sales in the remaining comparison peers.

Downtown Retail Rent and Vacancy



Sources: Downtown Partnership of Colorado Springs (2024), CBRE (2023), Cushman and Wakefield (2024), Partners Real Estate (2023)
* Similar data for downtown Oklahoma City and downtown Boise cause their points to overlap

Colorado Springs has a retail real estate market hotter than any peer but downtown Austin.

Colorado Springs boasts a very low retail vacancy rate of just 4.0% and commensurately high retail rents at nearly $30 per square foot. These figures clearly stand above most of the peers, and only Austin's retail real estate market is tighter. These very low vacancy rates could pose a challenge to downtown, since it makes it more challenging for businesses to expand or find a downtown storefront. Nevertheless, the high rents should also yield ample returns for any new retail or mixed-use development.

Colorado Springs' downtown hotel market is near the bottom of its peers.

Colorado Springs' downtown hotel figures are near the bottom of the comparison peers. At 1,100 rooms across 8 hotels, downtown Colorado Springs has the second fewest among these comparison peers. Only Huntsville, with 4 hotels and 665 rooms, has fewer.

Within this group, Oklahoma City and Austin stand out as the strongest downtown hotel markets; Oklahoma City has 25 hotels and 4,100 rooms; Austin has 34 hotels and 10,600 rooms.

Hotels	Downtown Colorado Springs	Comparison Peers Average	Emerging Tier Average
Hotels	8	18	15
Hotel rooms	1,108	3,401	4,073

Source: All urban place management organization partners in the Value of Downtowns study. See full list of downtowns in the Appendix.
Note: Emerging Tier average excludes San Antonio, an outlier among emerging downtowns

