

Downtown Memphis Metrics 2013

The Downtown Memphis Commission strives to attract and retain residents, businesses, visitors, and students by fostering the development of a vibrant Downtown that is densely populated, authentic, mixed-use, walkable, clean, safe, and fun. The purpose of the Downtown Memphis Metrics Report is to collect and analyze statistical data to better understand demographic and market trends, track community progress, and identify needs that can be addressed by the DMC’s on-going revitalization efforts.

Downtown Demographic Profile: 1980 - 2013

| | Census 1980 | Census 1990 | Census 2000 | Census 2010 | 2013 Estimate |
|--------------------------------|-------------|-------------|-------------|-------------|---------------|
| Residential population | 23,067 | 21,862 | 20,212 | 22,791 | 23,794 |
| Households | 9,600 | 9,487 | 9,417 | 11,278 | 11,834 |
| Avg household income | \$8,413 | \$18,109 | \$37,653 | \$51,568 | \$58,745 |
| Median household income | \$4,701 | \$9,079 | \$20,625 | \$32,839 | \$36,228 |
| Bachelor's degree | - | 15.8% | 29.0% | 35.3% | 39.1% |
| Graduate degree | - | 7% | 12.9% | 16.5% | 18.8% |
| Students | - | - | - | - | 12,847 |
| Employees | - | - | - | - | 57,908 |
| Visitors | - | - | - | - | 4,000,000 |

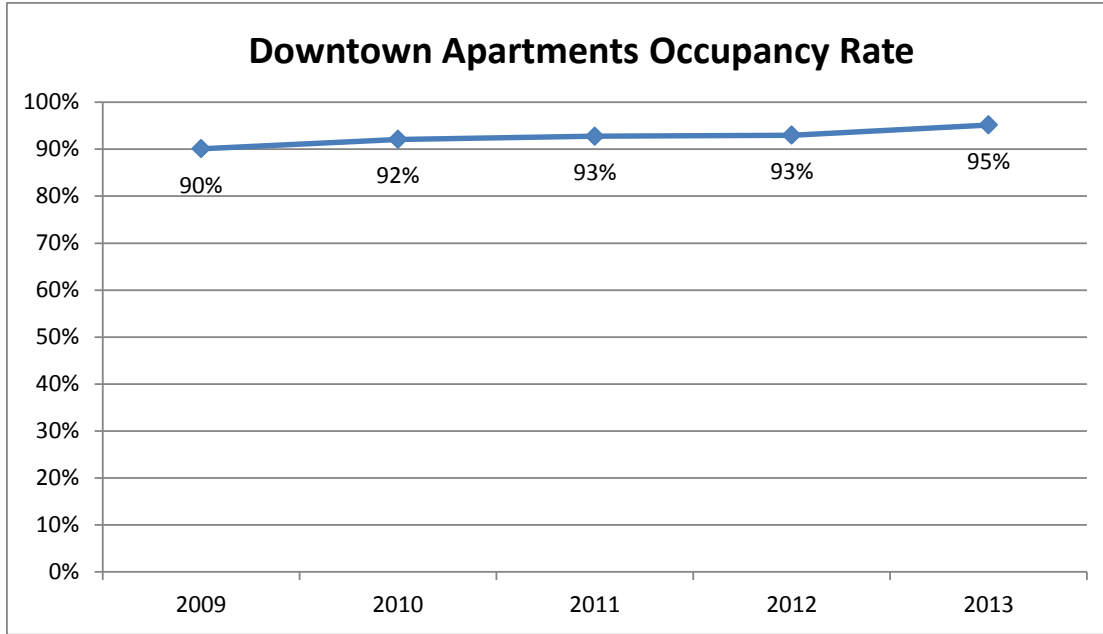
Sources: Decision Data Resources (2011), Research360 (2013), Claritas (2013), and Memphis and Shelby County Tourism Economic Impact Study (2013).

Downtown Memphis experienced a surge in housing development from 2000 – 2010, which resulted in increases in housing units and residential population. According to the most recent population estimate, the 2013 residential population of Downtown is estimated to be almost 24,000, which reflects an 18% population increase since 2000. The 18% population increase is quite significant considering that Downtown suffered from population decline for several decades.

