A PROFILE OF COUNCIL BLUFFS

Population and Economic Characteristics in the Downtown Market Area

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This chapter reviews important demographic and economic characteristics and regional trends that will affect Council Bluffs as the city plans for its future and the future of the downtown area. This analysis will examine the city's population and demographic dynamics, and the city's future population composition. It also reviews important regional issues and retail dynamics that will affect the growth of the city and its economy.

POPULATION HISTORY

Population history and population characteristics help to explain the condition of a community. This discussion presents important changes in Council Bluffs' population during the last thirty years. Table 1.1 illustrates population changes in Council Bluffs and other regional communities over time.

Council Bluffs experienced steady population growth through the middle of the twentieth century, registering an annual growth rate of 1.26% between 1940 and 1970 as the city reached the 60,000 population mark. During the 1950s, its most impressive decade of growth, Council Bluffs grew at an annual rate of 2.05%, outstripping Omaha's 1.83% annual growth for the same period. However, the city's traditional population growth halted after 1970, and declined substantially during the next two decades. The city's 1990 population of 54,315 represented 10% decline from the 1970 peak.

This and other signs of physical and demographic decline led Council Bluffs to take aggressive action during the 1990s. The city changed from a council-manager to strong mayor form of government, providing effective executive leadership in the public sector. The city and Chamber of Commerce commissioned a major community planning effort that produced *Council Bluffs: A Vision of Community*, providing a comprehensive agenda for the city's future. In addition, the coming of gaming to Iowa communities capitalized the Iowa West Foundation, giving the city a source of funding for many necessary civic investments. These and other factors created a resurgent Council Bluffs, characterized by such quality of life projects as the new Public Library, Council Bluffs Recreation Complex, the Iowa Western Performing Arts Center, Mid-America Center, and the Union Pacific Railroad Museum; the rediscovery of the city by housing developers; and rapid growth in regional retailing. The city's population followed suit, rebounding to 58,268 in 2000.

Throughout the 20th century, Council Bluffs has experienced a slower growth rate than Nebraska's two major central cities, Omaha and Lincoln. Yet, it has historically grown at a faster rate than other Iowa cities such as Des Moines and Sioux City. Within the Omaha metropolitan area, the suburban cities of Bellevue and Papillion experienced the most rapid growth. Yet, Council Bluffs' historically steady growth, and reversal of an incipient trend toward population decline, position the city and it downtown to take advantage of continued development.

Trends in Council Bluffs reflected national trends and provide further promise for downtown development. In a study of 24 downtowns' 2000 Census numbers, the Fannie Mae Foundation found that 18 downtowns saw increases in their populations. While most central cities lost population relative to their metropolitan areas, most downtowns are gaining a larger share of the metropolitan population.

There are several trends cited as causing this "Downtown Rebound":

> "The population of empty nesters will continue to grow as baby boomers age. Without children, empty nesters often change their lifestyles in a way that favors downtown. Besides having more leisure time to dine out and take part in cultural activities (museums, concerts), empty nesters often choose to downsize their housing - trading in the lawn care and upkeep of a large home for the convenience of living in a downtown condominium. If even a modest portion of empty-nester households trades suburban homes for urban ones, downtown populations will continue to grow. The other emerging population that is probably aiding downtown's comeback are young professionals in their 20's and 30's who have yet to start families. This group - often consumers of downtown-friendly amenities such as coffeehouses and nightclubs - are frequently in the market for low-maintenance, urbane housing convenient to work and amenities...Downtowns throughout the country are capitalizing on their historic character. Downtowns offer a niche market for those seeking a 'sense of place'" (Fannie Mae Foundation and Brookings Institution Center on Urban and Metropolitan Policy, Census Note 03, May 2001)

POPULATION DYNAMICS AND PROJECTIONS

We can further examine Council Bluffs' population trends by considering the reasons for population change. Several factors contribute to population change in a community:

- *Natural Change (births and deaths)*. A surplus of births over deaths causes the population of that community to increase. A city with a younger population (particularly of people in child-bearing or family formation years) will experience a higher number of births per 1,000 residents.

- *Migration Patterns.* Some of a community's residents move away over time, while other people move in. If more people move to a community than leave, its population will tend to increase.