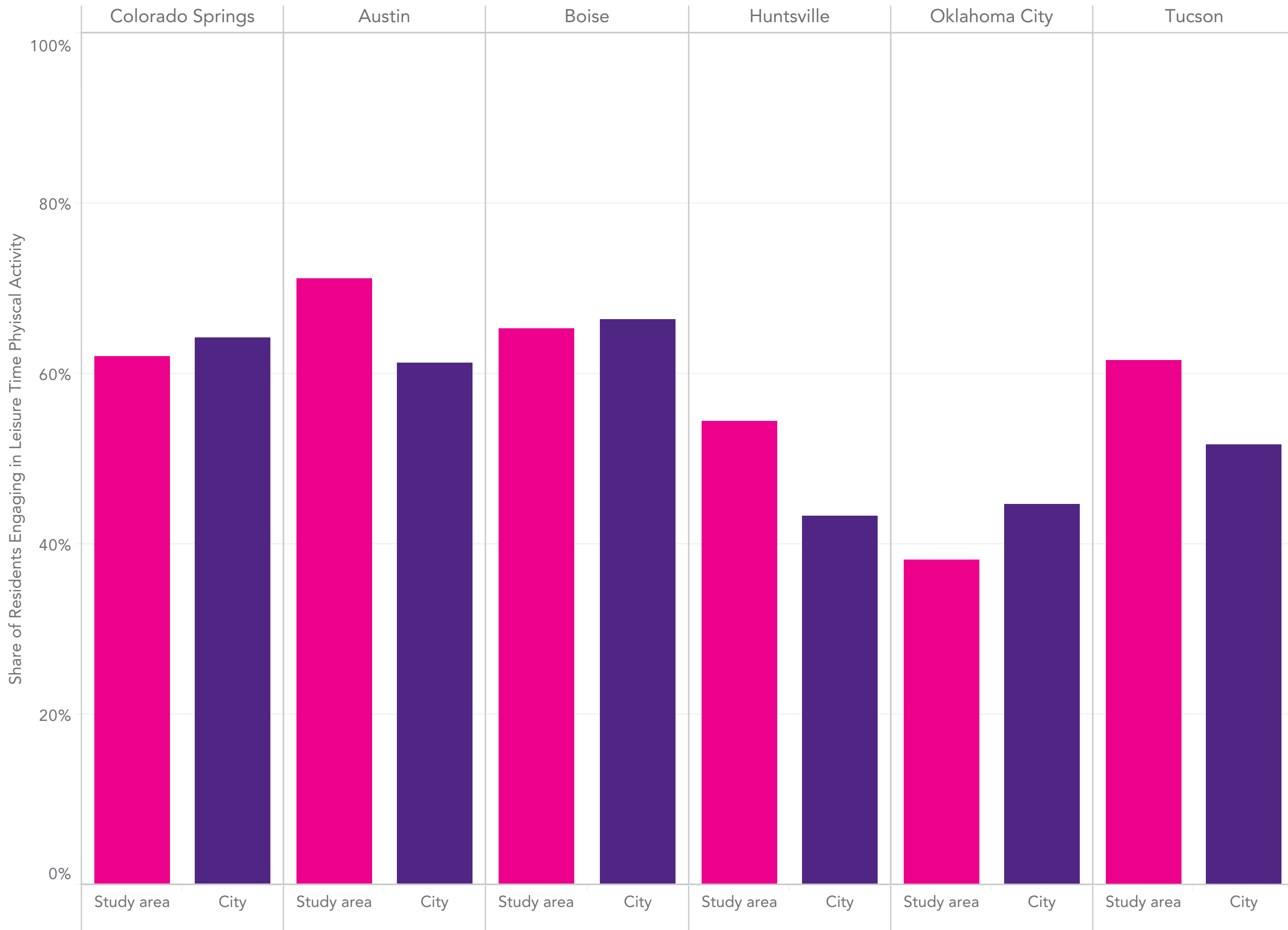
Resilience

The mixed-use nature of a downtown puts residential and commercial uses alongside each other, connected by a variety of mobility options.

Downtown Colorado Springs residents are more active than most of their peers.

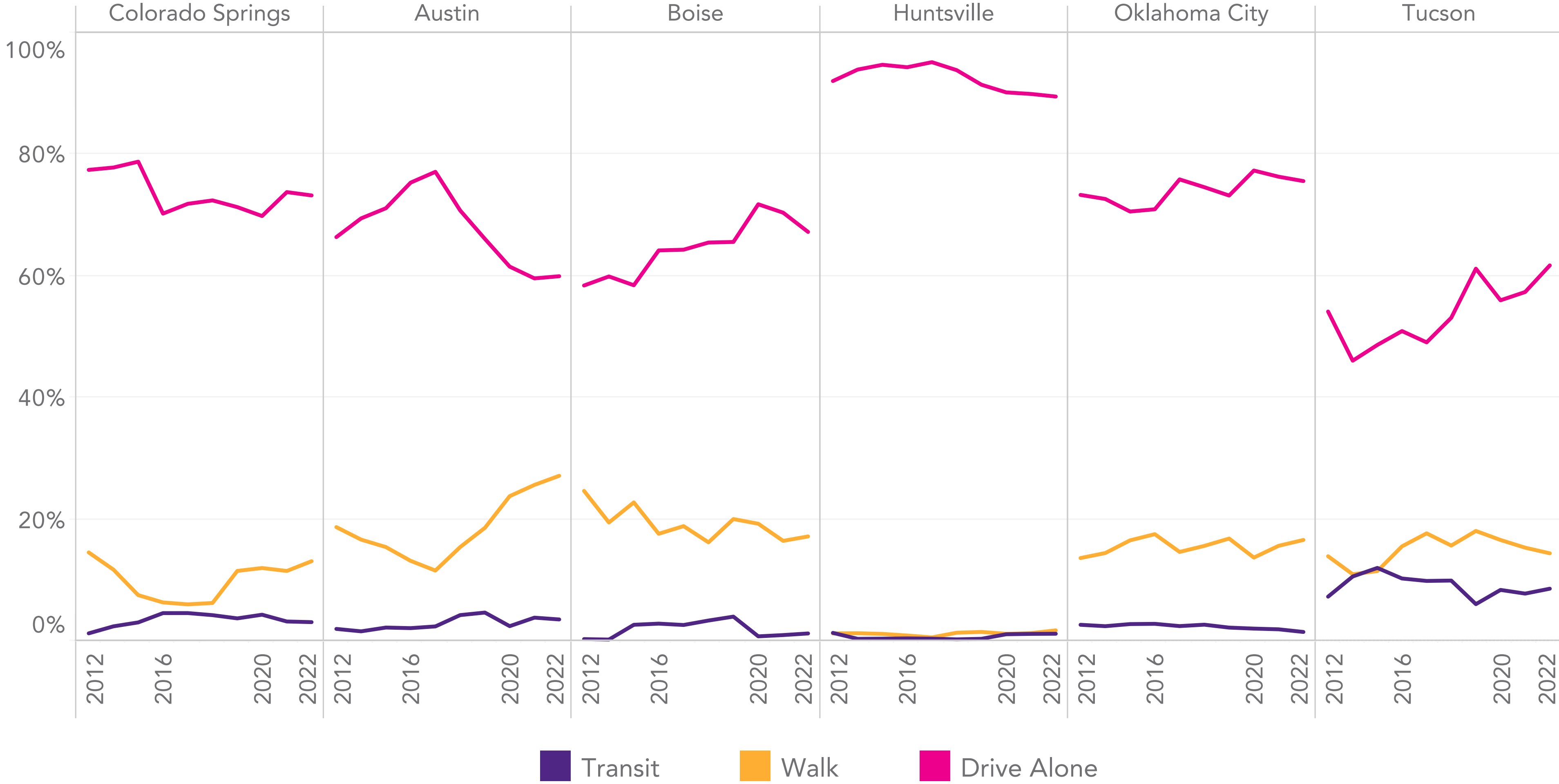
Perhaps a reflection of the many pristine natural attractions in surprisingly close proximity to downtown, residents of downtown Colorado Springs are much more active than residents in many of the comparison peer downtowns. With 62% reporting some form of leisure time physical activity, only Boise (65%) and Austin (72%) are higher. This is an important metric as a proxy for the health resilience of a downtown's residents, as high levels of physical activity are an important preventative measure for many other health concerns.