In addition to the residential population, Downtown’s economy is also supported by approximately 58,000 employees and 4 million annual visitors. The annual number of visitors is an estimate from the Memphis Convention and Visitors Bureau and is based on annual visitors to Beale Street; the figure includes both out-of-town and local visitors to Beale Street.

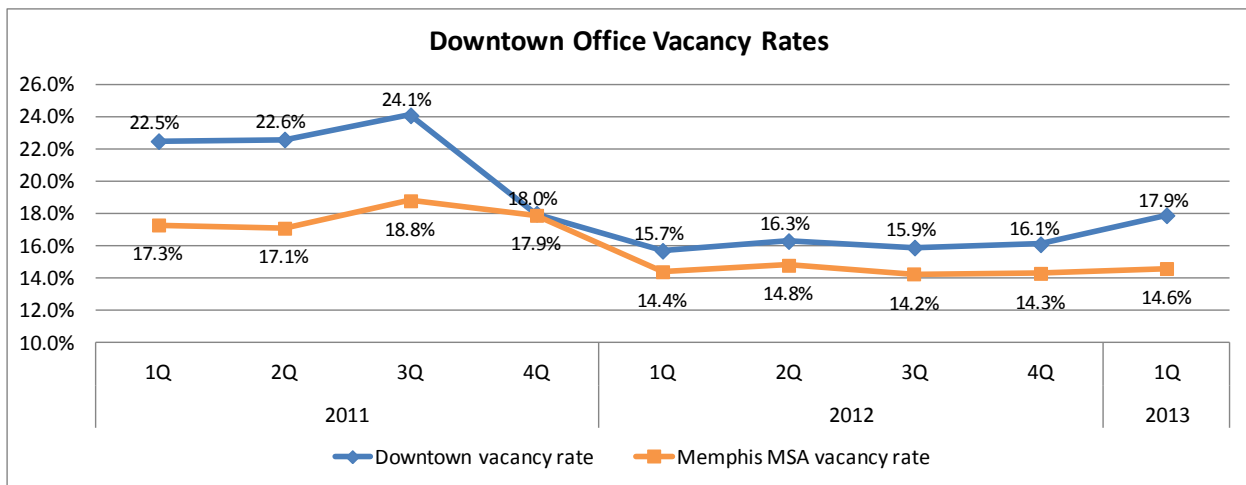
Income levels Downtown have increased significantly since 1980 as new housing opportunities have attracted residents to Mud Island, South Main, Uptown, and the Downtown Core. The conversion of low-income public housing to mixed-income housing is also a factor in the income trends.

With its large number of financial service industries, law firms, hospitals, research labs, government offices, and educational institutions, Downtown is attracting more residents with undergraduate and graduate degrees. In 1990, less than 16% of the population held a bachelor’s degree; it is now estimated that 39% of the population holds a bachelor’s degree, and 19% of residents hold a graduate degree. Downtown has a student population of almost 13,000 with 2,500 primary and secondary school students, 6,600 college students, and 3,700 graduate students.



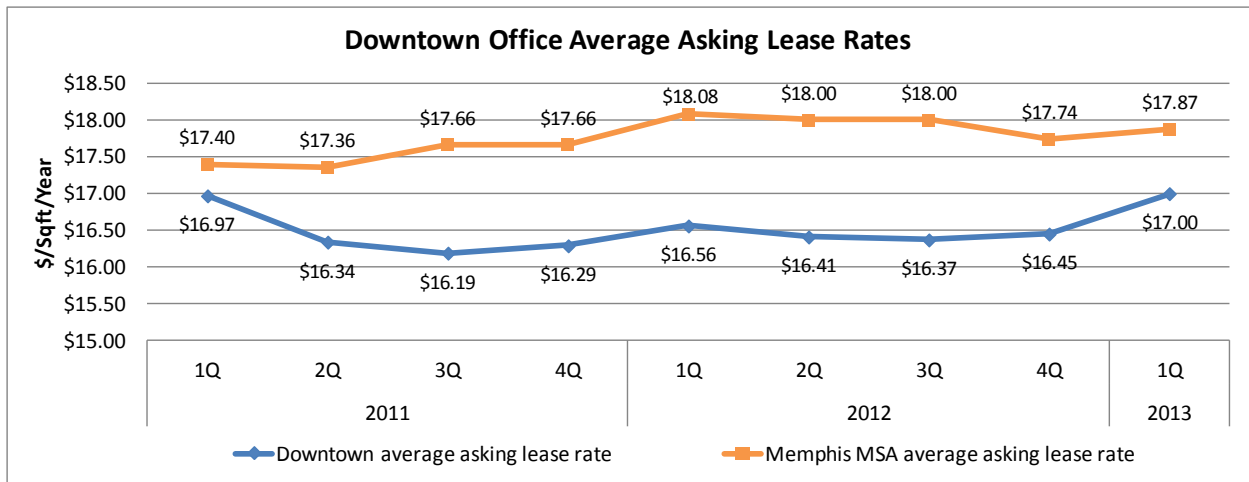
Source: Downtown Memphis Commission.

