



DOWNTOWN MASTER PLAN

Winchester, KY

Prepared by

CITYVISIONS
ASSOCIATES

In association with

GAMBLE ASSOCIATES
urban design

CONSULTECON, INC.
market analysis



Funded by Clark County Community Foundation, City of Winchester, and Clark County

ACKNOWLEDGMENTS

The Winchester Downtown Master Plan has been undertaken through a highly collaborative and iterative process with the citizens, officials, civic leaders, and downtown businesses; all concerned with the health and vitality of downtown Winchester. In addition to those recognized below, hundreds of people provided input and guidance: through public meetings, focus groups, and individual meetings and discussions. Some of these were formal meetings and presentations seeking input, but many were informal discussions over coffee, lunch or sitting in a downtown business. We are grateful for the time and effort provided, and salute the “stakeholders” of downtown Winchester for their passion, optimism, and investment in downtown Winchester.

Main Street Winchester

President - Graham Johns, President
Charles “Chuck” Witt, Vice-President
Todd Denham, Secretary/Treasurer
Shalanta Gullett
Debra Parr
Robert Blanton
Kitty Strode
Jenny Bailey
Amy Evans
DeAnne Elmore
Greg Yates
Rachel Alexander, Executive Director

Master Plan Steering Committee

Cindy Banks
Robert Blanton
Todd Denham
Larry Hensley
Marvin King
Flora Shelby
Kitty Strode
Sandy Stults
Daryl Terry
Nancy Turner
Matthew Terry
Will Hodgkin

City of Winchester

Ed Burtner, Mayor
Commissioner Rick Beach
Commissioner Kenny Book
Commissioner Shannon Cox
Commissioner Kitty Strode
Matthew Belcher, City Manager

Clark County

Judge Executive Henry Branham
Magistrate Daniel Konstantopoulos
Magistrate Pamela Blackburn
Magistrate Joe Graham
Magistrate Matt Brinegar
Magistrate Sheila McCord
Magistrate Robert Blanton

Clark County Community Foundation

Jeff Walson
Will Hodgkin
Betty Jane Glasscock
Carlean Hefner
Bill Pumphrey
Carlisle Mayer
Fara Tyree
Nancy Turner
Julia Adams

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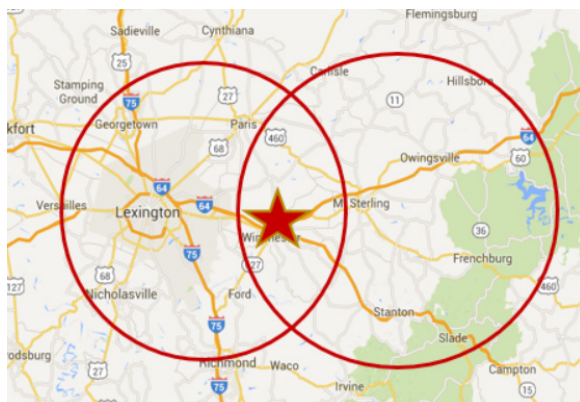


BACKGROUND

Downtown Winchester is a beautiful example of a small Kentucky community, a County seat, and a place that its residents are proud to call home. It is in many ways the embodiment of a traditional small town's central business district, not atypical from many similarly sized communities in Kentucky and its neighboring states, organized around a central county courthouse and a linear "Main Street." While downtowns such as Winchester's have for many years served as the social, economic, civic, and retail hub of a small

town, conditions have changed in recent decades; some for the good, but many to the detriment of the health and vitality of this traditional role of downtown. Many of the challenges that downtown Winchester is facing are therefore not unlike those faced by similar communities, be they changing demographics, the deterioration of its historic building stock, the migration of population and business to outlying suburban locations and strip development, and limited public funds for its revitalization.

At the same time, communities such as Winchester are no longer detached from their larger regions, and even larger markets. The location of Winchester as part of Greater Lexington as well as a gateway to eastern Kentucky provides it with additional opportunities to capitalize upon, if armed with specific strategies designed to do just that.



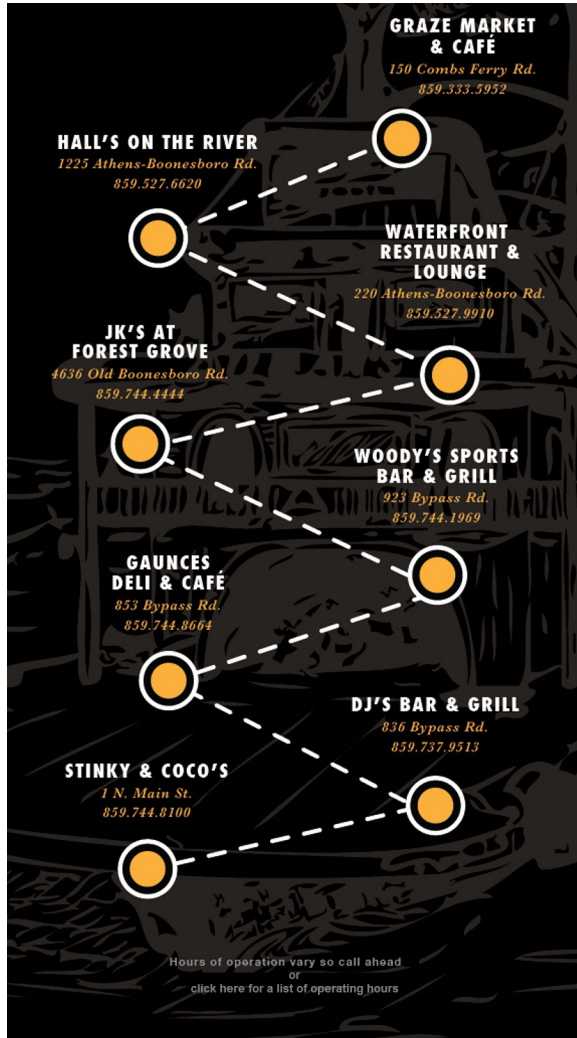
However, while downtown Winchester shares certain characteristics and demographic trends with similar other communities, it nevertheless does exhibit a number of characteristics – both assets and liabilities – that distinguishes it from most other communities, and infuses it with its own distinct identity. Many communities would be envious of these characteristics. The health and sustainability of its downtown is in fact directly impacted by its unique identity. In today’s downtown environment and marketplace – especially in those communities with a small town charm and ambiance – the authenticity and unique character of a *place* is the element most sought after by

those seeking to live, visit, invest and do business. If the historic downtown area of such places embodies the community’s identity and its spirit – and highlights and celebrates it – then its future is likely to be strong. While long term residents of Winchester may implicitly understand the community, its history, and its character, newer residents and/or those visiting likely may not. It is therefore important that Winchester’s identity and character be infused throughout its historic downtown. This is what is commonly termed its *sense of place*.

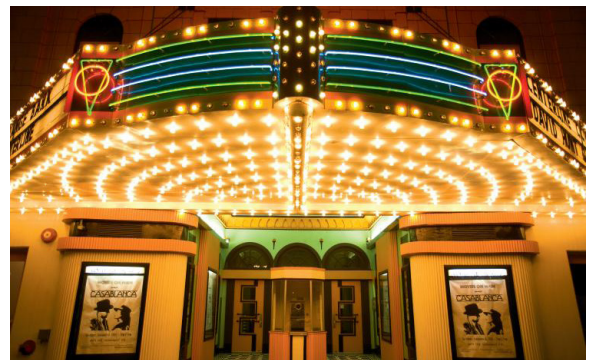
In other communities that do have a similar ‘sense of place’, this sense of place is evident as soon as one enters their downtown, away from the interstates and bypasses that provide few clues as to their identity. Winchester’s sense of itself begins to be unveiled as one travels down the historic buildings along Main Street, walks around the Courthouse, and continues for those who visit the Bluegrass Heritage Museum. But the overall character of the community remains, for the most part, a hidden gem. Many of the recommendations in this Downtown Master Plan are designed to unearth and “celebrate” downtown those things that make Winchester unique and proud.

From the Beer Cheese Trail to Ale-8, from the uniqueness of the high side of Main Street, to its intact streetscape of

historic buildings, from its collection of antique shops, to the Leeds to the Opera House. It's sense of place is its most valuable asset.



Fortunately, there is a strong momentum in Winchester related to its downtown, as seen by the actions of its municipal officials, its civic leaders, its citizens, and its downtown community. This momentum has continued to grow stronger over the course of the development of this Winchester Downtown Master Plan, with a number of significant actions occurring: the plans for the Sphar Building, the Better Block initiative, the transformation of the 31 East Broadway property into Wildcat Willy's Distillery, the proposed Kentucky Bank development, the opening of a number of new downtown businesses, and plans to create a downtown tax increment financing district and a nuisance ordinance.



