INTRODUCTION

The study described here evaluates the effectiveness of revitalization efforts in the downtowns of a group of representative cities in Michigan. It considers the economic environment of the downtowns, but also looks at their role as social and cultural centers.

The study’s conclusions are based on the results of an extensive survey of business owners and merchants in the study cities. A significant contribution of this study is the formulation of the downtown Health Perception Index (HPI). The Index gives a method for comparing downtown health.

This study is specifically focused on the status of smaller cities. One reason it takes this focus is because most research has been oriented toward large cities and metropolitan areas. The United States is an urban society, and large cities exert a tremendous influence over our society in general. However, Americans love small towns, and prefer to live there. Smaller cities represent the best of American values, as represented in the following from Thorstein Veblen’s *The Country Town*:

> "The country town is one of the great American institutions; perhaps the greatest, in the sense that it has had . . . a greater part than any other in shaping public sentiment and giving character to American culture."

One of the most important missing components is a method for evaluating the status of urban centers and downtowns. What criteria should be used when attempting to evaluate the "health" of cities and their downtowns? As discussed by Robertson (1978):

> "Most studies and policies that relate to the city core address themselves to the question of viability, health, vitality or some other term conveying the desired well-being of the downtown. However, few of these efforts have directly confronted the question of what criteria are to be included in the definition of health and how they can be measured. In other words, although terms such as stability, viability, and healthiness are used to describe the desired state of [downtowns], there has been little attempt to provide precise interpretations of these terms.

> "The question remains: Viability compared to what? Viability makes a difference if one is judging the current state of a downtown against: the same downtown many years ago; the surrounding... area; other downtowns within the same region; or downtowns of a similar ilk across the country. Viability judgements would undoubtedly incorporate aspects of all of these comparisons..."\(^1\)

Good health is typically seen in terms of growth. Yet, Schumacher (1973) has argued that growth is an unreliable indicator of health, for growth is inevitably seen in economic terms, rather that in terms of quality of life.

---

"A small minority of economists is at present beginning to question how much further growth will be possible,... but even they cannot get away from the purely quantitative growth concept. Instead of insisting on the primacy of qualitative distinctions, they simply substitute non-growth for growth, that is to say, one emptiness for another."²

He goes on to say:

"In a sense, everyone believes in growth, and rightly so, because growth is an essential feature of life. The whole point, however, is to give to the idea of growth a qualitative determination; for there are many things that ought to be growing and many things that ought to be diminishing."³

Frank Andrews has directed research toward the question of what makes up the concept of "well-being." In his work he stresses the need for two types of indicators:

"... a program designed to assess well-being would be most useful if it included both perceptual and non-perceptual social indicators relevant to the same concerns... In short, we would envisage two parallel series of data: one assessing perceptions about well-being,... the other providing various non-perceptual data for the same concerns."⁴

Terms such as well-being, viability or health cannot be measured directly. There must be a reliance in the research on obtainable data to serve as proxies for these concepts. As Francis (1973) described the use of proxy data, "A major cause of this reliance on proxies is, of course, not only conceptual. Some things are just hard to measure."⁵

Horn (1993) explains that it is sometimes difficult to separate qualitative from quantitative information, for there are elements of each in the other.

In a general way the objective-subjective distinction is often more a matter of form than of substance. All objective-type indicators carry a subjective value load inherent in the process of the collection, selection and presentation of statistics, and subjective-type indicators borrow objective modes of grouping, ranking and partitioning the data.⁶

As it is further described by Schumacher (1973),

Quantitative differences can be more easily grasped and certainly more easily defined than qualitative differences; their concreteness is beguiling and gives them the appearance of scientific precision, even when this precision has been purchased by the suppression of vital differences of quality.⁷

---

³ Schumacher, p. 148.
Francis concurs,

The omission of items which cannot be measured is itself a major bias—often the most important facts about social conditions are qualitative, derivative or interactive.\(^8\)

Yet there is an increasing awareness of the need for such indicators. “There has been a growing realization of what we give up, individually and collectively, by clamoring for more material goods, a realization that there are other kinds of goods that have been neglected—the kind we try to encapsulate in the phrase ‘well-being.’”\(^9\)

A Stanford Research Center handbook suggests qualitative evaluation and forecasting is difficult because it relies on:

– hard to obtain data,
– elaborate model building and testing,
– a good deal of consultation with experts in diverse fields.\(^{10}\)

As explained by Marans and Rodgers (1975), “Only when subjective indicators...are instituted and collected over time can we as a society begin to have confidence in the usefulness of objective indicators.”\(^{11}\) They further explain that subjective indicators are quite distinct from more traditional objective indicators. “The implication, however, is not that either objective or subjective indicators are better or more useful than the other. Rather, there is urgent need for both kinds of indicators; each type takes on depth of meaning as it can be related to the other. By themselves, objective indicators are often misleading and will remain so until indicators of the human meaning attached to them are obtained.”\(^{12}\) They explain that how a person evaluates the condition of his or her environment is dependent on two things: how the environment is perceived and the standard against which the evaluation is given.

How do the methodologies described above relate to the focus of this study—the evaluation of downtown revitalization efforts? Since research on the qualitative health of downtowns is minimal, it is necessary to look at more general quality of life studies to serve as a basis for studying the qualitative aspects of downtown health.

Downtowns must be seen in more than physical and economic terms. As stated by Sullivan (1979), “Our downtowns are more than physical spaces—more than a place to work, to shop, to

\(^{8}\) Francis, p. 548.


\(^{12}\) Marans. p. 303.
live...more than economic and social systems. They are a state of mind, a living history, the heart of the community.”

METHODOLOGY USED FOR THIS STUDY

This study develops a yardstick to be used to evaluate the perceived relative health of downtowns, and looks at how these perceptions of downtown health have been impacted over time.

CORRELATION ANALYSIS

The data accumulated by this study’s survey is analyzed primarily through correlation analysis. Correlation analysis tests whether two items are associated in a way that is statistically significant. It not only indicates a relationship between two factors, but measures the strength of that relationship. A strong correlation does not imply causation. For example, a high correlation between the Health Perception Index and streetscape improvements does not imply that streetscape improvements lead to improved downtown health. Hypothetically, good downtown health may bring in funds that allow streetscape improvements, or some other tertiary link may exist. Cause-effect relationships can be determined with confidence only by incorporating and controlling these factors prior to the survey. What can be concluded through correlation analysis with some degree of confidence is that one is somehow associated with the other.

SELECTION OF STUDY CITIES

This is a study of cities a) between 5,000 and 20,000 population, b) not economically linked to larger cities, c) located in the outstate areas of the lower peninsula of Michigan. The study includes a purposive selection of sixteen cities, shown on the map below:

---

The study cities were selected to represent a variety of characteristics, including city size, market autonomy, and geographic location. Since the specific focus of this study was on smaller cities, population size was a primary characteristic.