- *Annexation.* Voluntary annexation is usually undertaken in order to bring vacant ground into a community for urban development. However, in some cases, residential development already exists on predominantly undeveloped land that communities annex. This development typically consists of rural single-family homes served by private septic systems and wells or rural water. Thus, annexation can increase a community's population.

Table 1.1: Population Change: Council Bluffs and Comparable Regional Cities, 1940-2000

	2000	1990	1980	1970	1960	1950	1940	% Change 1990-2000	Avg Annual Growth Rate 1940-2000
Council Bluffs	58,268	54,315	56,449	60,348	55,641	45,429	41,439	7.28%	0.57%
Omaha	390,997	335,719	313,939	346,929	301,598	251,117	223,844	16.47%	0.93%
Bellevue	44,382	30,928	21,813	21,953	8,831	3,858	1,184	43.50%	6.23%
Papillion	16,363	10,378	6,399	5,606	2,235	1,034	763	57.67%	5.24%
Lincoln	225,581	191,972	171,932	149,518	128,521	98,884	81,984	17.51%	1.71%
Des Moines	198,682	193,189	191,003	201,404	208,982	177,965	159,819	2.84%	0.36%
Sioux City	85,013	80,505	82,003	85,925	89,159	83,991	82,364	5.60%	0.05%

Source: US Census Bureau

Population trends can be analyzed by comparing a community's expected population (based solely on predicted changes in births and deaths) with the actual outcome of the 2000 Census. Table 1.2 below summarizes the results of such an analysis for Council Bluffs. These estimates are based on the following assumptions:

- A cohort-survival forecast method is used to forecast population. This method "ages" a five-year age range of people by computing how many of them will survive into the next five-year period. Cohort survival rates used were developed by the National Center for Health Statistics.

- Estimated birth and death rates for the population developed by the U.S. Bureau of the Census.

As displayed in Table 1.2, natural population change alone would result in a 2000 population of 56,831, an increase of 4.6%. However, the 2000 Census indicates that the total population increased by 3,953 people, or 7.3%. The difference between the population forecast by natural change and the actual count represents a net in-migration rate of about 2.5%.

Projecting the future size and makeup of Council Bluffs' population helps predict the future demographic character of the town. This is particularly important for the city's planning and policy decisions regarding future investments and growth.

We forecast Council Bluffs' future population by:

- Computing probable changes in the city's existing population. The calculation of the "base" population of the City assumes no net migration.

- Basing population forecasts on 1990 and 2000 Census statistics for age distribution. As before the cohort survival method is used to project population, utilizing birth and death rates developed by the Bureau of the Census and the National Center for Health Statistics.

- Using a migration rate of 4% per decade, corresponding to the city's performance during the last decade.

- Using models based on a continuation of the city's annual growth rate during the 1990s.

Table 1.3 illustrates population scenarios in Council Bluffs. The 2000 Census figures indicated that the city's population was 58,268, which indicates a migration rate of about 3% during the 1990s. Census figures also indicate a 0.75% annual increase in the City's population during the same decade. Utilizing these rates to project Council Bluffs' future population indicates that the city will have about 62,600 residents in 2010 and about 67,000 residents in 2020. This represents additional retail growth and residential demand, a portion of which may be claimed in Downtown Council Bluffs.

TRADE AREA DEFINITION

Potential markets for Downtown Council Bluffs come from a variety of directions. On one level, Downtown is a neighborhood business district, serving adjacent, high-density residential areas. On another level, Downtown is a government, financial, legal, and employment center for the city and county. It is also an image center for a region, with features like Bayliss Park, the new Union Pacific Railroad Museum, the emerging streetscape atmosphere, and the Public Library. Finally, some enterprises and even housing opportunities can pull consumers from the eastern part of Omaha.