Downtown’s apartment occupancy rate has remained strong throughout the recent recession and has increased over the past five years from 90% occupancy in 2009 to 95% occupancy in 2013. Occupancy rates are determined from an annual survey of 58 downtown apartment properties totaling over 6,300 units.



Source: CB Richard Ellis Memphis, Market View: Memphis Office.

Although the Downtown office market suffered from higher vacancy in 2011, vacancy decreased in 4Q 2011 with the move of Pinnacle Airlines to the One Commerce Square building. Downtown’s office vacancy rate remained steady around 16% throughout 2012 but has increased slightly in 2013.



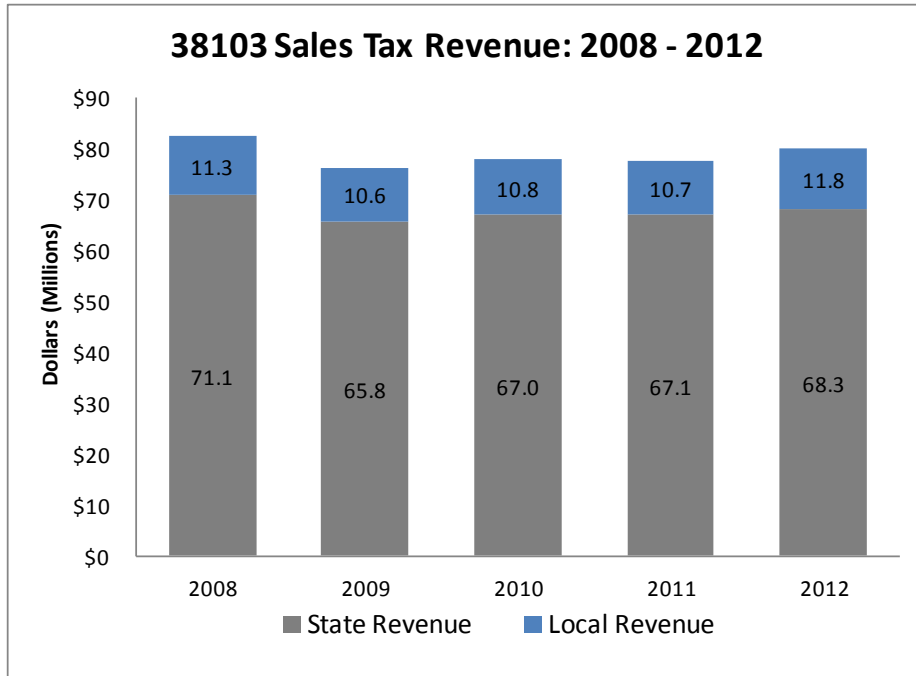
Source: CB Richard Ellis Memphis, Market View: Memphis Office.

Downtown’s average asking rate for office leases remained in the \$16 range for most of 2011 – 2012 and has increased in the 1Q of 2013. With office lease rates lower than the MSA average, Downtown office space is positioned as an affordable option for Memphis businesses.