<table>
<thead>
<tr>
<th>Location</th>
<th>Popul.</th>
<th>MedAge</th>
<th>% CollGrad</th>
<th>% Unemp</th>
<th>% Black</th>
<th>HH Income</th>
<th>% Poverty</th>
<th>MedHsg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albion</td>
<td>10,066</td>
<td>26.5</td>
<td>16.8%</td>
<td>12.4%</td>
<td>30.8%</td>
<td>$20,078</td>
<td>25.4%</td>
<td>$31,700</td>
</tr>
<tr>
<td>Dowagiac</td>
<td>6,409</td>
<td>31.7</td>
<td>7.7%</td>
<td>14.1%</td>
<td>15.5%</td>
<td>$20,628</td>
<td>15.5%</td>
<td>$31,400</td>
</tr>
<tr>
<td>Howell</td>
<td>8,184</td>
<td>31.2</td>
<td>16.0%</td>
<td>6.8%</td>
<td>0.1%</td>
<td>$31,674</td>
<td>9.2%</td>
<td>$75,400</td>
</tr>
<tr>
<td>Ionia</td>
<td>5,935</td>
<td>30.8</td>
<td>13.2%</td>
<td>9.7%</td>
<td>0.9%</td>
<td>$23,614</td>
<td>16.3%</td>
<td>$41,200</td>
</tr>
<tr>
<td>Lapeer</td>
<td>7,759</td>
<td>30.2</td>
<td>9.7%</td>
<td>10.7%</td>
<td>4.7%</td>
<td>$22,833</td>
<td>20.1%</td>
<td>$51,400</td>
</tr>
<tr>
<td>Manistee</td>
<td>6,734</td>
<td>36.5</td>
<td>12.4%</td>
<td>17.3%</td>
<td>0.5%</td>
<td>$18,010</td>
<td>21.6%</td>
<td>$34,900</td>
</tr>
<tr>
<td>Marshall</td>
<td>6,891</td>
<td>34.9</td>
<td>22.9%</td>
<td>6.1%</td>
<td>1.4%</td>
<td>$30,000</td>
<td>8.5%</td>
<td>$53,900</td>
</tr>
<tr>
<td>Tecumseh</td>
<td>7,462</td>
<td>33.6</td>
<td>17.3%</td>
<td>6.6%</td>
<td>0.1%</td>
<td>$33,545</td>
<td>5.8%</td>
<td>$62,900</td>
</tr>
<tr>
<td>Alpena</td>
<td>11,354</td>
<td>36.0</td>
<td>13.1%</td>
<td>9.3%</td>
<td>0.2%</td>
<td>$20,472</td>
<td>13.5%</td>
<td>$37,600</td>
</tr>
<tr>
<td>BigRapids</td>
<td>12,603</td>
<td>21.3</td>
<td>31.0%</td>
<td>11.4%</td>
<td>5.0%</td>
<td>$14,990</td>
<td>44.4%</td>
<td>$51,800</td>
</tr>
<tr>
<td>Cadillac</td>
<td>10,104</td>
<td>32.8</td>
<td>15.5%</td>
<td>12.1%</td>
<td>0.2%</td>
<td>$21,170</td>
<td>15.5%</td>
<td>$37,000</td>
</tr>
<tr>
<td>Coldwater</td>
<td>9,607</td>
<td>32.8</td>
<td>13.5%</td>
<td>9.5%</td>
<td>0.3%</td>
<td>$22,562</td>
<td>17.5%</td>
<td>$35,900</td>
</tr>
<tr>
<td>Hillsdale</td>
<td>8,170</td>
<td>29.5</td>
<td>19.2%</td>
<td>8.9%</td>
<td>0.6%</td>
<td>$21,688</td>
<td>16.3%</td>
<td>$39,000</td>
</tr>
<tr>
<td>Owosso</td>
<td>16,322</td>
<td>31.7</td>
<td>11.3%</td>
<td>12.2%</td>
<td>0.1%</td>
<td>$23,220</td>
<td>15.7%</td>
<td>$38,000</td>
</tr>
<tr>
<td>SouthHaven</td>
<td>5,563</td>
<td>35.3</td>
<td>21.7%</td>
<td>9.2%</td>
<td>15.1%</td>
<td>$25,967</td>
<td>16.9%</td>
<td>$50,100</td>
</tr>
<tr>
<td>Sturgis</td>
<td>10,130</td>
<td>32.3</td>
<td>12.3%</td>
<td>5.3%</td>
<td>0.8%</td>
<td>$23,642</td>
<td>11.9%</td>
<td>$56,300</td>
</tr>
</tbody>
</table>

**Figure III-1**

*Locations of 16 Study Cities*

**Figure III-3**

*Selected Demographic Characteristics For 16 Study Cities*
SELECTION OF RESPONDENTS

This study evaluates the health of downtowns through the perceptual evaluations of downtown merchants, business owners, and local officials. They know the downtown well, and are most impacted by changes. An inclusive survey of these groups was the method used to gain input. Data was collected in two ways—first, through use of self-administered questionnaires and, second, through personal interviews. The same topics were covered using both techniques; sometimes both techniques were used with a single respondent. The self-administered questionnaire was the primary technique used, and data collected through its use form the bulk of the information gathered.

The respondents knew their communities well, for the mean length of residency was 26 years, and respondents had been involved in the downtown as merchants or in other capacities for an average of 12 years. Clearly the respondents as a whole represented a group that could speak about their respective downtowns based on long experience.

Factors Making Up a "Health Perception Index (HPI)"
This study uses perceptual input to find factors most closely allied with downtown health. Downtown "health" is the dependent variable; in other words, other factors are judged by how they affect the "health" factor of a particular downtown. Because of the importance of this variable, it is critical to define what is meant by "health."

In this study health is defined in a comprehensive sense, including the condition of downtowns in physical, economic and societal terms. Downtown health may be seen in terms of physical factors, such as streetscape improvements, restored facades, one-way streets, and improved parking. It may also include economic factors, such as growth in retail sales, public expenditures in the downtown, or the level of employment in the overall community. Societal factors can be more wide-ranging, and may include the ability of a downtown to serve as a focus of the community, the activities of organizations connected with the downtown (e.g., merchants association, chamber of commerce), or even issues of changing lifestyles and shopping patterns. Through use of the survey questionnaire, respondents were asked their opinions about a variety of factors relating to their downtown.

A system for comparing these responses in a consistent way was established through the development of a downtown Health Perception Index (HPI). It derives the index directly from raw data collected specifically for this purpose through the study survey. It creates its index not from secondary sources, but from the primary source on which the study is based, the input of merchants, business owners, and local officials.

The Health Perception Index was derived by combining responses from a number of questions from the survey and blending them into a single value. The four survey questions used to derive the Health Perception Index were:

1. **Compare downtown**—Respondents were simply asked to evaluate the health of their downtown compared to other downtowns of similar size.

2. **Historical view of downtown's health**—They were asked to indicate, to the best of their knowledge, how the overall health of their downtown had changed over the decades.

3. **Opinion on downtown's future**—They were asked to indicate how they felt about the future health of their downtown—were they optimistic that its condition would improve or were they pessimistic?

4. **Characteristics of downtown**—They were asked to evaluate their downtown according to a list of specific characteristics, including such things as retail sales, parking convenience, the cooperation of the city, etc.

**USE OF THE NORMATIVE SCALING TECHNIQUE**

The responses for each study city were converted to a 0–100 scale, with 100 representing the most positive response possible and 0 representing the most negative. This conversion was necessary to make it possible to compare responses from many questions and question formats.

Using a 0–100 scale, one might initially assume the mean for each question, taken over a large enough sample, would be close to a value of 50 (representing for Question 1 the box labeled "About average"). Survey researchers expect a bias in questions of this type. Respondents typically rate their own city a little better than average, and thus push the mean rating higher than 50. As an example, the mean response for this question for all the respondents was 54.5, significantly above
the anticipated mean value of 50. To adjust for this bias, a “normative scaling” technique was utilized and applied throughout. Normative scaling is a technique developed by the author to accommodate such a bias. Through a reiterative technique of adjustment, the initial values were “nudged” upward or downward sufficiently to derive a new mean with a “normalized” value of 50.

Using the example from Question 1, asking respondents to compare the health of their downtown to other downtowns of similar size, the values based on the responses were recalculated so the average for all respondents became 50, rather than 54.5. In other words, all the initial values were shifted proportionally downward. The values for Question 1 for each study city were normalized in this way so the mean composite value for all the study cities would be 50. Such normalization accomplishes two things—first, it eliminates the bias inherent in the questioning and answering as described above and, second, it allows data collected through a variety of techniques to be put into a common format for comparisons.

DERIVATION OF THE DOWNTOWN HEALTH INDEX

Four of the survey questions were used to derive the Health Perception Index (HPI). The four questions were (A) Compare your city to other cities similar in size, (B) Evaluate the health of your downtown historically, (C) Indicate whether you are optimistic or pessimistic about the future of your downtown?, and (D) Evaluate 16 individual downtown characteristics. The normalized values for these four questions were merged to derive the final downtown Health Perception Index.

14 Using the reiterative process, values for normalization were assumed acceptable if within a range from 49.0 to 51.0

The process of calculating and normalizing for the 16 characteristics is shown in the Appendix.
Figure IV-21

Rankings of Study Cities
According to Health Perception Index

The above chart graphically indicates the significant differences in perceived health of the various downtowns. Albion’s Health Index rating is 15.9 (on a scale of 0 to 100), indicating a downtown that is almost universally perceived as poor. Marshall and Tecumseh have the highest ratings, with almost identical Index values of 70.6 and 70.8. These should be considered as high positive ratings, especially since factors such as external conditions, and the normal positive bias found in surveys, have been extracted through the process of normalizing the values. Not surprisingly, a large number of cities (10) have Index ratings generally in the 45 to 55 range, an indication of normal evaluations of the conditions in those cities.