Table 1.2: Forecast and Actual Population Change, Council Bluffs, 1990-2000

	1990	2000	Change	%
Predicted Population (based on survival and birth rates)	54,315	56,831	2,516	4.6%
Actual Population	54,315	58,268	3,953	7.3%
Predicted Male Population	25,635	27,020	1,385	5.4%
Actual Male Population	25,635	28,194	2,559	10.0%
Predicted Female Population	28,680	29,811	1,131	3.9%
Actual Female Population	28,680	30,074	1,394	4.9%

Source: U.S. Census Bureau, RDG Crose Gardner Shukert

Table 1.3: Council Bluffs Population Projections, 2000-2020

	2000	2010	2020	Change, 2000-2020	Average Annual Change
+4% Migration	58,268	62,680	66,879	8,611	431
0.75% Annual Rate	58,268	62,638	67,336	9,068	453

Source: RDG Crose Gardner Shukert

Downtown Council Bluffs is strongly influenced by large nearby retail centers. During the 1970s, the city aggressively attempted to maintain the district's traditional regional retailing role by completing a large-scale urban renewal project, Midlands Mall. The Mall maintained a major retail presence in Downtown Council Bluffs well after it died in Downtown Omaha; yet, the Mall also began to decline economically during the 1980s. The Mall was replaced and the city's retail market expanded with the construction of two major regional projects, strongly oriented to the Interstate system. Council Bluffs' regional mall, the 750,000 square foot Mall of the Bluffs, is located less than two miles from Downtown at the Madison Avenue interchange with Interstate 80. The Manawa Power Center, with its aggregation of "big box" retailers and associated restaurants and smaller businesses, is also about two miles from Downtown, at the South Expressway interchange with Interstates 29 and 80. Other large market magnets are located relatively nearby in the Omaha metropolitan area. For example, Crossroads Mall lies about 7 ½ miles west of Downtown Council Bluffs and Westroads Mall lies about 9 ½ miles to the west. In some ways, the presence of these nearby regional commercial centers strengthens Downtown Council Bluffs potential as a residential and neighborhood or specialty retailing district.

This unusual distribution of markets suggests a further consideration of population and economic factors for four specific geographic service areas for Downtown Council Bluffs. These include the following:

- The *primary trade area* in Council Bluffs bounded by Kanesville Boulevard, Kimball Avenue, Pierce Street, Bluff Street, 9th Avenue, and 8th Street. This corresponds to a surrounding residential area that would view Downtown as a neighborhood commercial and service area.

- The *secondary trade area* is composed of areas within a 5-mile radius of the intersection of 4th Street and Broadway. This area essentially encompasses all of Council Bluffs, but only includes areas located east of the Missouri River. This secondary area includes areas that would view Downtown Council Bluffs as a primary office and government center; as a potential living environment; and as a secondary or neighborhood commercial and service center.

- The *tertiary trade area* includes areas that have a variety of retail and service options. This market area includes areas within a 10-mile radius of the intersection of 4th Street and Broadway in Iowa and a 5-mile radius of the intersection in Nebraska. Areas in the City of Omaha generally east of 42nd Street are included in this market area. In addition to the roles outlined above, residents of this geographic area may view Downtown as a potential restaurant and specialty retailing environment; as a regional office employment center; and as a potential living environment. For example, some Nebraskans who are attracted to Downtown living in Omaha may also find urban living in Downtown Council Bluffs to be attractive.

- The *quaternary trade area* includes areas within a 30-mile mile radius of the intersection of 4th Street and Broadway in Iowa and a 15-mile radius of the intersection in Nebraska. This is a market likely to be drawn to Downtown Council Bluffs for employment and government services, or as a potential living environment.

TRADE AREA POPULATION AND HOUSEHOLD CHARACTERISTICS

Table 1.4 presents the total population and household population of each trade area. In 2000, the primary neighborhood trade area had 1,555 residents, the secondary area 64,402 residents, the tertiary area 93,194 residents, and the quaternary area 592,424. The average household size in the primary neighborhood service area is considerably smaller than that of the other three geographic districts.

Trade Area Age Composition

The relatively small population per household in the primary service area suggests that the immediate neighborhood tends to have a relatively high percentage of young and old people. Table 1.5, presenting the age distribution of the four trade areas, indicates that this is in fact the case.

In 2000, the median age in the primary trade area was 35.7. The secondary area had a median age of 35.5, the tertiary area 34.9 and the quaternary area 33.7. Of these geographic breakdowns, the primary area had the highest percentage of residents in age ranges between 15 and 24, and over 65. It also had more people in age ranges from 25 though 44 than the secondary area, encompassing Council Bluffs.