Leeds Opera House

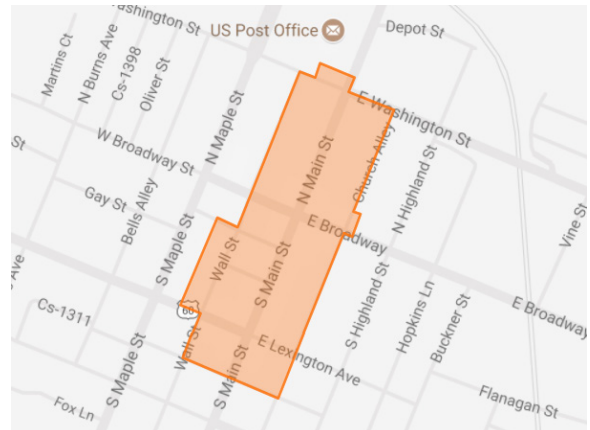
DOWNTOWN CONTEXT

Downtown Winchester is fortunate that much of its historic character remains intact – although in a variety of conditions – and that at least along Main Street few “gaps” in the building stock currently exist. This has enabled Winchester to create a fairly extensive downtown National Register Historic District. According to the architectural survey conducted by the Winchester Historical Commission to support the District’s successful nomination, the following is a summary of downtown Winchester’s historic area:

“Winchester’s downtown commercial historic district was listed in the U.S. National Register of Historic Places in 1982. The District offers a unique concentration of commercial, civic, religious, industrial, and other building types that span the cultural and architectural history of not just the City of Winchester, but of the region and the nation as a whole. Because Winchester has retained its historic buildings and materials to a high degree, its downtown commercial corridor provides residents and visitors to the City with a glimpse of the past and a sense of the City’s character that could be conveyed in no other way.



Winchester Historic Preservation Commission



Winchester Downtown Commercial District

The downtown National Register District remains a material expression of a time some 100 years ago and is still very much what it was when the district was established in 1982. Two- or three-story commercial storefront buildings, civic buildings such as the Clark County Courthouse, corner anchors such as the S. P. Kerr Building and the Brown Proctor Hotel, and a variety of other buildings that followed these still define the city’s streetscape. With the courthouse as its focal point, the district’s historic setting remains intact. Further, many buildings are associated with prominent citizens of Winchester’s past and present. For these reasons, the district as a whole retains a high degree of integrity despite alterations to many individual structures.

The City is proud that the downtown district remains strong despite undergoing a variety of changes. While the district has seen the demise of several structures including the St.



George Hotel, the old jail, and several buildings on North Main Street near Washington, the City has also seen improvement in the lowering or removal of overhead lines and in the revitalization of important structures, including the Kerr building and the Opera House. There are also many cases where infill, reconfiguration, and new design have left an imprint on Winchester's historic Main Street corridor.

Because the Main Street corridor is part of the city's legacy as one of Kentucky's premier historic towns, it is important to understand what it is that makes it that way. A downtown is a powerful expression of the collective spirit of Americans during an age of radical progress and industrialization as a nation. This is expressed through Winchester's buildings, their scale, materials and styles, and in the rhythm of their

arrangement. Like Winchester, downtowns across America became symbols of shared values, repositories for symbolizing the past, and the focal points for understanding America's march towards modernity. Fortunately for Winchester, good stewardship has helped the City retain its character where other towns have experienced much greater loss or decline."



WINCHESTER, KENTUCKY MASTER PLAN

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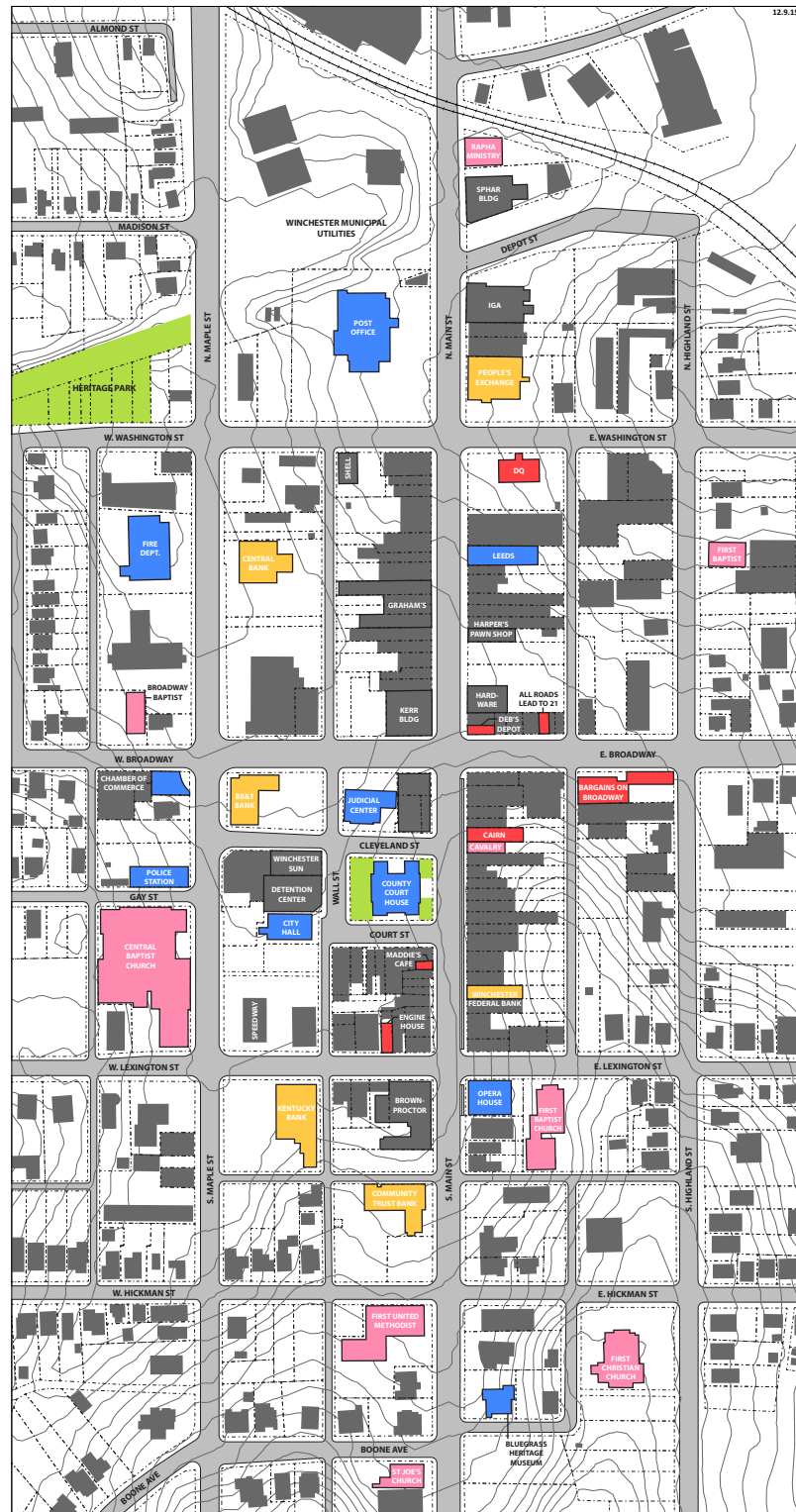
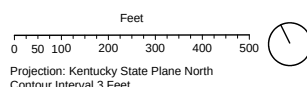
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ConsultEcon, Inc.