Leisure Time Physical Activity Study Area and City



Source: Centers for Disease Control (2021)

Resident Commute by Mode



Source: American Community Survey 5-Year Estimates (2013–2022)

Driving remains the most popular way of getting to work for all the comparison peer downtowns.

After a dip in popularity in the late 2010s, walking to work has experienced a resurgence among downtown Colorado Springs residents in the last few years, doubtless facilitated by downtown's strong Walk Score of 69 and a dense fabric of potential nearby workplaces and destinations. As of 2022, 13% of downtown residents reported walking as their main means of commuting to work, about on par with the comparison peers average of 15%, though that average is skewed by Austin's high rate of walking. Downtown Austin, similar to downtown Colorado Springs, has seen growth in walking as a popular commute choice in recent years, though Austin's growth has been more dramatic, and walkers now make up more than a quarter of downtown commuters.

Transit ridership also has grown gradually in downtown Colorado Springs but still remains a very small share of overall commute mode choice. As of 2022 just 3% of residents reported transit use as their main commute choice, perhaps unsurprising given downtown Colorado Springs' Transit Score of 43. Among the comparison peers, only Tucson has a notably high share of downtown residents using transit, with 9% using it to commute to work.

Among the rest of the peers, Boise stands out as a potential model for bikeability in the Mountain West: 8% of downtown Boise residents bike to work, compared to just 2% of downtown Colorado Springs residents, and nearly triple the peer average of 3% bike commuters. Among the comparison peers, only Huntsville stands out as an overwhelmingly car-dependent downtown, with 90% of downtown residents using a car for their typical commute. The rest of the comparison peers are between 60% and 80% share of "Drive Alone" commuters.

Conclusion

Downtown Colorado Springs has many things to commend it within these peers, the downtowns of Austin, Boise, Huntsville, Oklahoma City, and Tucson. Despite lower residential and employment density, downtown Colorado Springs has an active retail environment that is on-par with most of its larger and denser peers, and is buoyed by the strong visitation draws both in and near downtown, such as the U.S. Olympic and Paralympic Museum and Pikes Peak. Additionally, many metrics across all sections of this report set downtown Colorado Springs at or near the front of the comparison peer group. This analysis revealed strong office and retail real estate fundamentals, a high diversity index, a high share of citywide retail sales, and more physically active downtown residents.

While downtown Colorado Springs has yet to accumulate the same total numbers and density in residents and employment, or achieve the same rate of growth as many of these peers, downtown is well-positioned for the future. The full impact of the many recent and upcoming residential developments will doubtless be felt in the coming years, and with many development-ready sites, downtown Colorado Springs is anticipated to continue this phase of renewed growth for many years.

Though it fits in now as an *emerging* district due to its smaller than average share of the city's jobs and residents, downtown Colorado Springs has grown much more in employment than a typical emerging downtown has since 2002, with a 14% increase in employment, compared to an 8% reduction in the average *emerging* downtown. As the current residential growth continues and accelerates, downtown Colorado Springs may soon see itself classed as a *growing* downtown in IDA's study.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APPENDIX

Benchmarking Downtown Tiers

Based on the data collected for this study, IDA identified three tiers of downtowns, defined by stage of development. We divided the participating downtowns into "established," "growing" and "emerging" tiers. Our analysis compared downtown figures to study-wide medians in these areas:

- Density
- Jobs per square mile
- Residents per square mile
- Assessed value per square mile
- Significance to city
- Percentage of citywide jobs
- Percentage of citywide residents
- Long-term growth
- Percent growth in jobs (2002–2021)
- Percent growth in population (2000–2022)

Established—These downtowns contain high proportions of their cities' jobs and residents, high levels of density, and high value for their cities.