Trade Area Income Characteristics

Table 1.6 presents the median household income for residents of each of the four trade areas. Median household income in the primary market area is very low relative to those of the outlying service areas. In general, median incomes increase as the trade area broadens. The estimated 2002 median income for the primary trade area is $23,176. This low figure is attributable to the larger percentage of older residents on fixed incomes in the Downtown area, and to some very low-income residential areas just west and north of Downtown. The tertiary service area encompasses low-income areas in the eastern sector of Omaha, causing its median income to fall below that of Council Bluffs proper.

Retail Analysis and Demands

Analyzing retail behavior and trends in the Council Bluffs retail market can help us understand future market focuses and potential space demands for the Downtown area. During the 1990s, Council Bluffs achieved remarkable growth in its ability to attract consumer dollars. Table 1.7 illustrates the changes in Council Bluffs' retail activity over time. Between 1976 and 2000, the number of retail businesses in the City increased from 970 to 1,237, a 27.5% increase. The annual amount of sales per retail business (in 1976 dollars) increased from $138.077 in 1976 to $204,555 in 2000, or a 48.1% increase. The annual rate of growth in total retail sales between 1976 and 2000 averaged 7.48%; adjusted for inflation, the average annual rate of retail growth was 2.69%. For the State of Iowa, these variables were 5.27% and 0.57% respectively. Thus, inflation-adjusted retail growth in Council Bluffs grew at about five times the statewide rate.

The city's retail growth is also illustrated by examining changes in its "pull factor" over time. The retail pull factor is a statistic developed by Dr. Kenneth Stone of Iowa State University and is the ratio of local per capita retail sales to statewide per capita retail sales. If per capita retail sales are $1,500 in the local area and $1,000 statewide, the local area's "pull factor" is 1.5. Conversely, if per capita local sales are $800, the pull factor would be 0.80. A pull factor over 1.00 means that a community is experiencing more retail sales activity that the average Iowa community, while a pull factor of less than 1.00 indicates below average retail sales activity.

Prior to 1990, Council Bluffs was unusual among Iowa's large cities in having a pull factor below 1.00. This very low level reflected the decline of Council Bluffs' traditional retail districts, including Downtown and the West Broadway corridor during the 1960s and 1970s, and the relative inability of Midlands Mall to reverse that trend. As a result, the Council Bluffs retail market was dominated by Omaha and its new regional shopping malls of that era, Crossroads and Westroads. The situation began to improve during the late 1980s with the opening of Mall of the Bluffs, and by 1990, the city finally "broke even" against state averages.

Table 1.4: Population by Geographic Service Area, 2000

	Population	Households	Population/ Household
Primary	1,555	772	2.01
Secondary	64,402	25,072	2.57
Tertiary	93,194	35,804	2.60
Quaternary	592,424	232,718	2.55

Source: Claritas, Inc.

Table 1.5: Age Distribution, Downtown Council Bluffs Geographic Service Areas

	Primary	Secondary	Tertiary	Quaternary
0-4	7.21%	6.88%	6.74%	7.29%
5-9	5.70%	7.14%	6.85%	7.32%
10-14	5.50%	7.35%	6.95%	7.30%
15-19	8.56%	7.57%	7.51%	7.34%
20-24	7.97%	6.79%	7.83%	7.52%
25-34	13.93%	13.51%	14.32%	15.18%
35-44	15.97%	15.52%	15.92%	15.75%
45-54	11.50%	13.07%	13.05%	12.82%
55-59	4.33%	4.64%	4.60%	4.34%
60-64	4.84%	4.00%	3.81%	3.58%
65 and older	14.50%	13.53%	12.41%	11.57%
Median Age	35.7	35.5	34.9	33.7

Source: Claritas, Inc.

Table 1.6: Median Household Income, Downtown Council Bluffs Geographic Service Areas

Geographic Service Area	Median Household Income
Primary	$23,176
Secondary	$42,089
Tertiary	$39,907
Quaternary	$48,154

Source: Claritas, Inc.