KEY

- CIVIC INSTITUTIONS
- FAITH BASED INSTITUTIONS
- BANKS
- DINING / CAFE
- OPEN SPACE / PARKS
- EXISTING BUILDINGS
- ROADWAYS
- PARKING
- PARCELS
- RAILROAD



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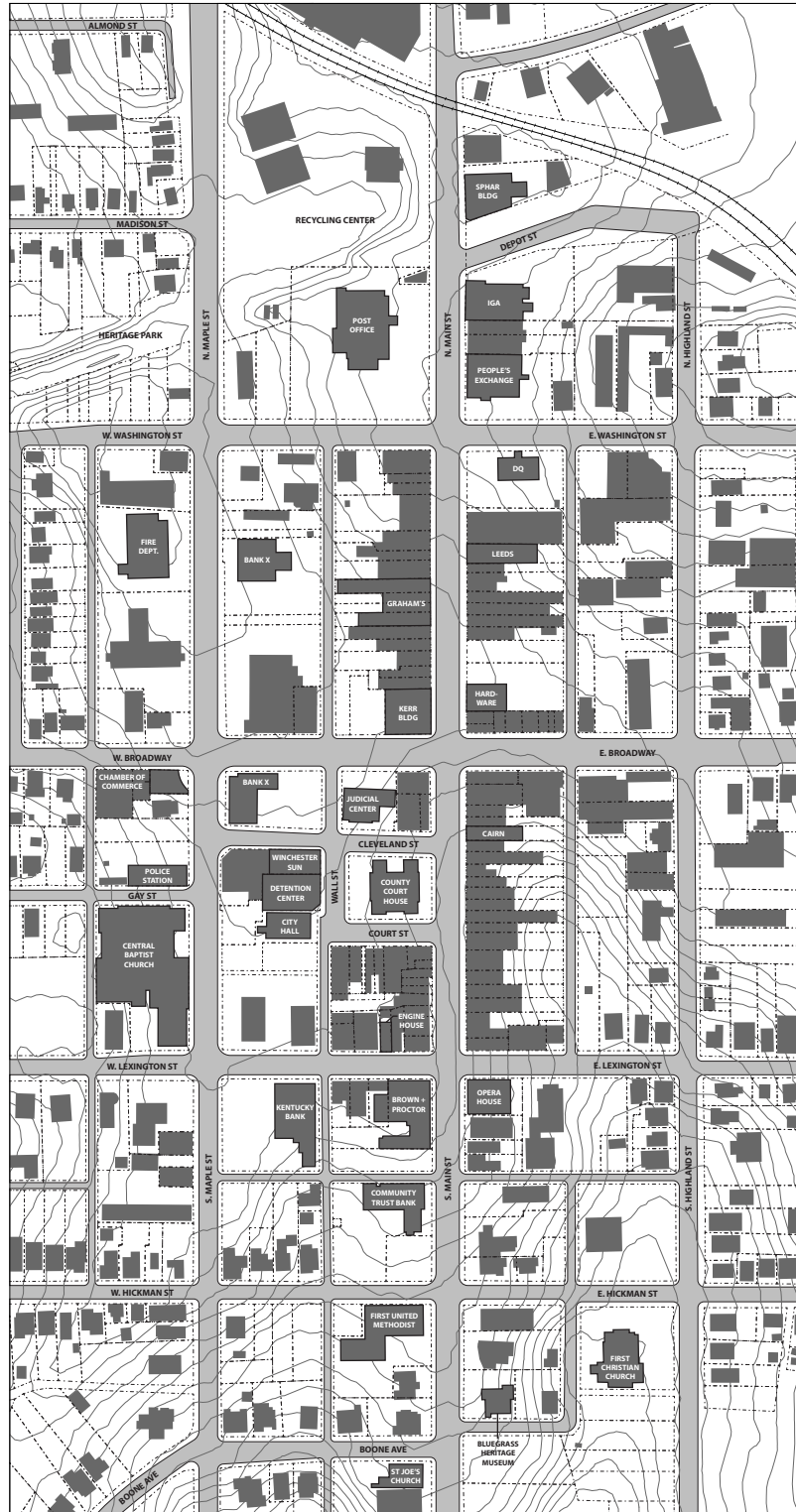
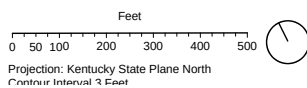
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Consult**Econ** Management & Economic Insight

KEY

-  ROADWAYS
-  BUILDINGS
-  PARCELS
-  RAILROAD



DOWNTOWN ASSETS

In order to create a viable and sustainable Development Strategy, a realistic and objective evaluation of downtown Winchester's assets and liabilities was undertaken. Communities that can point to a significantly longer list of assets than liabilities have the greatest potential for successful revitalization. Even in these communities, however, it is not uncommon for local residents to often focus on their liabilities and overlook or de-value their assets. However, today there is a great value placed on the authenticity of a place, be it a downtown area, a community, or a larger region. This authenticity and the uniqueness of a place is what gives it its own distinct character. Efforts to "create" a character, or import elements and/or activities that are not inherently connected to the character and history of a place, are doomed to long term failure. Every place begins to look like every other, and then none of them are necessarily worth spending time in.

On the other hand, communities that identify their history, their culture and their unique assets – their "character" – and work diligently to *highlight and celebrate* their character, are basing their revitalization strategy on solid ground. Fortunately, Winchester has begun to do this, with the celebration of its Beer Cheese heritage, its Bluegrass Heritage,

and the beginnings of a Moonshine Trail. While these and other unique elements – such as Ale-8 – can be given even more prominence, the basis of its community heritage is a strong asset on which to build.

Historic Building Stock

Downtown Winchester's most dramatic asset is its historic building stock, which for the most part remains intact. In many communities, this historic building stock has deteriorated or disappeared over a period of time, be it through demolition, urban renewal, replacement of historic buildings with modern buildings of incongruous scale, surface parking lots, etc. This condition results in gaps or "missing teeth" that result in a diminution of the street or downtown's character. While some of this exists in downtown Winchester, Main Street for the most part exhibits few such gaps, and the general physical condition of the exterior of the buildings contribute to an impressive streetfront presence that retains much of its historic quality and character. The buildings have additional prominence due to the elevation of the high side of Main Street (in and itself both an asset and a liability) further adds to the impressive appearance of "historic Main Street."



Continuous Historic Building Frontage

Clark County Courthouse



Cities that serve as their County seats often have increased economic activity in their community as a result. This effect is often optimized in situations where a more traditional “Courthouse Square” is in effect (e.g. as the hub of a four-sided green and/or a traffic circle), which unfortunately is not the case in Winchester. Nevertheless, the presence of the County offices in the heart of downtown Winchester – and in its historic Courthouse – is a significant asset for the downtown area.



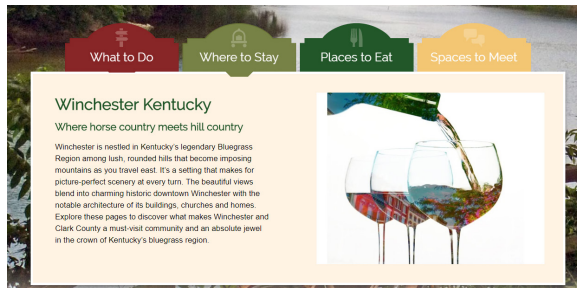
Location

Winchester’s geographic location has multiple existing and potential benefits. While it has retained its small town character it is nonetheless within the broader Greater Lexington metropolitan area. This offers benefits in terms of employment opportunities, entertainment, and other convenient assets for those wishing to live in a smaller community. It also offers a metropolitan market for downtown Winchester, if it can create a downtown environment that enables it to stand out among other metropolitan area communities. In addition, the tourist market is booming in Lexington, primarily fueled by the expanding heritage tourism markets for the bourbon, beer and horse industries, which are all experiencing dramatic growth.



If complementary tourism opportunities in Winchester – its historic downtown, the Beer Cheese Trail, the Moonshine

Trail, Ale-8 headquarters, etc. – can attract a portion of these cultural heritage visitors to Lexington, it would substantially add to the visitor “traffic” in downtown Winchester.



In addition to its location as part of the greater Lexington area, Winchester also serves as a gateway to eastern Kentucky. While in the past this may not have had a significant impact on Winchester, the growing recreational tourism being experienced in points east, such as Red River Gorge, also adds to the potential visitation in downtown Winchester, if marketed aggressively and strategically. A stop at the Ale-8 headquarters already is a major element of many such eastern Kentucky visitor itineraries, and therefore a further stop in downtown could easily be added if the proper mix of businesses and attractions are established.



Unique Brands and Attractions

As stated previously, small cities and towns that are able to showcase and celebrate those things that make them unique – and interesting – are far more likely to thrive. This is important not just to make the community’s residents proud of their heritage – which is important – but also to take advantage of the dramatic increase in cultural and heritage tourism, especially in interesting small towns and cities such as Winchester.



The growth of the Beer Cheese Trail, and the increasing savvy and sophistication of the City’s marketing efforts – primarily through the Tourism Commission and Main Street Winchester, is a perfect example of the celebration of a unique Winchester “brand.”



Such efforts should be supported and expanded as appropriate and as opportunities arise. The growing Moonshine Trail

is another such opportunity, and is a perfect complement to Kentucky's Bourbon Trail program.