Growing—These downtowns have not yet hit a critical level of density and citywide significance but show steady movement in that direction. This group includes both larger downtowns with lower growth rates and smaller downtowns with exceptional growth rates.

Emerging—Varying sizes and growth rates mark these downtowns, which generally have lower density and a low proportion of citywide jobs and residents. Because the study examined growth rates since 2000, many downtowns that struggled during the recession had a harder time demonstrating significant growth over the longer term despite stronger growth in recent years.

The compendium summary the *Value of U.S. Downtowns and Center Cities*, available on the IDA website has additional data on the performance of emerging, growing, and established tiers of downtowns.

Full list of Value of Downtowns Participants

Participant	Tier	Population (2022)	Jobs (2021)	District Land Area (Miles/Sq.)
Albuquerque	Emerging	1,735	15,604	0.49
Baton Rouge	Emerging	10,509	29,970	4.00
Birmingham	Emerging	14,167	66,910	3.22
Cleveland	Emerging	15,040	74,424	3.24
Colorado Springs	Emerging	4,683	21,675	1.82
Corpus Christi	Emerging	3,526	18,234	1.15
El Paso	Emerging	4,148	9,934	1.08
Evansville	Emerging	2,419	16,496	1.22
Grand Rapids	Emerging	5,677	43,947	0.95
Hollywood	Emerging	27,951	24,703	1.40
Lancaster	Emerging	4,274	3,160	0.69
Little Rock	Emerging	9,431	40,722	4.37
New Orleans	Emerging	3,882	44,765	1.38
Norfolk	Emerging	8,997	21,727	1.12
Oklahoma City	Emerging	9,096	52,180	4.28
San Antonio	Emerging	3,458	47,809	1.36
Tampa	Emerging	20,222	78,350	2.86
Toledo	Emerging	3,671	15,459	1.18
Tucson	Emerging	3,524	21,712	0.78
Tulsa	Emerging	4,161	27,558	1.39
University Circle	Emerging	6,717	25,623	1.25
Waikiki	Emerging	19,153	15,511	0.77
Wichita	Emerging	1,926	24,980	0.99
Ann Arbor	Growing	13,481	12,145	1.05
Atlanta	Growing	31,676	113,675	3.37
Austin	Growing	10,169	107,823	1.56
Boise	Growing	4,340	41,288	1.59

Participant	Tier	Population (2022)	Jobs (2021)	District Land Area (Miles/Sq.)
Charlotte	Growing	49,250	166,262	9.30
Dallas	Growing	14,018	114,075	1.81
Durham	Growing	11,897	25,476	2.91
Greensboro	Growing	25,068	27,351	3.71
Huntsville	Growing	14,024	29,292	4.86
Indianapolis	Growing	27,449	148,471	5.69
Lexington	Growing	28,707	38,491	4.41
Los Angeles	Growing	85,611	284,484	6.68
Nashville	Growing	9,306	60,713	1.74
Sacramento	Growing	24,232	99,934	5.00
Santa Monica	Growing	5,149	17,490	0.69
Spartanburg	Growing	2,564	8,166	1.44
Tempe	Growing	5,035	21,982	0.93
West Palm Beach	Growing	8,069	27,190	1.04
Baltimore	Established	48,136	107,021	3.69
Chicago	Established	25,365	419,311	1.09
Fort Lauderdale	Established	18,531	43,648	2.38
Hartford	Established	3,316	52,325	1.19
Miami	Established	102,726	167,355	5.05
Milwaukee	Established	30,129	75,365	2.76
Minneapolis	Established	46,487	141,307	3.35
New Haven	Established	13,991	46,285	1.81
Pittsburgh	Established	16,544	103,759	2.72
Richmond	Established	22,858	68,857	3.20
Saint Paul	Established	14,608	47,481	1.66
San Francisco	Established	46,217	247,992	1.20
Seattle	Established	82,849	258,608	3.59

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Photo Credits

Front Cover

Shutterstock. *Colorado Springs skyline*. Colorado Springs, CO.

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