USE OF A PERCEPTUAL INDICATOR

The downtown Health Perception Index (HPI) derived for this study is an indicator based on the perceptions of survey respondents. As such, it is subject to the shortcomings of perceptual input, and should be considered a social indicator more than an economic indicator. Although the HPI is used for statistical analysis, it is derived from data based on the perceptions of respondents, and can
have as much to do with their attitudes as with facts. Cazes (1972) has called these types of indicators “trans-economic.”

The Health Perception Index was developed for this study because no other satisfactory analytical tool was found for evaluating downtown health. As discussed earlier, Andrews recognized the need for assessing well-being with both perceptual and non-perceptual indicators. However, as Francis (1973) said in describing the use of such indicators, “Because...an indicator in inherently arbitrary, it presents a special political danger. We may delude ourselves into believing that the index really measures what it purports to measure.” Horn recognized the difficulty with both types of indicators, when he stated, “All objective-type indicators carry a subjective value load inherent in the process of the collection, selection and presentation of statistics, and subjective-type indicators borrow objective modes of grouping, ranking and partitioning the data.” Indeed, the Health Perception Index does not measure downtown health. But it does allow comparisons to be made between the relative states of the study downtowns, and through these comparisons allows for analysis. Thus, a Health Index rating of 75, for example, does not establish a firm quantitative value on the health of a given downtown, but it does indicate that the perception of general health was considerably higher than a city which had a Health Index rating of 50.

DOWNTOWN CHARACTERISTICS

The survey questionnaire listed sixteen downtown characteristics, and respondents were asked to evaluate each characteristic for their downtown. This question revealed important detail on what respondents consider to be the primary reasons for improving or lessening downtown health.

Respondents were asked to evaluate a list of 16 characteristics generally associated with downtown health, including retail sales, condition of buildings, level of cooperation from the city, and so on, as shown below. This question was included because the evaluation of such individual

18 This question was more fully described in Chapter III on development of the questionnaire.
19 This question was more fully described in Chapter III on development of the questionnaire.
characteristics gave more detail on how respondents rated their downtown’s health, and revealed important information about the factors that have contributed most to a downtown's current condition. The 16 characteristics included were:

1. General condition of buildings downtown
2. Streetscape—sidewalks, benches, trees, etc.
3. Mix of stores and businesses
4. Parking in downtown
5. Your impression of overall retail sales downtown
6. No. of shoppers for “browsing” shopping
7. No. of shoppers for “quick-stop” shopping
8. Merchants association
9. Cooperation of banks
10. Cooperation of city government
11. Local political situation
12. Downtown as a community cultural center
13. No. of tourists coming to downtown
14. Employment in the local area
15. Historic character of downtown
16. Safety and security downtown

The respondents were asked to indicate whether they evaluated each characteristic as “Very good,” “Good,” “Fair,” or “Poor.” As previously described, the values for the ratings were normalized for each study city. The normalized values were as follows:

<table>
<thead>
<tr>
<th>City</th>
<th>Bldgs</th>
<th>Street</th>
<th>B.Mix</th>
<th>Parkg</th>
<th>Sales</th>
<th>Brws</th>
<th>Quick</th>
<th>Merch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albion</td>
<td>20.1</td>
<td>26.0</td>
<td>9.6</td>
<td>36.8</td>
<td>7.9</td>
<td>5.1</td>
<td>35.6</td>
<td>18.0</td>
</tr>
<tr>
<td>Dowagiac</td>
<td>60.4</td>
<td>95.7</td>
<td>45.5</td>
<td>49.0</td>
<td>55.8</td>
<td>57.5</td>
<td>50.4</td>
<td>63.5</td>
</tr>
<tr>
<td>Howell</td>
<td>55.9</td>
<td>40.2</td>
<td>56.6</td>
<td>22.7</td>
<td>54.0</td>
<td>60.4</td>
<td>57.4</td>
<td>59.5</td>
</tr>
<tr>
<td>Ionia</td>
<td>49.8</td>
<td>79.1</td>
<td>55.0</td>
<td>47.1</td>
<td>45.7</td>
<td>42.8</td>
<td>36.7</td>
<td></td>
</tr>
<tr>
<td>Lapeer</td>
<td>59.5</td>
<td>41.8</td>
<td>62.3</td>
<td>50.0</td>
<td>61.5</td>
<td>55.0</td>
<td>57.9</td>
<td>61.1</td>
</tr>
<tr>
<td>Manistee</td>
<td>55.8</td>
<td>23.1</td>
<td>51.8</td>
<td>39.7</td>
<td>33.0</td>
<td>36.5</td>
<td>45.1</td>
<td>58.8</td>
</tr>
<tr>
<td>Marshall</td>
<td>64.8</td>
<td>46.0</td>
<td>57.0</td>
<td>59.7</td>
<td>61.0</td>
<td>64.7</td>
<td>42.9</td>
<td>55.0</td>
</tr>
<tr>
<td>Tecumseh</td>
<td>69.8</td>
<td>89.5</td>
<td>68.1</td>
<td>79.4</td>
<td>69.9</td>
<td>63.2</td>
<td>59.1</td>
<td>57.6</td>
</tr>
<tr>
<td>Alpena</td>
<td>45.8</td>
<td>36.0</td>
<td>55.6</td>
<td>35.1</td>
<td>49.6</td>
<td>55.4</td>
<td>38.0</td>
<td>63.0</td>
</tr>
<tr>
<td>Big Rapids</td>
<td>33.5</td>
<td>42.3</td>
<td>47.3</td>
<td>30.8</td>
<td>36.2</td>
<td>38.7</td>
<td>29.5</td>
<td>47.9</td>
</tr>
<tr>
<td>Cadillac</td>
<td>37.7</td>
<td>59.0</td>
<td>62.3</td>
<td>61.5</td>
<td>57.5</td>
<td>59.8</td>
<td>56.9</td>
<td>49.4</td>
</tr>
<tr>
<td>Coldwater</td>
<td>55.9</td>
<td>83.4</td>
<td>45.5</td>
<td>81.8</td>
<td>49.3</td>
<td>37.1</td>
<td>53.8</td>
<td>56.3</td>
</tr>
<tr>
<td>Hillsdale</td>
<td>54.1</td>
<td>19.9</td>
<td>38.7</td>
<td>59.4</td>
<td>52.7</td>
<td>55.8</td>
<td>57.4</td>
<td>48.6</td>
</tr>
<tr>
<td>Owosso</td>
<td>54.1</td>
<td>58.6</td>
<td>56.3</td>
<td>59.4</td>
<td>49.2</td>
<td>50.0</td>
<td>61.5</td>
<td>54.2</td>
</tr>
<tr>
<td>South Haven</td>
<td>38.7</td>
<td>36.0</td>
<td>43.8</td>
<td>28.2</td>
<td>53.7</td>
<td>63.6</td>
<td>48.6</td>
<td>29.6</td>
</tr>
<tr>
<td>Sturgis</td>
<td>50.7</td>
<td>37.9</td>
<td>56.0</td>
<td>63.9</td>
<td>53.8</td>
<td>40.0</td>
<td>57.7</td>
<td>35.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Banks</th>
<th>City</th>
<th>Polit.</th>
<th>Cult.</th>
<th>Tour.</th>
<th>Jobs</th>
<th>Hist.</th>
<th>Safety</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albion</td>
<td>29.2</td>
<td>25.6</td>
<td>11.7</td>
<td>8.9</td>
<td>8.1</td>
<td>11.6</td>
<td>29.9</td>
<td>19.6</td>
</tr>
</tbody>
</table>
This evaluation by the respondents in each city of their downtown’s characteristics reveals some clear and interesting information. For example, it is obvious that the respondents in Albion feel their downtown is doing very poorly. The mean rating of 19.6 for Albion for all characteristics was much lower than the mean rating for any of the other study cities. In addition, each of the downtown characteristics for Albion was rated well under 50, the normalized mean, indicating the low evaluations by respondents were consistent for all aspects of their downtown. Indeed, the low rating for Albion must be considered as quite exceptional, and could give a more general perspective on what causes poor downtown health. The mean ratings for the other 15 cities were more closely grouped, but still ranged from 38.4 (Big Rapids) to 66.4 (Tecumseh), a range wide enough to indicate a significant difference in the general evaluation of downtown characteristics.