Table 1.7: Retail Sales Indicators for Council Bluffs, 1976-2000

Fiscal Year	Current $ Total Retail Sales, in millions	Constant $ Retail Sales, in millions	Number of Retail Firms	Current $ Sales per Firm	Constant $ Sales per Firm	Per Capita Sales	Pull Factor
1976	$133.87	$133.87	970	$138,077	$138,077	$2,294	0.77
1980	$185.05	$135.08	1,020	$181,515	$132,493	$3,256	0.72
1985	$265.33	$139.65	1,124	$236,113	$124,270	$4,773	0.94
1990	$364.37	$161.23	1,240	$293,966	$130,073	$6,683	1.03
1995	$506.92	$189.86	1,252	$404,892	$151,645	$9,266	1.17
1996	$563.25	$205.56	1,261	$446,756	$163,050	$10,277	1.24
1997	$600.87	$213.07	1,296	$463,813	$164,473	$10,813	1.26
1998	$636.08	$221.63	1,280	$487,129	$173,216	$11,399	1.28
1999	$710.80	$243.42	1,278	$556,290	$190,510	$12,623	1.37
2000	$756.27	$252.93	1,237	$611,620	$204,555	$12,979	1.38
% Change 1976 to 2000	+464.9%	+88.9%	+27.5%	+343.0%	+48.1%	+465.9%	+79.3%

Source: Iowa State University Extension

Subsequent growth in the Mall of the Bluffs area and the development of the Manawa Power Center dramatically changed this equation. By 2000, the city's pull factor increased to a substantial 1.38, a steeper growth rate than that of any comparable Iowa city during the last decade. This greatly improved performance is caused by the city's ability to retain much more consumer spending at home; attraction of an increased part of the southwest Iowa regional market; and some attraction of Omaha consumers at the margins.

Council Bluffs' retail growth is particularly impressive because of its adjacency to the very large retail center of Omaha. Table 1.8 compares expected and actual retail sales (based on typical conditions) and indicates that Council Bluffs now performs at statistically expected levels. In 2000, retail sales in Council Bluffs in 2000 were $756,270,000, slightly above the expected $755,980,000. Several similarly sized Iowa communities, including Cedar Rapids, Waterloo, and Dubuque, produced greater surpluses between actual and expected sales. However, unlike Council Bluffs, these cities are not located near other major regional retail facilities. Cedar Rapids' future performance may be affected by the opening of Coral Ridge Mall in Coralville, about twenty miles away. Interestingly, Council Bluffs outperformed both Davenport and Sioux City, the dominant central cities in multi-community regions.

Table 1.9 compares the City's pull factor to those of similarly sized communities. In 2000, while Council Bluffs had a pull factor of 1.38, West Des Moines had a pull factor of 1.96 and Sioux City a pull factor of 1.34. Analysis of these figures further indicates that Council Bluffs fares well with respect to retail sales considering its proximity to Omaha. Although Council Bluffs does not draw as much sales activity as major regional retail centers, such as West Des Moines, it attracts more than several comparable cities, including Sioux City and Iowa City.

Table 1.8: Expected and Actual Retail Sales, Council Bluffs and Comparible Cities, 2000

	Expected Sales (in millions)	Actual Sales (in millions)	Percent Above or Below Expected
Cedar Rapids	$1,889.97	$2,219.70	+17.4%
Dubuque	$744.49	$798.78	+7.3%
Waterloo	$894.75	$925.63	+3.5%
Council Bluffs	$755.98	$756.27	+0.0%
Davenport	$1,367.46	$1,526.24	-11.6%
Sioux City	$1,234.16	$1,074.78	-12.9%

Source: Iowa State University Extension

Table 1.9: Retail Pull Factors, Iowa Cities, 2000

	Population	Pull Factor
Des Moines	198,682	2.19
West Des Moines	46,403	1.96
Cedar Rapids	120,758	1.95
Davenport	98,359	1.65
Dubuque	57,686	1.47
Waterloo	68,747	1.43
Council Bluffs	**58,268**	**1.38**
Sioux City	85,013	1.34
Iowa City	62,220	1.29
Ames	50,731	1.26

Source: Iowa State University Extension