Another strong Winchester brand is Ale-8. As the home to this iconic brand with a very loyal customer base, interest in visiting its headquarters and production operation continues to grow. While currently such visitation tends to be limited to the headquarters and bottling facility, the potential of downtown Winchester to highlight the community as the home to Ale-8 has a myriad of possibilities, including the location of a satellite Ale-8 tourism facility within downtown. Nonetheless, the association of Winchester as the home of Ale-8 is a strong asset to both Winchester as a whole and specifically to downtown's growth and development.



Ale 8 Tour Visitors

These two Winchester brands are major assets as well because they both play into a major cultural tourism growth sector focused on food and beverage. The integration of these two brands, along with organic and healthy food products (as embodied in the proposed development at 31 East Broadway) provides a strong combination of heritage tourism opportunities for downtown Winchester.



Arts and Culture

Downtown Winchester has a number of existing arts and cultural attractions that serve the community and the surrounding region. The Leeds Center for the Arts admirably operates an arts facility that is used over 80 times per year. The Art Guild offers numerous arts classes throughout downtown.



Leeds Center for the Arts

The Bluegrass Heritage Museum is a jewel of a facility that celebrates the City of Winchester's history as well as the rich heritage of Central Kentucky. Its monthly programs draw a large crowd of local residents. While it is not as well visited as it deserves, it does preserve and certainly celebrates that which makes Winchester and Clark County important.



Bluegrass Heritage Museum

Several other galleries and art studios in aggregate provide downtown Winchester with a small but burgeoning arts scene that provides a base upon which to grow this important segment.

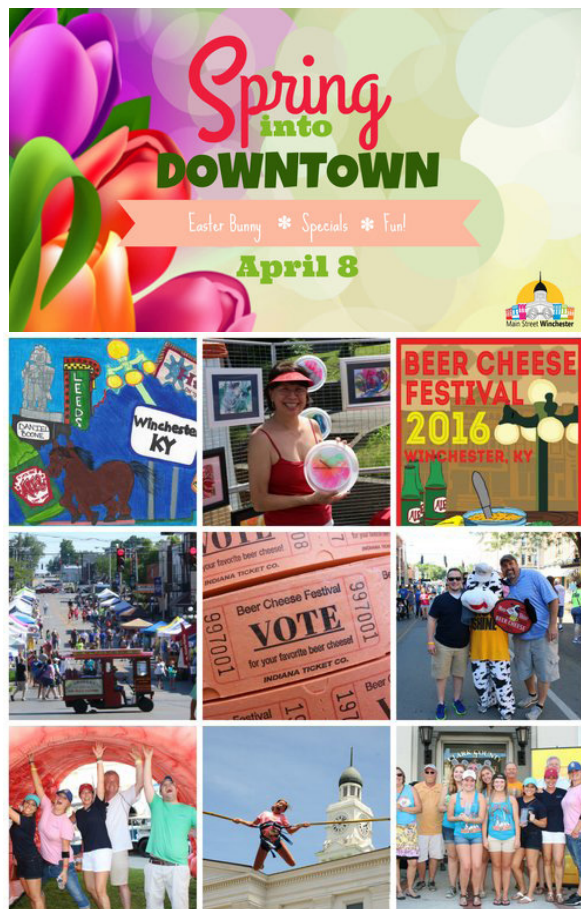


Dirty South Pottery

Events & Programming

Winchester is developing a strong and growing roster of downtown events and programs. The annual Beer Cheese Festival in June is a big draw. The event typically returns a profit that helps fund the annual operations budget of Main Street Winchester. Main Street Winchester also sponsors an increasing number of downtown events, including Rock the Block, Sip & Stroll, Halloween MAINia, the Christmas Parade, etc. In addition, the Farmers Market brings people to one end of Main Street. These events are all important in bringing people to downtown. Part of the challenge is securing adequate funding and/or sponsorships to be able to market and publicize these events. There is often a lot going on downtown, but people may just not

know it. As Main Street Winchester continues to evolve and mature, its impact on downtown will continue to be even more important.



Strong Community Partners

Downtown Winchester is fortunate that it has strong public and private sector partners and supporters, significantly stronger than in many similar sized communities. The public sector has clearly indicated its support for its downtown, through – among other things – the Sphar Building redevelopment initiative, and the initiation of this Downtown Master Plan. In addition, the private and corporate sectors continue to be strong supporters of downtown, with a number of its financial institutions – as an example – having their corporate headquarters in the downtown area, as well as constructing new headquarters facilities.

The community also has two community foundations that have shown strong support for the downtown revitalization efforts, through participation in the funding of the Master Plan, the Sphar Building initiative, and sponsoring the Better Block Initiative efforts. Today's successful downtown revitalization programs must be supported through partnerships between the community's public, corporate, and civic institutions. The fact that this has already been the case, and will continue to be the case in Winchester, provides it with the ability to take on more complex and proactive catalytic initiatives, and thus serves as a strong community asset.

Community Pride and Involvement

The support and active “ownership” of a community’s downtown by its citizens is one of the most critical elements of the success of a downtown, especially as it is crafting a viable redevelopment strategy. Situations where the citizens remain passive and take a “wait and see” attitude tend to impede real and sustainable progress. Happily, this is not the case in downtown Winchester.

From the activities of Main Street Winchester, to the collection of new and long-time downtown businesses that are – for the most part – home grown, to the entrepreneurial efforts of the owners of the Winchester Opera House and the Engine House Deli + Pub (to name just two examples), to the all-volunteer Board of the Leeds and the community spirited Cairn Coffee, to new businesses such as Dirty South Pottery, to the proposed Wildcat Willie’s and Mt. Folly Farm development project, there are examples of local residents spending their time and their money in supporting downtown Winchester. The large number of residents that attended the public meetings associated with this Master Plan effort also attest to the community spirit, pride, and sense of momentum in downtown Winchester.



Better Block Initiative



Better Block Initiative



31 North Broadway Redevelopment

DOWNTOWN CHALLENGES

The fact that the embodiment of downtown Winchester's historic significance as the heart and the hub of the community remains largely intact is a major asset, one that many similar communities have unfortunately lost. Nevertheless, downtown is currently under a certain degree of stress due to both property ownership and tenancing challenges. Winchester's Main Street is further distinguished by a unique identifying characteristic: a significant grade on its upper side. Additionally, a change in elevation along its length further adds to the complexity of downtown's Main Street. While these are certainly distinguishing characteristics, they nonetheless present their own set of challenges when evaluating the economic health and robustness of Winchester's downtown. Finally, a number of social/community issues present challenges to the downtown environment not commonly found in communities of this size and scale.

Notwithstanding its challenges, there is a spirit of optimism and momentum among the downtown stakeholders as to the future of downtown. Much of this attitude can be attributed to a proactive approach by the City through the leadership of the Mayor and City Manager, and related public entities such as the Economic Development and Tourism

departments; Main Street Winchester; local Foundations, and certain property owners and tenants/business owners. The importance and power of this proactive approach cannot be over emphasized, and must be applauded. The success of the recent Better Block initiative provides a powerful case study of the impact of just one such proactive effort.

Among the various challenges facing downtown Winchester, the following issues are those that require the most immediate attention:

Architectural Continuity

As stated, downtown Winchester is fortunate to have retained an enviable collection of historic structures. Main Street in particular has an impressive continuous streetfront of historic buildings on both sides of the street. The overall scale of the downtown remains relatively consistent, with few intrusions that detract from its overall character. While some of these properties have been – and continue to be – well cared for and in excellent condition, others may be architecturally significant but are showing signs of stress and are in need of restoration. Some appear to be at or near a “tipping point” where immediate intervention may

be required, otherwise their physical and/or economic viability will be threatened.



The scale and continuous fabric of downtown's building stock provide it with its most significant asset; its "bones", so to speak, and must be protected. The loss of a number of these properties due to physical deterioration, substandard building code requirements, or simply a lack of resources or interest by property owners, presents downtown Winchester with perhaps its greatest immediate threat. Once removed, the damage to the character of downtown Winchester will not be able to be replaced.

Pedestrian Activity

The most evident indicator of a downtown that is thriving and economically robust is the amount of pedestrian activity seen on the street at most times of the day. Better still is a strong pedestrian presence in the evenings and on weekends. Such activity indicates that the area is one of interest, that people enjoy being there, and that there is usually a critical mass of places to shop, places to eat and drink, and places to live nearby.

Winchester unfortunately does not yet exhibit such a strong pedestrian presence. Even the presence downtown of City and County government employees does not appear to add much to the pedestrian levels on the street.



This is to some extent a “chicken and egg” situation: without facilities that draw people to them, the less activity will be evident. However, the City can do a number of things to entice and invite people to be out and about, including streetscape improvements such as pleasant seating and other pedestrian amenities, and the removal of obstacles and circulation challenges. The “walkability” of its downtown is a key such element (see next section).