However, the real value of these figures is in the analysis of the ratings for the individual characteristics before normalization. The values shown in the chart below indicate that some characteristics were generally rated higher by all respondents.20

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Dowagiac</th>
<th>Howell</th>
<th>Ionia</th>
<th>Lapeer</th>
<th>Manistee</th>
<th>Marshall</th>
<th>Tecumseh</th>
<th>Alpena</th>
<th>Big Rapids</th>
<th>Cadillac</th>
<th>Coldwater</th>
<th>Hillsdale</th>
<th>Owosso</th>
<th>South Haven</th>
<th>Sturgis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bldgs</td>
<td>57.6</td>
<td>50.5</td>
<td>57.3</td>
<td>60.6</td>
<td>28.4</td>
<td>60.0</td>
<td>65.7</td>
<td>42.5</td>
<td>50.8</td>
<td>48.9</td>
<td>49.1</td>
<td>43.3</td>
<td>53.0</td>
<td>42.6</td>
<td>58.3</td>
</tr>
<tr>
<td>Mean rating</td>
<td>56.7</td>
<td>56.0</td>
<td>57.3</td>
<td>60.3</td>
<td>46.4</td>
<td>61.0</td>
<td>63.2</td>
<td>32.3</td>
<td>37.6</td>
<td>54.5</td>
<td>53.1</td>
<td>36.4</td>
<td>62.4</td>
<td>61.0</td>
<td>60.3</td>
</tr>
<tr>
<td>Standard Dev.</td>
<td>63.2</td>
<td>53.5</td>
<td>34.7</td>
<td>58.7</td>
<td>48.3</td>
<td>59.5</td>
<td>44.3</td>
<td>54.3</td>
<td>40.6</td>
<td>55.4</td>
<td>61.5</td>
<td>43.7</td>
<td>59.8</td>
<td>55.3</td>
<td>58.3</td>
</tr>
<tr>
<td>Sales</td>
<td>58.3</td>
<td>62.8</td>
<td>33.0</td>
<td>41.4</td>
<td>57.5</td>
<td>80.5</td>
<td>56.6</td>
<td>61.6</td>
<td>33.7</td>
<td>47.5</td>
<td>61.5</td>
<td>40.2</td>
<td>62.2</td>
<td>47.1</td>
<td>61.0</td>
</tr>
<tr>
<td>Brws</td>
<td>63.9</td>
<td>69.3</td>
<td>61.0</td>
<td>54.8</td>
<td>55.5</td>
<td>69.4</td>
<td>65.2</td>
<td>46.2</td>
<td>33.7</td>
<td>67.4</td>
<td>43.7</td>
<td>42.4</td>
<td>50.1</td>
<td>80.9</td>
<td>60.3</td>
</tr>
<tr>
<td>Quick</td>
<td>57.3</td>
<td>57.7</td>
<td>67.9</td>
<td>57.5</td>
<td>28.7</td>
<td>87.2</td>
<td>67.1</td>
<td>29.9</td>
<td>32.0</td>
<td>64.2</td>
<td>24.9</td>
<td>42.4</td>
<td>50.1</td>
<td>35.9</td>
<td>68.4</td>
</tr>
<tr>
<td>Merch</td>
<td>60.7</td>
<td>54.2</td>
<td>50.8</td>
<td>53.7</td>
<td>70.8</td>
<td>68.1</td>
<td>67.6</td>
<td>59.7</td>
<td>36.0</td>
<td>55.9</td>
<td>49.8</td>
<td>46.7</td>
<td>50.0</td>
<td>33.7</td>
<td>50.0</td>
</tr>
</tbody>
</table>

Figure IV-17
Normalized values for Ratings
for 16 Downtown Characteristics

---

20 See Appendix for chart of ratings for characteristics for all cities.
The highest ratings were given to “Streetscape,” with a mean rating of 73.9 before normalization. This characteristic also had the greatest standard deviation, representing a significant difference of opinion from one city to another. This deviation was found largely to be based on whether streetscape improvements had recently been completed. Five cities (Dowagiac, Tecumseh, Coldwater, Cadillac, and Ionia) with very high ratings for Streetscape (all with average ratings in the 90s) were also cities which had recently completed downtown streetscape improvements.

Similarly, a number of characteristics receiving the lowest mean ratings (before normalization) related to more functional aspects of the downtown, including shopping (Business Mix, Browsing Shopping, Quick-stop Shopping), image (Downtown as a Cultural Center), and economics (Jobs). If the characteristics are divided into two general categories, physical and functional, the average rating for all cities for these two groupings can be compared, as shown below.

<table>
<thead>
<tr>
<th>Functional characteristics</th>
<th>Mean value: 42.9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mix of stores and businesses</td>
<td></td>
</tr>
<tr>
<td>Your impression of overall retail sales downtown</td>
<td></td>
</tr>
<tr>
<td>No. of shoppers for “browsing” shopping</td>
<td></td>
</tr>
<tr>
<td>No. of shoppers for “quick-stop” shopping</td>
<td></td>
</tr>
<tr>
<td>Merchants association</td>
<td></td>
</tr>
<tr>
<td>Cooperation of banks</td>
<td></td>
</tr>
<tr>
<td>Cooperation of city government</td>
<td></td>
</tr>
<tr>
<td>Local political situation</td>
<td></td>
</tr>
<tr>
<td>Downtown as a community cultural center</td>
<td></td>
</tr>
<tr>
<td>No. of tourists coming to downtown</td>
<td></td>
</tr>
<tr>
<td>Employment in the local area</td>
<td></td>
</tr>
<tr>
<td>Safety and security downtown</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical characteristics</th>
<th>Mean value: 62.9</th>
</tr>
</thead>
<tbody>
<tr>
<td>General condition of buildings downtown</td>
<td></td>
</tr>
<tr>
<td>Streetscape—sidewalks, benches, trees, etc.</td>
<td></td>
</tr>
<tr>
<td>Parking in downtown</td>
<td></td>
</tr>
<tr>
<td>Historic character of downtown</td>
<td></td>
</tr>
</tbody>
</table>

These groupings indicate that physical characteristics of the downtown are generally rated higher than functional characteristics. This is likely because physical characteristics are more apparent and easier to identify, and thus easier to evaluate, while functional characteristics are “fuzzier” to most respondents, and their significance tended to be downgraded as a result.

21 The author’s 1987 Study, *An Evaluation of the Health of the Downtowns in Eight Michigan Cities*, derived these two general categories through correlation analysis of the characteristics.
The initial analysis of this question looked at which of the 16 characteristics were statistically correlated with the Health Perception Index. The characteristics, listed according to their ranking, show the highest correlations first.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Characteristic</th>
<th>Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>Your impression of overall retail sales downtown</td>
<td>0.88</td>
</tr>
<tr>
<td>1.</td>
<td>General condition of buildings downtown</td>
<td>0.84</td>
</tr>
<tr>
<td>10.</td>
<td>Cooperation of city government</td>
<td>0.84</td>
</tr>
<tr>
<td>14.</td>
<td>Employment in the local area</td>
<td>0.79</td>
</tr>
<tr>
<td>6.</td>
<td>No. of shoppers for “browsing” shopping</td>
<td>0.78</td>
</tr>
<tr>
<td>11.</td>
<td>Local political situation</td>
<td>0.78</td>
</tr>
<tr>
<td>9.</td>
<td>Cooperation of banks</td>
<td>0.75</td>
</tr>
<tr>
<td>12.</td>
<td>Downtown as a community cultural center</td>
<td>0.75</td>
</tr>
<tr>
<td>3.</td>
<td>Mix of stores and businesses</td>
<td>0.73</td>
</tr>
<tr>
<td>13.</td>
<td>No. of tourists coming to downtown</td>
<td>0.68</td>
</tr>
<tr>
<td>15.</td>
<td>Historic character of downtown</td>
<td>0.63</td>
</tr>
<tr>
<td>8.</td>
<td>Merchants association</td>
<td>0.56</td>
</tr>
<tr>
<td>7.</td>
<td>No. of shoppers for “quick-stop” shopping</td>
<td>0.54</td>
</tr>
<tr>
<td>2.</td>
<td>Streetscape—sidewalks, benches, trees, etc.</td>
<td>0.53</td>
</tr>
<tr>
<td>16.</td>
<td>Safety and security downtown</td>
<td>0.53</td>
</tr>
<tr>
<td>4.</td>
<td>Parking in downtown</td>
<td>0.44</td>
</tr>
</tbody>
</table>

*Figure IV-29*

*16 Downtown Characteristics*

*Listed By Correlation Coefficients*

**Deriving Groupings of Characteristics**

Every characteristic listed also can be checked against every other characteristic for correlation, since each was rated by virtually all respondents. By doing so each pairing of characteristics has a correlation coefficient. By adjusting the order of the characteristics and removing values not statistically significant (less than 0.50), the following chart was developed:
By recombining the sequence of characteristics in such a manner, clusters of significant correlations are able to be shown. This clustering can be more revealing than the individual characteristics themselves.