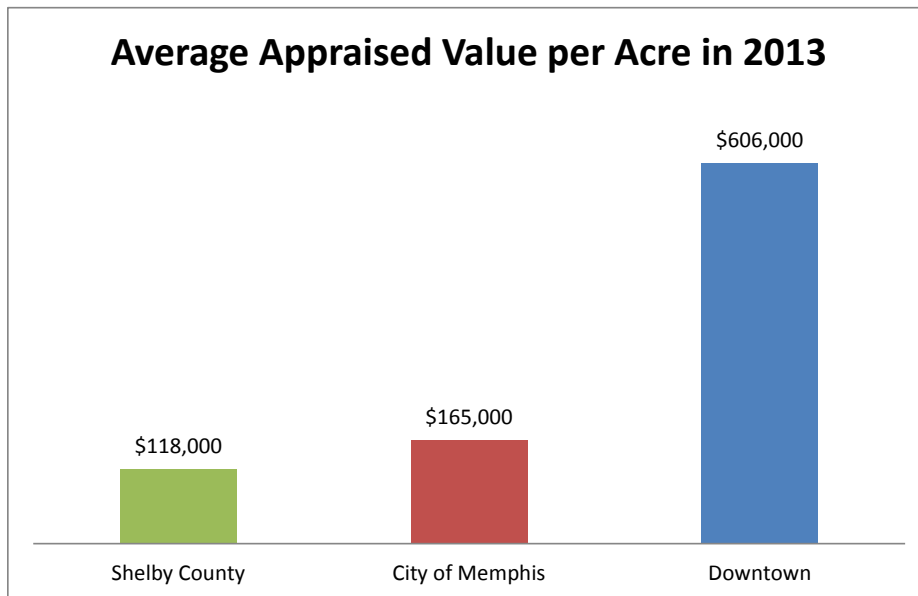
Source: Tennessee Department of Revenue, Research Section, 2013.

Retail sales in 38103, Downtown’s primary zip code, increased from 2003 to 2007 and then decreased in 2008 and 2009 as a result of the national recession. Since 2009, retail sales have been demonstrated an overall upward trend.



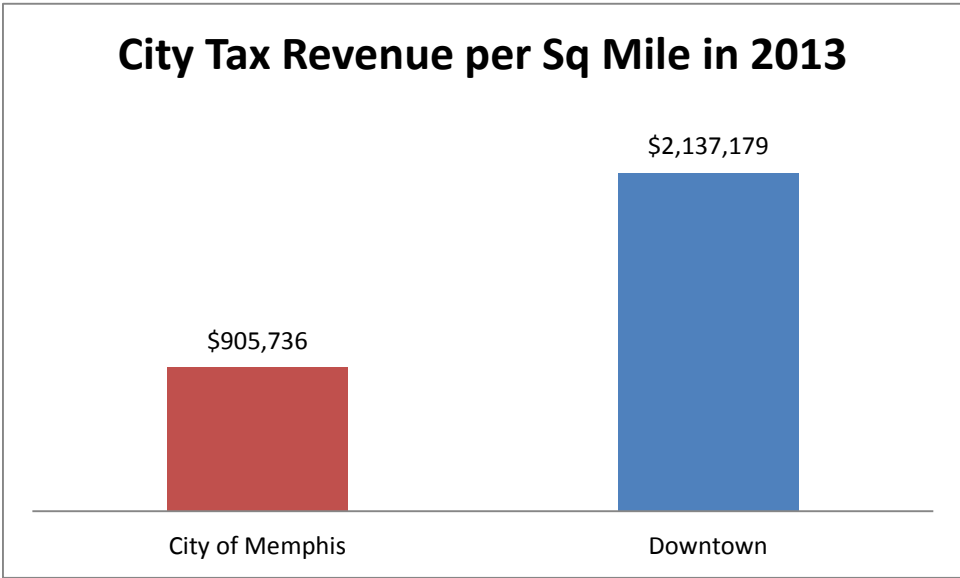
Source: Tennessee Department of Revenue, Research Section, 2013.

In 2012, businesses located in 38103 were responsible for over \$80 million in state and local sales tax revenue.