Infrastructure and Streetscape

Downtown Winchester’s public infrastructure – that is, its streets, roads, sidewalks, open spaces, etc. – is generally well-maintained. It is relatively clean, provides pedestrian-scaled lighting, some planters, and signage. There are also a number of interesting amenities, such as the cell phone walking tour. The “basics” are in place.

However, these basic elements only go so far, especially as it relates to providing a sense of Winchester’s uniqueness and character, and an “invitation” to linger and enjoy the character of downtown. The main impression demonstrates a lack of pedestrians and pedestrian-oriented activity along the streets of downtown. This has to do as much with the walkability of downtown as with the level of activity

generated by downtown employment and the retail and services offered. The lack of places to sit, let alone eat and drink, in downtown is striking, even for a relatively small community. Main Street needs to be made more accessible and active. In addition, events and initiatives such as the Alley Tour are excellent ways to bring more cyclists and pedestrians downtown and increase its activity level.

Walkability is an issue, with many cracks in the sidewalks and the steep grade change between the street and the sidewalk on the high-side presents an especially challenging situation (although it also has the potential to provide a wonderful pedestrian “experience”). In addition to current efforts by the city, there needs to be more pedestrian amenities with seating areas, better integrated signage and plantings, improved wayfinding, and elements that highlight and celebrate the unique aspects of Winchester’s heritage and spirit.



Interestingly, even though by objective measures the overall public realm is well maintained, there is a

perception – expressed by a number of interviewees – that the downtown has a lot of litter and is not well maintained. This impression is due in part to the lack of overall activity, which then tends to highlight those few areas where maintenance has not been kept at a high level. In addition, the schedule and system for trash removal in the downtown does, in fact, create times of the day when the trash on the sidewalk is problematic.



In general, **greater attention is needed to the design of the public realm.** The *Winchester Image Improvements Plan* (June 2010) has numerous good ideas to build off of in terms of public infrastructure improvements to create a more aesthetically pleasing downtown and a safer environment for people. The condition of the streets and sidewalks gives the impression that, as one person stated, “it looks like a city that doesn’t want to grow.” Many people feel downtown’s identity “is not appreciated” and that it just needs beautification. Investing in the infrastructure will help to attract both people that are seeking a more comfortable and authentic environment, as well as families that are “seeking a certain level of security, comfort and flavor of a small downtown.”

Open Space

Simply stated, there is a lack of attractive, usable, and welcoming open space in the downtown area. While not many downtowns of this size have large public parks in or adjacent to their downtown (with some exceptions), most successful downtowns have a central open space or series of spaces that serve as a community gathering space – a “central square” if you will – that is THE place for convening, either in small groups or for major community celebrations. This is also important as an amenity for attracting residents to the downtown area: a place to sit and read a book, walk a dog, throw a frisbee, etc.



Prototypical Town Square

In many communities, the Courthouse Square may serve this purpose, especially if the Courthouse sits in the middle of a more traditional Town Square. In downtown Winchester, this is not the case. While there is some landscaped area, it doesn’t provide such an amenity to downtown. Depot Street has the potential to serve some of this function, but its location on the northern edge of the

downtown and its layout limit its potential in this regard. At the same time, its development is important for other reasons. Additional green space and/or public space that can serve a similar purpose is needed downtown.



Retail / Commercial

The retail and commercial health of downtown is a cause for concern. Not unlike similar communities, over the past few decades much of a traditional downtown's retail and commercial activities have relocated to the suburbs, or the Bypass Road. This has certainly been true in the case of Winchester. It is a fact of the evolution of communities; a sad fact, but one that market forces and residential development patterns have dictated. In recent years, however, new forces have emerged that have slowed this pattern and suggest that a rebirth of downtown retailing and commercial activity is now much more possible.



The yearning for a downtown experience, in which shopping and/or accessing services is a part of the overall environment, as opposed to the one-stop “errand” of using the bypass, is becoming stronger and stronger. Equally as important, the rising popularity of “third places” – places of congregation, interaction, and “hanging out” – as an alternative to work or home – has become a strong retail trend, embraced by national retailers and local independent shops alike. While a chain operation such as Starbucks often provides this third place, more and more people desire a local operation, as a more authentic experience and expression of local culture. For example, the Cairn Coffee House currently provides one

such third place in downtown Winchester. Other downtown third places include diners, bookstores, cafes, barbers and beauty salons, where local residents and workers gather as a part of daily life in the district. Building other such third places in businesses and public spaces for community congregation and interaction will contribute to increased activity in downtown and support community building throughout Winchester and Clark County.



Cairn Coffee

The downtown's current retail inventory is composed primarily of small, local entrepreneurs, with a generally localized base of patronage. A relatively large number of antique, consignment, and specialty apparel/gift shops (many trading

in used goods) tend to pre-dominate in the vicinity of Main and Broadway.



Eklektik Alchemy

Food and personal services businesses cater to the daytime market of workers in government and professional services centered on the courthouse. Operations such as the Opera House events center, and selected antiques/used goods shops have a significantly wider regional draw, which brings in much needed non-local business. The lower/southern portion of Main Street has an aggregation of small operations catering to teens and young adults, anchored by the Leeds Center for the Arts, which offers youth and adult arts education and live theater and music.



Downtown Retail

While many downtown businesses are locally owned and operated, and some are doing quite well, there is not currently a critical mass of such activity for a larger market draw, and as a result some businesses appear to be struggling, with some exceptions. The lack of common marketing and operating hours, and wide variation in presentation of goods all reduce the success of these retail operations.



There are relatively few food and drink operations downtown, most of which are open during daytime hours catering to downtown workers. Some of the newer enterprises, such as the Engine House - with evening hours - are doing well and appear to be supported strongly by the citizenry.

The lack of outdoor seating, however, in any of the downtown food and drink

establishments reduces their impact and appeal and – especially in the evening – adds to the sense that there is little activity in the downtown.

Many of the ground floor spaces are occupied by financial institutions and professional service providers. While these tenants provide much needed income to property owners and for the most part result in well maintained and aesthetically pleasing operations, in the long run the percentage of non-retail operations at the ground floor of highly successful downtowns is usually relatively small. This is a positive for downtown Winchester in the short run, but may be a hindrance to developing a vibrant retail district in the long term.

There are a significant number of ground floor vacancies. The downtown storefront occupancy is relatively low and storefront vacancies contribute to “gaps” between retail businesses, despite the minimal gaps in the architectural façade. Storefront office spaces also contribute to retail gaps that contribute to low levels of shopping activity in the district, and limited spillover between businesses. Some of this vacancy is related to the limited market demand for downtown space, but discussions with downtown stakeholders suggest that a significant portion of the vacancy issue may also be a result of the lack of capital by property owners and

potential tenants for necessary building code upgrades and tenant fit-out costs. In addition, there may be lack of capital for regular and routine maintenance because of the high premium required on the service needs of older properties.

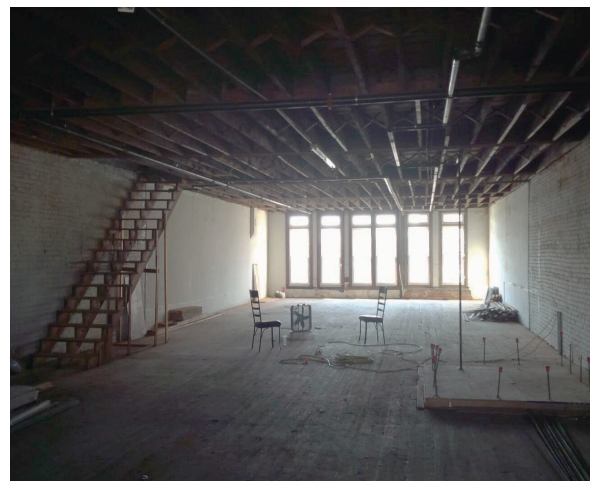


The severe grade change and need to navigate steps to access buildings and shops on the high side of Main Street is a rather onerous condition imposed on these businesses, one that must be addressed from a design standpoint. However, the elevation of the sidewalk and its width does provide very impressive potential for outdoor dining and congregation space unique to Winchester.



Upper Story Vacancy

While the overall building stock in downtown remains mostly intact, and a majority of the ground floor space is occupied, much of the upper floors of these buildings remain vacant, or used for short term residency and/or storage. While this is not uncommon for downtowns similar to Winchester's, it nevertheless remains a challenging problem. While many of these upper floors could be converted to residential use - and there is a market for such residential occupancy - the cost of renovation, upgrading to current building code standards, the need for additional features such as elevators and second means of egress, combine to negatively impact the feasibility of such continuation of mostly vacant upper stories, less likelihood of overall building renovation and redevelopment, and continued uses that may not be in the best long term interest of downtown.