At the top of the chart is a cluster strongly associated with general retail functions; it includes “Retail Sales,” “Business Mix,” and “Browsing Shopping.” Another cluster of related characteristics is seen further down the chart, and includes “Cooperation of Banks” (HPI of .75), “Cooperation of City” (.84), and “Local Politics” (.78), which will be referred to as the “Local Cooperation Group.” Interestingly, the characteristic “Merchants Association” was not aligned with this group at all, indicating merchants see their own organization as separate and apart from the more public organizational structure.

A final significant grouping deals with physical aspects of the downtown, and includes “Building Condition” (.84), “Downtown as a Cultural Center” (.75), and Historic Character” (.63). These will be referred to as the “Architectural Group.”

A single characteristic, not easily grouped with any of the above described groups, but statistically significant nonetheless, was “Local Employment.” This will be referred to individually and be considered a cluster of one.

---

### Correlation Coefficients for Downtown Characteristics

*Higher correlations shown in bold face and also larger type face*

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ret. Sales</td>
<td></td>
</tr>
<tr>
<td>Busi. Mix</td>
<td>.82</td>
</tr>
<tr>
<td>Browsing Sh.</td>
<td>.86 .68</td>
</tr>
<tr>
<td>Local Jobs</td>
<td>.73 .66 .61</td>
</tr>
<tr>
<td>Coop of Banks</td>
<td>.82 .71 .61</td>
</tr>
<tr>
<td>Coop of City</td>
<td>.73 .69 .50</td>
</tr>
<tr>
<td>Local Politics</td>
<td>.64 .62 .83</td>
</tr>
<tr>
<td>Building Cond.</td>
<td>.74 .62 .58 .50 .78 .70</td>
</tr>
<tr>
<td>Cultural Center</td>
<td>.61 .70 .55 .73 .70 .80</td>
</tr>
<tr>
<td>Historic Char.</td>
<td>.53 .76</td>
</tr>
<tr>
<td>Merch. Assoc.</td>
<td>.51 .63</td>
</tr>
<tr>
<td>Safety</td>
<td>.57 .60 .54</td>
</tr>
<tr>
<td>Tourism</td>
<td>.63 .51 .82</td>
</tr>
<tr>
<td>Streetscape</td>
<td>.53 .64 .58 .50</td>
</tr>
<tr>
<td>Quick-stop Sh.</td>
<td>.59 .56 .54 .51 .54 .53</td>
</tr>
<tr>
<td>Parking</td>
<td></td>
</tr>
</tbody>
</table>

---

*Figure IV-35*

Correlation coefficients for Downtown Characteristics

(HIGHER CORRELATIONS SHOWN IN BOLD FACE AND ALSO LARGER TYPE FACE)
For each of the groupings described above, an Index was derived based on the mean of the normalized values for the group of characteristics included. For example, the Index for the Retail Group was derived as the mean rating for Retail Sales, Business Mix and Browsing Shopping for each city. The Index for each of these clusters was then correlated with the HPI for each city, and the correlation coefficients computed as shown below:

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Group</td>
<td>0.86</td>
</tr>
<tr>
<td>Local Cooperation Group</td>
<td>0.86</td>
</tr>
<tr>
<td>Architectural Group</td>
<td>0.79</td>
</tr>
<tr>
<td>Local Employment</td>
<td>0.80</td>
</tr>
</tbody>
</table>

Figure IV-36

Correlation Coefficients of Characteristics Groupings

Each of these groupings has a high coefficient of correlation, and should be considered closely associated with downtown health.

Characteristics Not Included in Clusters

Other characteristics were found not to be closely associated with clusters with which they would seem to have much in common. “Streetscape Improvements” was not correlated with any of the characteristics from the Architectural Group, and so was not included. This support a previous conclusion that streetscape improvement programs tend to have dramatic impact on downtowns when first completed, but tend not to have long-term impact, and are largely disassociated from other factors contributing to downtown health.

Similarly, “Quick-stop Shopping” was not strongly associated with the Retail Group. This can be explained by the fact that quick-stop shopping is in-and-out shopping, and quick-stop establishments do not contribute customers to the downtown retail area in general. This was also clearly shown and described in a 1986 survey, which concluded:

Many cities have modified their downtowns to accommodate shoppers who want to stop quickly at one destination. The prototype is the strip commercial shopping center. In many cases this has worked to the overall detriment of the downtown, for shoppers are not encouraged to pass by other storefronts and possibly make other stops.22

Another interesting correlation of two downtown characteristics was “Browsing shopping” with “Tourism,” with a correlation coefficient of 0.83, but this was seen as a unique relationship not closely tied with others. Other characteristics had less prominent correlations, and will not be considered in detail.

Parking As a Characteristic

“Parking” had no significant correlation with any other downtown characteristic, and also had no significant correlation with the Health Perception Index (coeff.=0.44). The 1986 survey also found

22 Tyler. p. 122.
that “Parking” had an insignificant correlation with downtown health.\textsuperscript{23} This is important to recognize, because many cities have allocated a large portion of their downtown improvement budget to more or improved parking, when there is no evidence that the amount or quality of parking contributes to downtown health in any significant way. Of the 16 defined characteristics, only parking had no association with either the HPI or to other characteristics which contribute to downtown health.

**Graphic Representation of “Characteristics” Clusters**

Of the sixteen downtown characteristics evaluated in the survey, some have strong correlations with each other, some weak correlations, and some have no apparent correlations whatsoever. These relationships are shown graphically in the illustration below.

The illustration clearly shows that some characteristics are more central in their importance than others. As has been described above, “Retail sales” is the most prominent characteristic in

\textsuperscript{23} Tyler. p. 119.
describing merchants' perceptions of the health of a downtown, for it not only has the closest association with downtown health, but also with many other downtown characteristics. “Retail sales” is closely tied with “Business mix,” inferring it is highly dependent on an appropriate mix of business. It is also clustered with “Browsing shopping,” representing a certain type of retail business, but is not at all closely aligned with “Quick-stop shopping.” Quick-stop shopping businesses are not closely aligned with any other particular downtown characteristics, indicating respondents' perceptions that the presence of such businesses is not directly tied with downtown health and revitalization.

Other key factors are shown to be the “Cooperation of the city” and “Cooperation of local banks.” The “Local employment” rate is illustrated as also a key factor for downtown health, but it largely unassociated with other characteristics.

**Deriving a Business Mix From the Data**

Another avenue of analysis was pursued by using a “cart before the horse” technique. Rather than group business types prior to analysis, analysis was used to derive potential business type groupings.

A matrix was created which derived correlations for all 53 individual business types against one another. This large master matrix was carefully reviewed to look for business types that had either high positive or negative correlations with each other. Largely an intuitive procedure to begin with, two lists of business types were derived—those positively correlated to the Health Perception Index (HPI) and those negatively correlated. Two distinct lists resulted, as shown below:

Business types positively correlated with the HPI:
- Bakery/ Ice Cream shops
- Cameras/ Film stores
- Electronics/ TV
- Florists
- Gifts/ Antiques
- Travel Agents
- Variety Stores

Coefficient for grouping by number of businesses: 0.51
Coefficient for grouping by percent of businesses: 0.62

Business types negatively correlated with the HPI:
- Appliances
- Furniture
- Groceries
- Hotels
- Department stores
- Paint/ Decorating
- Used goods
- Vacant storefronts

Coefficient for grouping by number of businesses: −0.72
Coefficient for grouping by percent of businesses: −0.66
Analysis by Respondent Business Category

During the survey, each respondent was identified as associated (typically as owner or manager) with their business under one of five categories—Small retail, Large retail, Office, Food/Entertainment, Other. Based on these categories, the HPI of individuals in each category was calculated to see if the responses were significantly different between respondents associated with “Small retail” versus “Large retail.” The responses were as follows:

<table>
<thead>
<tr>
<th>Business Category</th>
<th>No. of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small retail</td>
<td>175</td>
</tr>
<tr>
<td>Large retail</td>
<td>76</td>
</tr>
<tr>
<td>Office</td>
<td>53</td>
</tr>
<tr>
<td>Food/Entertainment</td>
<td>17</td>
</tr>
<tr>
<td>Other</td>
<td>40</td>
</tr>
</tbody>
</table>

The HPI values for respondents associated with “Small retail” and “Large retail” were similar, indicating no significant bias in their perceptions of downtown health based on the size of their establishment. Therefore, the significant difference between the two in the business mix analysis described above cannot be attributed to respondent bias.