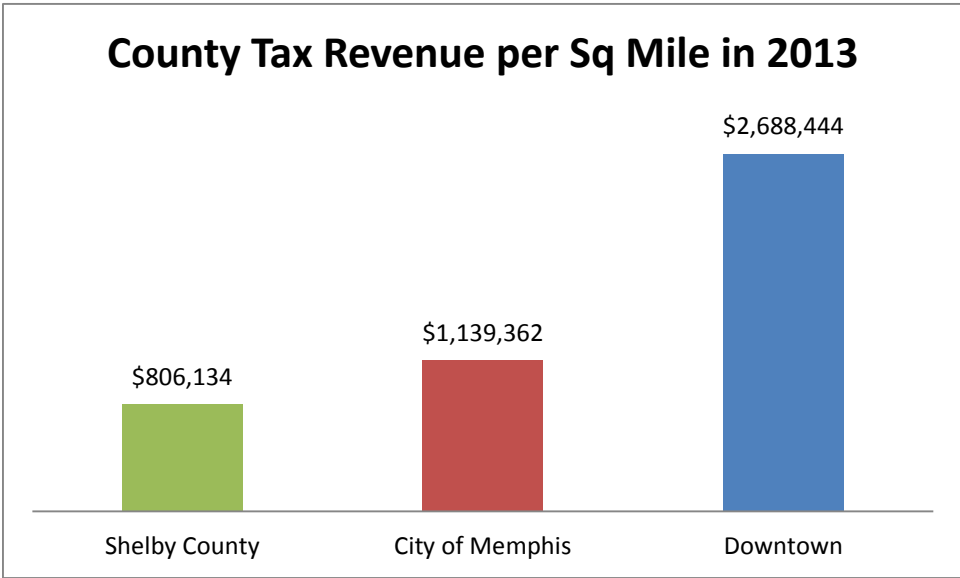


Source: Shelby County Tax Assessor's Data, 2013.

Downtown's average appraised value per acre is significantly higher than either the city or county average due to the density of downtown development in addition to new commercial and residential investment.

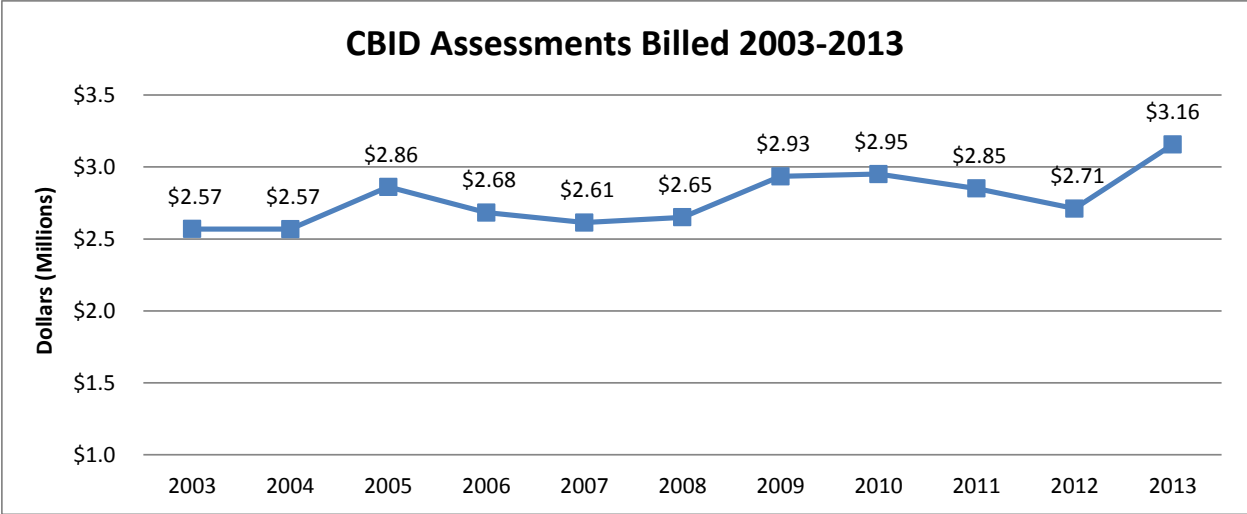


Source: Shelby County Tax Assessor’s Data, 2013.



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Although Downtown’s property tax revenue accounts for only 4.7% of city tax revenue and 2.8% of county tax revenue, the average annual tax revenue per square mile is significantly higher in the Downtown CBID than in either the city or the county. A square mile of Downtown property generates more than twice the county and city taxes as an average square mile in the City of Memphis and more than three times the county tax revenue when compared with an average acre in Shelby County.



Source: Downtown Memphis Commission, 2013.

The Downtown Memphis Commission is funded by a special assessment on CBID commercial properties and does not include residential or tax exempt properties such as hospitals and churches. The assessment rate has stayed constant since 1999; the peaks on the graph represent reappraisal years, and the troughs represent subsequent years when property values have been appealed. The CBID assessments billed increased in the 2013 because the number of parcels assessed increased and the average values of the new properties were greater than then 2012's average values.