Vacant Upper Story Space

Traffic and Circulation

Traffic and circulation issues are relatively minor in downtown Winchester. While there are some parking issues, especially related to on-street parking adjacent to downtown retailing, the overall supply doesn't appear to be a problem, except at certain times of the day. The blockage of on-street parking during morning and mid-day due to trash collection is a particular problem that needs to be addressed. The grade change on Main Street provides challenges for on-street parkers as well, and both public and private parking options on Church Street need to be analyzed. The turnover of on-street spaces, in spite of the stated two-hour limit, needs to be encouraged as well.

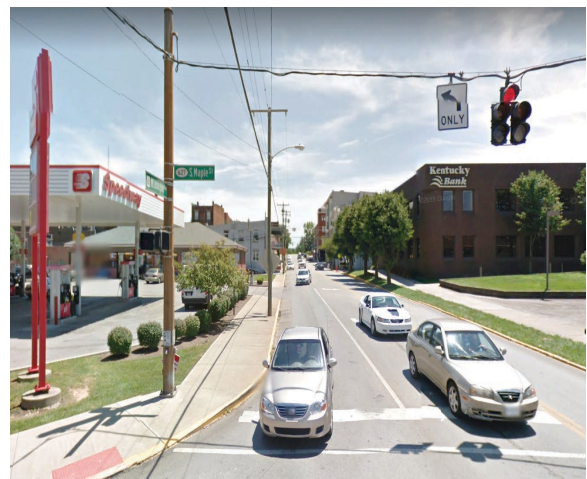


The quality of downtown's primary parallel arterial streets—Main Street and Maple Street—are distinctive and somewhat at odds due to their urban form and function. Main Street is pedestrian friendly historic mixed use downtown street while Maple

Street an auto-oriented, low density single use corridor. Maple Street functions as a vehicular bypass to the historic downtown on Main Street. Enhancing pedestrian and vehicular movements between the two corridors through street, sidewalk and wayfinding interventions will increase visibility of Main Street businesses; promote linked shopping trips on both streets - as well as Lexington, Broadway, and Washington; 3) increase public safety; and 4) contribute to positive perceptions of downtown.



West Broadway



Lexington Avenue

Downtown / Community Identity

It is clear from discussions with downtown's stakeholders that Winchester is a community in which its residents take a great deal of pride; they enjoy living there and raising their families in such a community. There is a strong connection to religious affiliation and support of faith-based initiatives. In spite of some of the challenges downtown is facing, there is a sense of optimism and spirit as to downtown's future. It is also clear that the City cares about its downtown and does a good job in its care and maintenance program.



There is also a great deal of civic pride in some of the institutions and “brands” associated with Winchester: Ale-8, Beer Cheese, Laura’s Lean Beef, Creative Coffees... even 2015 Triple Crown winner American Pharoah.

These iconic brands not only provide a connection for local residents, they also – if packaged imaginatively – can serve as a tourism draw, especially for the growing tourism boom Lexington is experiencing as well as the recreational-oriented tourists heading to eastern Kentucky.

While this represents a very large agglomeration of local “uniqueness”, there is relatively little acknowledgment – or celebration – of these local icons in the downtown area. The banner program is beginning to highlight these brands, which is a very positive step.



But there is little evidence as one moves through downtown Winchester of the importance of these icons. The downtown is missing an opportunity to highlight its

uniqueness and its iconic “brands.” This needs to be priority area of analysis as the Master Plan moves forward.



The Bluegrass Heritage Museum is a significant asset of the community, and should be better integrated into downtown, perhaps through a series of historic trail markers. Its focus on the history and heritage of Winchester should serve as an integral element of bringing



Bluegrass Heritage Museum

the story of Winchester from its past to its present – and to its future.

Depot Street / Northern Anchor

The northern section of Main Street has a much different character than that of the southern portion. Rather than a continuous streetfront of historic properties, the northern end tends to have a mix of new and historic properties in various states of repair, served by individual surface parking.



Depot Street Historic Photo

Depot Street historically was a major downtown hub, anchored by an impressive train depot that was unfortunately – and unceremoniously – razed a number of years ago. The community has done



Historic Rail Depot

an admirable job of increasing the attractiveness of Depot Street, and it serves an important function as the location of the downtown Farmer's Market, a strong downtown activity generator.



Winchester Farmers Market

Unfortunately, there currently does not exist a major “anchor” at the north end of downtown that would bring activity there and spur the development of additional activities along Depot Street. Downtown Winchester needs a number of “anchors” – business and/or properties that generate a significant amount of activity, tourism, business, and “buzz.”

The community has taken a bold initiative in securing funding for a portion of the redevelopment of the Sphar Building, which very well can become such an anchor. The efforts to rehabilitate the Sphar Building are designed specifically to accomplish this, and the Sphar Building needs to be considered an important anchor project for downtown. The successful completion of this project can lead to the re-activation of Depot Street as well as serving as a location as a trail head for the recreational bike path system.



Sphar Building

The Sphar Building is an exciting yet complicated redevelopment project, and the City is to be commended for its aggressive pursuit of outside sources of funding.

Residential Sector

In order for downtowns to thrive as places of 24/7 activity, a residential component is essential. In communities the size of Winchester, this element need not be comprised of a large number of units, but needs to be of a size that suggests a “neighborhood” residential community is in place and forms a critical mass. While some people – especially young professionals – often like to be considered urban pioneers, this entrepreneurial spirit needs to be buttressed by a confidence that over time a residential community will take hold.

Downtown residential communities often have a mix of demographic characteristics as well as unit type, with a diversity of income, race, gender, sexual orientation, and creative interests/occupations being more desirable than more homogenous enclaves typically found in other parts of town or the region. A downtown with a high degree of one sector will diminish the ability to attract others. In the case of downtown Winchester, there are a considerable number of residential units devoted to short term transients, single room occupants, and highly subsidized residents.

While these residents as *part of a downtown residential population* are generally acceptable, the overwhelming

majority of downtown’s units devoted to residents with limited means present a significant obstacle to a broader and more stable downtown population.



Existing Downtown Housing

In addition, the transformation of properties into single room occupancy (SROs) units attracting very short term transients is a concern. The City has become much more diligent recently in dealing with this issue.

The downtown's competitive assets as a residential community are its historical character and its walkability, two of its most defining features. Downtown Winchester has many of the convenience goods and services, such as hair and beauty care, pharmacy and, until recently grocery store, which residents need without having to get into an automobile. This affords the type of lifestyle that many millennials and empty nesters are increasingly looking for, driving housing choices and urban development patterns in many places.



However, for downtown Winchester to take advantage of this market trend, the housing stock, particularly upper story space, may need to be upgraded and re-positioned. As noted above for commercial and retail space, the poor condition of structures and the limited capital available for building improvements from property owners will challenge the development of new residential units downtown.

Downtown Safety and Perceptions

The above cited situation regarding the concentration of low income and transient housing units has created a condition where there are concerns about the safety of downtown. Whether this is actually true or not, perception becomes reality. If there is concern that these are the only people congregating there, especially in the evening, then the market for active uses is greatly diminished. The success of the Engine House, the attraction to the Leeds for popular events, and the Farmers Market indicates that the community will turn out for activity downtown, but the concern about safety and comfort (perhaps more relevant than safety concerns) must be addressed.

Safety issues can be addressed through

- more active code enforcement;
- a broader mix of residents and a reduced concentration of short term residents; and
- more people on the street.

Entrepreneurial Spirit

The Engine House Deli + Pub and Cairn Coffee House are “all in” establishments, with talented and committed people

working hard to make them successful, both as ongoing businesses and as anchors for downtown. Winchester is beginning to see such people showing their confidence in the future of downtown. These are positive signs, and Winchester needs to attract more people/businesses like them to downtown. Efforts need to be made to entice the younger generation of people who move away to come back to the area, and establish this younger generation as community leaders and stakeholders in downtown.



New Downtown Business Owners

Critical Mass

Critical mass means different things in different communities. Winchester needs to package experiences together to create a concentration of activity of complementary things in close proximity to one another. Downtown is a collection of individual destinations, but it is not yet thought about as one “place”. Currently, there are three or four diverse experiences with many gaps in between. There is some casual dining downtown, but there needs to be more than just antique stores.