However, bias could be attributed to other categories, for respondents associated with downtown “Offices” tended, as a group, to rate downtown health higher than average (55.6), while those associated with “Food/Entertainment” businesses tended to rate it significantly lower (43.8).

The greatest bias, however, was a positive bias in the “Other” category, a group that included a high proportion of local officials. This group had been shown to be positively biased in the 1986 survey as well.

The evaluations (normalized) by the five business categories for the sixteen downtown characteristics reveal some interesting information, and possibly reveal other inherent biases among respondent groups.

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Small retail</th>
<th>Large retail</th>
<th>Office</th>
<th>Food/Entertainment</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association</td>
<td>51.4</td>
<td>52.1</td>
<td>56.3</td>
<td>42.7</td>
<td>50.1</td>
</tr>
<tr>
<td>Bldgs</td>
<td>49.8</td>
<td>54.2</td>
<td>55.0</td>
<td>46.6</td>
<td>51.0</td>
</tr>
<tr>
<td>Street</td>
<td>52.2</td>
<td>48.6</td>
<td>52.3</td>
<td>39.3</td>
<td>50.7</td>
</tr>
<tr>
<td>B.Mix</td>
<td>46.5</td>
<td>55.4</td>
<td>61.3</td>
<td>33.1</td>
<td>53.9</td>
</tr>
<tr>
<td>Parkg</td>
<td>50.4</td>
<td>49.1</td>
<td>50.5</td>
<td>39.7</td>
<td>55.6</td>
</tr>
<tr>
<td>Sales</td>
<td>52.3</td>
<td>51.8</td>
<td>46.2</td>
<td>38.8</td>
<td>54.2</td>
</tr>
<tr>
<td>Brws</td>
<td>50.4</td>
<td>56.2</td>
<td>47.1</td>
<td>41.9</td>
<td>50.0</td>
</tr>
<tr>
<td>Quick</td>
<td>46.2</td>
<td>51.5</td>
<td>50.2</td>
<td>51.5</td>
<td>49.3</td>
</tr>
<tr>
<td>Merch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banks</td>
<td>47.4</td>
<td>55.0</td>
<td>56.9</td>
<td>40.5</td>
<td>56.8</td>
</tr>
<tr>
<td>City</td>
<td>40.5</td>
<td>51.2</td>
<td>51.6</td>
<td>43.2</td>
<td>51.6</td>
</tr>
<tr>
<td>Polit.</td>
<td>43.2</td>
<td>48.5</td>
<td>52.5</td>
<td>46.3</td>
<td>52.5</td>
</tr>
<tr>
<td>Cult.</td>
<td>46.3</td>
<td>43.5</td>
<td>45.9</td>
<td>52.2</td>
<td>45.9</td>
</tr>
<tr>
<td>Tour.</td>
<td>52.2</td>
<td>48.4</td>
<td>54.9</td>
<td>41.9</td>
<td>54.9</td>
</tr>
<tr>
<td>Jobs</td>
<td>41.9</td>
<td>48.1</td>
<td>53.8</td>
<td>48.0</td>
<td>53.8</td>
</tr>
<tr>
<td>Hist.</td>
<td>48.0</td>
<td>47.8</td>
<td>56.6</td>
<td>48.5</td>
<td>56.6</td>
</tr>
<tr>
<td>Safety</td>
<td>48.5</td>
<td>48.4</td>
<td>50.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>47.9</td>
<td>50.6</td>
<td>53.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Evaluations by Small Retailers:
The chart shows small retailers gave significantly lower evaluations to the two characteristics relating to local government—“Cooperation of city government” (40.5) and “Local political situation” (43.2). This indicates small retailers do not positively evaluate city officials, and the programs they coordinate, and are unsure whether they are helpful to them.

These two characteristics—“Cooperation of city government” and “Local politics”—had a high degree of correlation (coeff.=0.83) across all the study cities, indicating that cities that rated one of these two characteristics high or low generally rated the other respectively high or low as well. Especially low ratings for these two characteristics were found in Albion (normalized ratings of 25.6 and 11.7 respectively), Hillsdale (36.4 and 44.3), and South Haven (40.3 and 42.3), all cities which had little involvement of the city in downtown efforts. The highest ratings were found in cities that had more involvement.

Evaluations by Food and Entertainment Grouping Respondents:
The business category in which respondents gave the lowest overall ratings was the Food and Entertainment category. Respondents from this category gave especially low ratings to “Business mix” (39.3), “Parking” (33.1), “Retail sales” (39.7), and “Browsing shopping” (38.8). They may have been especially critical of parking because convenient parking is critical to food and entertainment businesses, and such businesses can be competing for parking spaces with many other businesses. The other three characteristics to which they gave low ratings—“Business mix,” “Retail sales” and “Browsing shopping”—had been shown in earlier analysis to be the most closely tied to the Health Perception Index, indicating that food and entertainment businesses are hit hardest located in a downtown with poor health.

Evaluations by Large Retailers
The respondents from the “Large Retail” category tended to rate the sixteen downtown characteristics near the mean values. Large businesses tend not to be as impacted by what happens in a downtown as small retailers or owners or managers of restaurants and entertainment businesses. Because of their larger size, the businesses draw customers from a wider area, and are not as dependent on a healthy downtown for a healthy business. As one owner of a downtown appliance business explained, “My business could be downtown, or out in the new shopping center, or even out in a separate location, and it wouldn’t matter much. Customers who are buying appliances will go to where the store is.” They rated the characteristic “Parking” highest (55.4) and “Downtown as a Community Cultural Center” lowest (43.5), indicating their practical orientation to a downtown location.

---

24 The complete list of values is shown in Figure IV-17
Evaluations by Respondents in Downtown Offices

Respondents from the “Office” category—i.e., people who had private or public offices in ground-floor downtown space—tended to give higher than average evaluations for most of the sixteen downtown characteristics. Instead of the low ratings given to “Parking” by both small businesses and food and entertainment businesses, respondents in offices gave their highest rating to “Parking.” For them, a downtown location seemed to be a good one, possibly because downtown provided all the other stores and services useful to office workers. They also gave higher ratings to “General condition of buildings downtown,” “Historic character,” and “Streetscape,” as well as “Safety and security,” indicating they liked the ambience found in the downtown. They also rated “Banks” and “City government” high, characteristics that relate to convenient services. Coupled with earlier analysis, these ratings would indicate that offices may not contribute significantly to downtown health, but they draw from it and thrive in a healthy downtown location.

Evaluations by Other Respondents

The last of the five business categories is “Other,” primarily made up of public agency officials and community leaders. The respondents in this category gave the highest ratings overall for their downtowns, indicating a feeling of positiveness and optimism about downtown health. Indeed, in many instances their professional reputations may be dependent upon having a healthy community, and the higher ratings may be a natural bias among this group. The tendency for high evaluations of downtown health among local officials was first recognized in the 1986 survey, and has been reinforced with these results. Among these respondents the characteristics with the highest evaluations were “Historic character” and “Cooperation of city government,” two areas where they probably felt they had some control. However, their evaluations for virtually all the characteristics was above the mean, with the lowest reserved for “Merchants associations.” Likewise, small retailers had given “Cooperation of city government” its lowest rating, indicating a longstanding discord between city officials and small retailers that has been found throughout this study. As one merchant said about a major repaving project for his downtown’s main street, which would mean closing the street for a matter of months, “Not once has a city official come in to discuss this project with me and see if there was a way to minimize the terrible inconvenience to my customers during this period of construction.” And as was explained by a city official in that same downtown, “I am really surprised that some of the largest storeowners have never bothered to come to one of the meetings at City Hall where we presented the project and asked for comments.”