Downtown, according to Winchester’s citizens, needs more to “draw people” in; to relish its history, to be a central hub for activities and to offer a “family feel”. It can be the “drawing card to centralize the city’s identity.” Downtown also needs to be a central hub for activities and a catalyst to spur growth. These community observations are exactly on point.

MARKET CONDITIONS

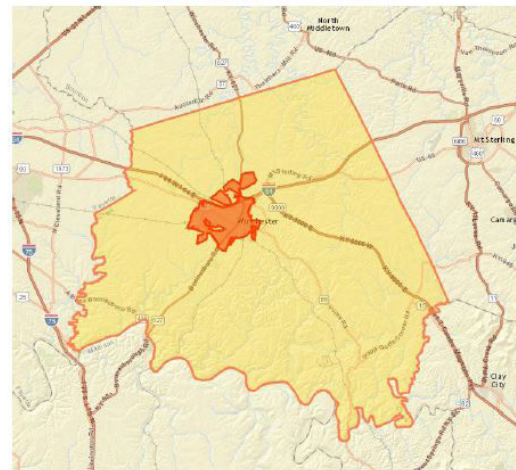
An important research component of the Downtown Winchester Master Plan is an analysis of the current and potential market conditions for the downtown, focusing on retail, residential, and tourism related economic activity. A complete analysis can be found herein in Appendix A. The following provides the major analysis conditions and findings of the full report.

Downtown is approximately 1.5 miles from the highway and one of the primary economic nodes in the city. The areas around Exit 94 and Exit 96 on Interstate 64 are other important economic nodes, with large scale developments and undeveloped areas on the north side of the interstate, including Amazon, a new large employer in the County, which draws employees from throughout the region.

Downtown Situation / Regional Context

Downtown Winchester is a center of retail trade, professional and personal services and government services in Clark County. Clark County is one of six counties in the Lexington-Fayette Metropolitan Statistical Area (MSA), which contained an estimated 472,000 people, according to the 2010 Census. Most of the regional population, an estimated 295,000 people or 63 percent of the regional population, is located in Lexington, consolidated with Fayette County. With an estimated population of approximately 36,000, Clark County accounts for 8 percent of the region's population. Winchester is located a short 15 to 20 minute drive from Lexington, depending on location and proximity to the highway between destinations.

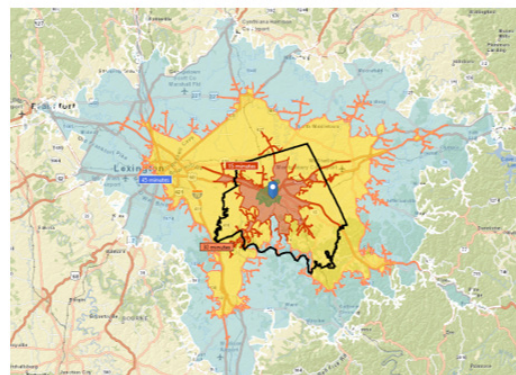
Market Area Map
Downtown Winchester Master Plan



Primary Market Area (City of Winchester)	
Secondary Market Area (Clark County)	

Source: ESRI and ConsultEcon, Inc.

Regional View: Map of Market Area
and 15-, 30- and 45-minute Drive Time Areas from Downtown |
Downtown Winchester Master Plan



Source: ESRI and ConsultEcon, Inc.

Most of the Winchester urbanization is south of the highway. From the highway interchange to Boonesboro Road, Bypass Road contains more recent vintage and larger scale commercial developments than in the downtown. Bypass Road businesses capture the lion's share of retail sales in the city and county. Its occupancy rate is higher than in the downtown, and retail and commercial rents are reportedly higher than in the downtown. From Bypass Road into Downtown Winchester (Main / Maple), West Lexington Avenue also has low density, auto orientated commercial uses.

Market Area Definition

The Market Area for the downtown is defined as the whole of Clark County. This overall Market Area is segmented into Primary and Secondary Market Areas. The Primary Market Area is defined as the City of Winchester and the Secondary Market Area is defined as the remainder of Clark County. Primary Market Area residents are likely to frequent stores within Downtown on a regular basis for convenience goods and services, such as going to the grocery store, bank, or post office. Residents in the Secondary Market Area are likely to visit the stores in Downtown on a regular basis, though perhaps less frequently than the residents of the Primary Market Area.

DOWNTOWN BUSINESS MARKET

There are 121 businesses present in the ground floor storefronts in Downtown Winchester, as shown by data in Table 1 below. The most common type of business present in downtown is Retail Trade (26%), Other Services (15%) and Professional Services (15%).

Downtown occupancy is estimated at 85 percent, which is low and is indicative of poor economic conditions downtown. A healthy business district typically has occupancy over 95 percent. There are 21 vacant ground floor spaces in the downtown, with a vacancy rate of 15 percent.

Distribution of (First Floor / Storefront) Downtown Businesses by Sector

Sector ^{1/}	Number	Percent to Total Businesses
Manufacturing	4	3.3%
Retail Trade	31	25.6%
Information	2	1.7%
Finance & Insurance	9	7.4%
Real Estate, Rental & Leasing	2	1.7%
Professional, Scientific & Tech Services	15	12.4%
Educational Services	2	1.7%
Health Care & Social Assistance	2	1.7%
Arts, Entertainment & Recreation	4	3.3%
Accommodation & Food Services	7	5.8%
Other Services (except Public Administration)	18	14.9%
Public Administration	4	3.3%
Uncategorized	21	17.4%
Total Businesses	121	100.0%
Vacant Units	21	
Total Businesses and Vacant Units	142	
<i>Occupied Units as a Percent of Total Units</i>	<i>85.2%</i>	
<i>Vacant Units as a Percent of Total Units</i>	<i>14.8%</i>	

1/ Categories are representative of 2-digit codes from North American Industrial Classification System (NAICS). Certain categories are not shown because are not present in the business inventory.

Source: Winchester First/City of Winchester, and ConsultEcon, Inc.

Retail and Other Consumer Oriented Businesses & Programming

As described earlier, downtown Winchester's retail sector is composed primarily of small, local entrepreneurs, with a concentration of antique, consignment, and specialty apparel and gift shops. Food and personal service businesses are focused primarily on the daytime needs of downtown employees. Operations such as the Winchester Opera House events center, and selected antiques/used goods shops have a significantly wider regional draw, which brings in much needed non-local business. The lower/southern portion of Main Street has an aggregation of small operations catering to teens and young adults, and anchored by the Leeds Center for the Arts, which offers youth and adult arts education and live theater and music.

Assessment of Downtown Business Mix

Downtown's dominant cluster is in government and legal services. Winchester City Hall and Clark County judicial and detention facilities comprise a civic complex in the center of downtown. Downtown is a banking, insurance and real estate center as well. There are numerous financial institutions, insurance and real estate agencies, accountants

and tax preparers. The employment they create is an important source of demand for storefront offices surrounding the courthouse and for food and personal services. These public facilities are likely an important factor in the newspaper and media presence in downtown Winchester as well.

Distribution of Downtown Businesses

Sector	Number	Percent to Consumer Oriented Businesses
Retail Trade		
Motor Vehicle and Parts Dealers	1	1.7%
Furniture and Home Furnishings Stores	0	0.0%
Electronics and Appliance Stores	0	0.0%
Building Material and Garden Equipment and Supplies Dealers	1	1.7%
Food and Beverage Stores	1	1.7%
Health and Personal Care Stores	1	1.7%
Gasoline Stations	4	6.8%
Clothing and Clothing Accessories Stores	1	1.7%
Sporting Goods, Hobby, Book, and Music Stores	5	8.5%
General Merchandise Stores	1	1.7%
Miscellaneous Store Retailers	16	27.1%
Nonstore Retailers	0	0.0%
Total Retail Trade	31	52.5%
Accommodations and Food Services		
Accommodation	0	0.0%
Restaurants/Drinking Places	6	10.2%
Total Accommodation and Food Services	6	10.2%
Arts, Entertainment, and Recreation		
Performing Arts, Spectator Sports, and Related Industries	2	3.4%
Museums, Historical Sites, and Similar Institutions	1	1.7%
Amusement, Gambling, and Recreation Industries	1	1.7%
Total Arts, Entertainment and Recreation	4	6.8%
Other Services		
Repair and Maintenance	4	6.8%
Personal and Laundry Services	11	18.6%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	3	5.1%
Subtotal Other Services	18	30.5%
Total Businesses in Consumer-Oriented Sectors	59	100%
Other Businesses	62	
Total Businesses in All Sectors	121	
Percent of Consumer-Oriented Businesses		48.8%

NOTE: Does not include Finance, Insurance and Real Estate.
Source: Salamanca Area Chamber of Commerce, City of Salamanca, and ConsultEcon, Inc.