Respondent Evaluations to Competition

The survey questionnaire gave respondents an opportunity to indicate what competition their downtown had. The question is shown below; they were asked to complete this questions for up to two competitors. A space for other comments was also included.

My downtown’s greatest competitor is ...

Name of place ... ________________________
How distant (miles)? ________________________
It’s competition is ... (circle one)
Very strong   Quite strong     Strong       Moderate
How is it competitive? ...

Survey Question on Competition
Since no scale of competitor was suggested in the question, competitors described by respondents varied from small stores down the block to larger metropolitan areas up to 150 miles distant. Of the 559 responses, the distances given to downtown competitors had a mean distance of 18.3 miles and a median distance of 10 miles (Note: the mode value was 2 miles). The descriptive statistics (in miles) for each city are as follows:

<table>
<thead>
<tr>
<th>City</th>
<th>Mean</th>
<th>Median</th>
<th>Max.</th>
<th>City</th>
<th>Mean</th>
<th>Median</th>
<th>Max.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albion</td>
<td>16.0</td>
<td>20</td>
<td>30</td>
<td>Alpena</td>
<td>3</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Dowagiac</td>
<td>22.3</td>
<td>25</td>
<td>45</td>
<td>Big Rapids</td>
<td>12.6</td>
<td>2</td>
<td>55</td>
</tr>
<tr>
<td>Howell</td>
<td>10.8</td>
<td>7</td>
<td>35</td>
<td>Cadillac</td>
<td>25.1</td>
<td>4</td>
<td>100</td>
</tr>
<tr>
<td>Ionia</td>
<td>13.7</td>
<td>3</td>
<td>40</td>
<td>Coldwater</td>
<td>14.6</td>
<td>3</td>
<td>45</td>
</tr>
<tr>
<td>Lapeer</td>
<td>13.3</td>
<td>3</td>
<td>45</td>
<td>Hillsdale</td>
<td>19.1</td>
<td>2</td>
<td>60</td>
</tr>
<tr>
<td>Manistee</td>
<td>45.1</td>
<td>50</td>
<td>149</td>
<td>Owosso</td>
<td>10.8</td>
<td>3</td>
<td>60</td>
</tr>
<tr>
<td>Marshall</td>
<td>11.7</td>
<td>12</td>
<td>45</td>
<td>South Haven</td>
<td>16.4</td>
<td>15</td>
<td>45</td>
</tr>
<tr>
<td>Tecumseh</td>
<td>13.0</td>
<td>10</td>
<td>45</td>
<td>Sturgis</td>
<td>20.5</td>
<td>2</td>
<td>60</td>
</tr>
</tbody>
</table>

Figure IV-50
Distances to Competition
(in miles)

As shown, the distances from which respondents felt there was moderate or strong competition varied greatly. In Manistee the median value for distance to competition was 50 miles, twice as great as any other city. Some respondents in Manistee listed Grand Rapids as a competitor, even though it is 119 miles away. Alpena’s respondents identified competition on the city fringe, as indicated by a median distance of 3 miles, but also saw competition at some distance, with a mean distance value of 32.5 miles, and a maximum distance of 150 miles (Saginaw). In cities such as Ionia, Lapeer, Big Rapids, Cadillac, Coldwater, Owosso and Sturgis, with a median distance of 2 to 4 miles, a majority of respondents saw the competition as a shopping center just outside of the city.

These figures indicate that competition for a downtown can be felt at both close proximity and at great distances. By comparing these distances against the strength of competition, the impact of competition could be derived through use of a gravity model, which assumes there is an inverse relationship between distance and the pull of a body on another (in this case, the pull of a competitor shopping area on a study downtown). According to the Reilly gravity model described in the Literature Review chapter, if competition is at a greater distance, the pull away from the study downtown should be proportionally less.

Correlation analysis was used to test strength of competition to distance. A correlation coefficient of –0.01 was derived, which indicates no correlation at all, not even a statistically insignificant tendency. Based on the survey responses, therefore, distance was not seen as a factor in determining the strength of competition. Cities such as Manistee and Alpena perceive competition
from Grand Rapids, Traverse City and Saginaw in the same way other cities sense competition from only a few miles away. The question that is unanswered is whether this is just an inaccurate perception, or whether our mobile society has reduced such distances to virtual meaninglessness.

Further analysis looked at what types of respondents, with what types of businesses, perceived the greatest level of competition. The following chart indicates their responses:

<table>
<thead>
<tr>
<th>Strength of Competition</th>
<th>Distance (miles)</th>
<th>No. of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small retail</td>
<td>72.2</td>
<td>17.3</td>
</tr>
<tr>
<td>Large retail</td>
<td>74.4</td>
<td>18.0</td>
</tr>
<tr>
<td>Office</td>
<td>75.9</td>
<td>21.5</td>
</tr>
<tr>
<td>Food/ Entertainment</td>
<td>80.0</td>
<td>11.6</td>
</tr>
<tr>
<td>Other</td>
<td>69.0</td>
<td>21.8</td>
</tr>
</tbody>
</table>

Figure IV-51

Mean Ratings for Strength of Competition
By Business Category

The greatest competition is felt by respondents from the Food/ Entertainment category, a type of business that is very competitive. It is not surprising that the least sense of competition is seen in the Other category, which is made up primarily of city officials and downtown leaders. The Small retailers are the next lowest rating, even though it could be assumed that small businesses would be subject to a lot of competition—more than large retail businesses which can draw from a larger area.

Competition is perceived as closest (in miles) by Food/ Entertainment business respondents as well, again because it is the most competitive of the categories. Large and Small retail businesses have a moderate view of distance to competition, and respondents in the Office and Other categories perceived the least pressure from competition nearby.

Summary

There have been many efforts by cities across the country to revitalize their downtowns. Some have been more successful than others. A major problem, however, has been that there is no generally accepted method of evaluating such efforts. It is difficult for downtown leaders to determine whether a program or activity has been helpful in improving downtown health. Programs that appear successful in the short run later are recognized as ineffective over the long run.

Development of an evaluative tool is an important need for city planners, local officials, downtown business owners, and others concerned about the effectiveness of downtown revitalization efforts. The hypothesis of this study is that such a tool can be created. The Health Perception Index (HPI), as described and utilized throughout this study, provides a base Index evaluation against

25 To convert to a 0–100 scale, the following values were established,

Very strong competition 100
Quite strong 75
Strong 50
Moderate 25
which other factors may be compared. It can be used as a yardstick for evaluating revitalization efforts. It is multi-dimensional, and can be utilized both in different communities and at varying time periods.

Findings

A primary finding of this study was that, of sixteen downtown characteristics considered, “Business mix” was the characteristic that most closely correlated to the Health Perception Index (HPI). In other words, the factor perceived as having the closest association with downtown health was the types of businesses located there.

A good business mix includes various types of businesses. The business type having the strongest correlation with the Health Perception Index was “Browsing shopping.” Other characteristics closely correlated to the HPI included “Retail sales” and “Cooperation of city government.” Most of the other sixteen downtown characteristics had varying degrees of correlation with the HPI. Three factors did not correlate—“Streetscape improvements,” “Parking,” and “Quick-stop shopping.”

The business types found in each study city were grouped into five categories—Small retail, Large retail, Office, Food/Entertainment, and Other (primarily public uses). The business category with the strongest correlation to the HPI was “Small retail.” Such businesses represent the type of shopping that encourages interaction and specialty purchases. The business category least correlated to the HPI was “Large stores,” a category representing stores which attract customers for larger purchase items, where a central downtown location is less critical to success.

Use of Proxy Data

The study looked for proxy data which could reliably represent the Health Perception Index (HPI). Commonly used statistics, including retail sales figures from the U.S. Census of Retail Trade and sales tax figures from the state, were compared with the Index. There was no statistical correlation found between the HPI and actual retail sales figures. This indicates government retail sales figures cannot be used interchangeably with evaluations of downtown health as perceived by merchants, business owners and local officials.

Demographic statistics were also compared to the HPI. The HPI was found not statistically correlated with population growth; evaluations of good downtown health could be found in cities with no population growth as readily as in cities with growing populations. However, some demographic data had significant correlations with the HPI. These included household income and population age categories.

26 This supports the conclusion of a precursor 1986 study, which found a strong association between “Browsing shopping” and the study’s Health Index.

SIGNIFICANCE OF THIS STUDY

Existing urban models have looked at cities from a variety of perspectives. Classic spatial models, such as Cristaller’s Central Place Theory and Reilly’s Law of Retail Gravitation, are gravity models based on distance (proximity) as a primary factor in defining urban health. These and similar spatial models postulate that the size of urban centers and their distance from each other determine their relative importance and potential vitality. On the other hand, economic urban models, such as Lalonde’s Index of Retail Saturation, have seen the city center primarily as a commercial center and have evaluated urban health in terms of economic success and profitability.

Some urban models have gone beyond spatial and economic parameters, incorporating quality-of-life factors. They have added a dimension to modeling which relies on “softer” information. Most are based on common and readily available data sources, but a few researchers have recognized the importance of coupling such sources, commonly referred to as “hard datasets” (e.g., U.S. Department of the Census, Michigan sales tax figures, etc.) with perceptual input. Virtually none, however, has applied this approach to the problems of downtowns.

This study presents a new approach and a new methodology which are particularly suited to analyzing and evaluating downtowns. A downtown Health Perception Index is described. Its derivation and use comes out of the study itself, and is not closely tied with well-established urban models. The study’s approach doesn’t build on previous models as much as suggest a new approach to urban modeling.

A significant aspect of this study was the development of a method for comparing objective and subjective input. Comparisons of hard data from external sources with soft data generated by the study allowed for checks on the usefulness and relevance of each. The study’s soft data came from perceptual input from the study’s respondents. It was used to test whether hard data could be used as proxies for the survey data. Because the correlations between the study’s survey data and other hard data was weak, the need to use both types of input for urban modeling was apparent. As a model applied to the problematic area of downtown revitalization, the Health Perception Index can be used to bridge the gap between hard and perceptual data.

This study also tested a spatial approach to evaluating downtown health, focusing on distance as a factor in its examination of competitors. It challenged classic spatial models by finding that distance to competitor areas had little correlation to perceived downtown health. The evaluation of downtown health had little or no association with whether its primary competitors were close or distant, or whether the relative strength of the competition was strong or weak. This finding suggests downtown health is not unduly affected by external forces, but is most dependent on factors internal to the downtown. Downtown health was shown to be more a product of internal factors, such as business mix, the cooperation of city government, local politics and the condition of buildings, than it was factors external to the downtown and its city.27 As a result, downtown merchants and business leaders should not be overly concerned with competitor districts, whether

---

27 A gravity model was also used for an ancillary study on the impact of Wal-Marts of the sixteen study cities. As described in Appendix 7, this analysis showed no direct correlation between the size and distance of Wal-Mart stores and the HPI. This was also true when all discount department stores (not just Wal-Marts) were grouped.
they are other cities or nearby shopping centers and malls. Such shopping areas are a fact of life in American culture today, but the study clearly indicated downtowns can hold their own, even with significant external competition, if they offer appropriate goods and services.

Finally, this study was significant because it analyzed in depth the effectiveness of revitalization efforts in smaller cities, an area of research largely ignored by urbanologists. The study’s findings can be generalized to include most smaller cities (5,000–20,000 population). However, its relevance to larger populations is untested, and care should be taken in interpreting these findings to larger cities, where the dynamics of the city center can be quite different. For example, in larger cities the optimum business mix may vary substantially from that found for the study cities. Also, factors such as parking may have a much more important role in determining downtown vitality than was found in this study.

POLICY IMPLICATIONS AND RECOMMENDATIONS

Several clear policy implications come out of this study. First, revitalization efforts should include design strategies which develop downtowns as pleasant places to spend time. Downtowns should be seen as more than quick-stop convenience shopping areas, a direction which many have headed in recent years. Merchants and city officials should see downtowns as also providing an important focus for community life. The interchanges from chance encounters on sidewalks or in stores and restaurants encourage a type of vitality which builds long-term downtown health.

The study has also shown the image a downtown presents to the local market could be more attractive if it focused on encouraging certain business types to be located there. As described previously, the business type shown as most closely correlated with perceived downtown health was browsing shopping retail stores. Incentives should be given to attract business types shown as critical to downtown health. To encourage the appropriate business mix, downtown leaders should not rely on the chance attraction of businesses, but should proactively solicit businesses seen as most conducive to good downtown health. The example of Ionia, where the Downtown Development Authority was willing to lease a vacant storefront at one dollar a year if a young entrepreneur agreed to establish a men’s clothing store, is an example of this proactive approach.

In contrast, a business type not correlated to the Health Perception Index was “Quick-stop shopping.” The reasons for this are not immediately obvious. In order to allow customers to quickly enter and exit their downtown stores, many merchants have reoriented their entrances to the rear of their buildings for quick access from a parking lot. They see this convenience as a way to compete with the “Stop 'n Go” type of businesses found along commercial strips. However, downtowns should not be compared with commercial strips, for their role is quite different. The general health of a downtown can suffer when customers are not encouraged to use downtown sidewalks. Using front entrances of businesses should be encouraged, for it contributes to shoppers perceiving the downtown as a cohesive district, rather than as a series of individual businesses unrelated to each other.

Two other factors were shown not correlated with the Health Perception Index—“Parking” and “Streetscape improvements.” Improved parking has been the focus for many downtown revitalization programs. In an effort to compete with shopping centers and malls, parking has been seen by many downtown merchants as the key to attracting customers. In many instances, such a
focus has diverted money and attention from more productive activities, and although improved
downtown parking should not be seen as a bad thing, it was shown to not be the key that unlocks the
door to downtown health.

Similarly, streetscape improvements, such as sidewalk pavers, trees and benches, and new
lighting, have commonly been viewed as a panacea for poor downtown health. The study indicates
that such improvements play only a minor role. Physical improvements should be seen as a product
of improved downtown health, rather than a cause of it. As is suggested by the old clichè, “Beauty is
only skin deep.”

There are many opportunities for further study on the topic of downtown revitalization in smaller
cities. To date, there has been little research concerning the evaluation of downtown health based on
perceptual input. Using a systematic, comparative format, such input should be expanded,
developed, and eventually accepted as a reliable indicator. The Health Perception Index is intended
as an initial step in that direction.

Future research should also consider surveying other respondent groups. This study focused on
downtown merchants and business owners, and also included local officials. It would be important
to compare these findings against a similar survey administered to a random sampling of either
downtown shoppers or local residents. This study’s respondents were oriented primarily to the
downtown environment. Shoppers and local residents may consider the downtown district as only
one option among their choices of districts to frequent for goods and services, and as a result could
provide an more impartial evaluation of the downtown.

Further research could also look more closely at demographic characteristics that correlate most
closely with the Health Perception Index. Special attention could be paid to the relationship to
population age categories and household income, since these were shown as strongly correlated.

Finally, historians might be interested in looking more closely at a surprising finding of this
study—that the HPI has a negative correlation with county seat status. It has been found in previous
studies by other researchers that cities which are county seats benefited significantly from increased
activities associated with this function, including law offices, restaurants, etc. This may no longer be
as important a factor as it once was, and may have only a negligible impact on downtown health as
the functions of the downtown have become reoriented in recent decades.
BIBLIOGRAPHY


Denman, Clayton. “Small Towns Are the Future of America.” from Humanscape. Kaplan and Kaplan (Editors). (zz)


“Guess Who's Coming to the Strip.” *Chain Store Age Executive*. (May):53-56.


Lessinger, Jack. *Penturbia*. (zz)


Murphy, Raymond E. and James Vance, Jr. 1954. “Delimiting the CBD.” *Economic Geography*. 30:189-222


“Retailers See Strips As New Options.” *Chain Store Age Executive*. (February):6A-7A.


I study the people on the laminated airline seat card. A woman floats in the ocean, her brown hair spread out behind her, her seat cushion clutched to her chest. The eyes are wide open, but the woman doesn't smile or frown. Tyler's a banquet waiter, waiting tables at a hotel, downtown, and Tyler's a projectionist with the projector operator's union. I don't know how long Tyler had been working on all those nights I couldn't sleep.