Downtown Winchester has a hardware store (under new ownership) and until recently a grocery store, which the city is actively working to find a new operator. Grocery stores and hardware stores have been closed in many historic downtowns due to the growth of larger format stores and category killer, big box stores like

Lowe's and Home Depot that have put many small town hardware and home improvement stores out of businesses. These types of businesses, as well as other conveniences businesses, such as banks, post office, and barbers/hair salons, contribute to the overall walkability and livability in downtown. Downtown Winchester is the only place in the county where a resident does not need a car to take care of their basic day to day needs. Reopening the grocery store needs to be a high priority for downtown.

The downtown has a cluster of used goods stores that feature antiques, used furniture, furnishing and clothing, coins and collectibles. Most of these stores offer goods at a low price point, although there is one antique store with merchandise at a higher price point. One strategy that leverages this cluster is to take advantage of consumer interest in "picking" and creating value added products.

Restaurant and dining options are limited in downtown, with breakfast and lunch time diners focusing on daytime traffic, and few remaining open for dinner. These businesses cater to government and services center workers. Increasing night-time dining and entertainment options can contribute new activity to downtown and create secondary opportunities for window shopping.

Destination businesses are not clustered and therefore they may have limited spillover benefits. Several businesses, such as the Winchester Opera House and the Bluegrass Heritage Museum, are destination businesses that draw from outside of the area, and off of the highway because of their unique goods and offerings. Although Graham's has unfortunately recently relocated out of the downtown, it nevertheless brings business to Winchester from outside the region. Additional spillover impact may be induced with the addition of retailers in the same category that offer goods for comparison shopping or linked goods and services that promote destination shopping.



Engine House Deli

DOWNTOWN HOUSING MARKET

Downtown housing in Winchester is a mix of upper story apartments on Main Street, a handful of large, subsidized apartment buildings, and single family homes that surround the core business district. Residential properties in and around the downtown vary considerably in their condition and price. They represent a small segment of the overall housing market in the City.

Housing Prices and Rents

In 2015, the average sales price of the 9 residential properties sold in the downtown area was \$65,000. Prices ranged from \$6,000 to \$179,500, with a median of \$46,000. Asking prices range from \$25,000 to \$400,000, reflecting a wide range of available housing in Winchester. Approximately 75 percent of available homes for sale are less than \$150,000. Two bedroom apartments reportedly rent for \$600 on average in downtown. The affordability of Winchester housing and rapidly rising rents in Lexington represent a market opportunity for downtown.

Downtown Apartment Buildings

Large housing complexes include:

- **Phoenix Housing Apartments**
21 rent assisted units for seniors at 50 Main Street.
- **Brown Proctor Apartments**
49 one bedroom and studio units at 108 S Main St,
- **Beverly P White Towers**
90 rent-assisted units at 4 N Maple St



Phoenix House Apartments



Brown Proctor Apartments

Downtown Vacancy

Upper story residential in Downtown Winchester is challenged by vacancy and substandard housing in some instances. Vacant units, especially those that are not maintained, are a detriment to housing values in the downtown.

Market Orientation

In general, housing in downtown Winchester is differentiated by its more urban form. Other areas of the city and the county are more suburban and rural in character—and tend to have higher home values. Nonetheless, there are some units proximate to downtown that command high prices, indicating that the location has inherent value if buildings are in good or excellent condition. Downtown and urban living is becoming more and more popular and in demand especially by millennials forming new households and empty nesters looking to downsize. Downtown is an attractive location to live because it is so walkable and many of life's day to day needs can be met by businesses in the downtown.

TOURISM MARKET

Downtown Winchester is one of the tourist attractions in Clark County. The region's tourism is centered on Lexington and there are a number of historic downtowns in the region. The area's hotels are adjacent to the highway geared toward pass through traffic on Interstate 64. The first new hotel to be built since 1993 is scheduled to open next year.

Tourism Impact on Clark County

Clark County's tourism economy is driven by the size and scale of the tourist economy in Lexington. In 2016, there was an estimated direct tourist spending of \$59.6 million in Clark County, an increase of \$2.4 million from 2015. Nearby Lexington had an estimated \$1.3 billion in direct tourist spending, the largest in the Bluegrass, Horses, Bourbon and Boone tourism region.

Opportunities for Regional Tourism Growth

Downtown Winchester is an important attraction in the county. Its historic architecture is distinctive and unique and remarkably well preserved. Downtown also contains several notable attractions and is home to community events that draw visitors from outside of Clark County.

Downtown Winchester is a part of tourist itinerary in Clark County and the Lexington region, and getting it on more itineraries will be important to growing tourism downtown. Downtown and its attractions draw tourists that are traveling throughout the region and so they are familiar with Kentucky downtowns, their look and their feel. To the untrained eye, the region's downtowns may be architecturally indistinguishable and so downtowns are differentiated on their experience, quality and condition. Tourists therefore are potentially more impressed by downtowns that are active, vibrant and attractive places that feel safe, and that are free of trash, vacancy and perceived threat.

In downtown Winchester, visitor services and amenities are limited, except for several convenience services that are largely geared towards a local market. Downtown lacks overnight accommodations and many of the restaurants and stores close at night. Downtown's appearance and public safety perception can be improved, especially at night, with extended business hours. More food services, arts, crafts, and gift oriented retail would provide new spending opportunity and create amenities for downtown visitors. More visitor attractions can help to create additional market support for visitor oriented retail and food services.

Expanding existing downtown festivals and developing other regular and special events can draw multiple tourist market segments. Niche audiences of arts, heritage, cultural, and recreational tourists enjoy what downtown has to offer. Expanding existing connections and creating new connections between downtown attractions and other regional destinations offers an avenue to connecting to niche tourist audiences, such as heritage tourists and recreational travelers.



Farm To Table Dinner, Winchester Farmers Market

Summary of Market Assessment

Downtown Winchester is a government and employment center in Clark County, with a concentration of professional and personal services, where city and county residents conduct their daily business. The downtown has all of the **convenience** businesses to meet resident's day to day needs, but lacks significant **comparison** shopping, except in a few, isolated destination retailers, gift shops, and a large number of miscellaneous store retailers that tend to sell used merchandise at a low price point. Despite the integrity of its historic architecture, the building spaces and/or location are not attracting sufficient numbers of tenants. Downtown spaces too are typically small, though there are some highly visible vacant spaces that offer large amount of space.

The high degree of storefront vacancy detracts from the appearance and vitality of the downtown, and reflects poor underlying economic conditions. While there is a large amount of retail spending potential by households in the resident market area, the downtown is only a small share of this spending, most of which is going to businesses on Bypass Road. There is high level of competition in the city for retail spending and market saturation in particular store types.

Downtown businesses face the same local and regional market opportunities as locations in other areas of town. A mix of retail that can offer variety and interest to local residents and tourists is desired. While these conditions represent some significant challenges to downtown's retailing environment, there are certain "niche" markets that have some degree of critical mass potential for downtown Winchester, and the downtown therefore has the potential to become more of a shopping destination for area residents and tourists. There are emerging clusters (antiques, vintage clothing, locally produced food) that can be strengthened.

Strengthening downtown's connections to major thoroughfares is important to increasing its visibility. While downtown is relatively close to the highway, a sense of the downtown is not apparent until one is already there. Gateways and wayfinding efforts would be especially helpful.

Recent investments in businesses and properties, such as the Cairn, Engine House, Opera House and Dirty South Pottery, have offered something new downtown. More proactive efforts to recruit similar types of businesses and retailers would likely see additional positive results.

Business types desirable to attract downtown include those that would fill an existing void in the business mix downtown or build on existing clusters of businesses such as:

- Restaurants, especially those open in the evenings for dinner
- locally produced food and drink purveyors
- Clothing and apparel stores
- Specialty retail such as gift shops, jewelry, stationary store, toy store and book store
- Home furnishings, furniture and antiques
- Art galleries, crafts, and artist live-work spaces
- Youth and family oriented businesses
- Health and wellness businesses

Recruiting businesses to the downtown requires the organizational infrastructure to reach out to businesses in the county and the region and tell them about Winchester's downtown opportunity and working with downtown property owners and brokers to focus on leasing to targeted businesses.

Downtown Housing

Downtown housing is currently not a significant contributor to the vitality and vibrancy of downtown Winchester. As stated earlier, the concentration of lower end units and transient units presents challenges to the attraction of a wider and more robust mix of downtown residents, a key ingredient of successful downtown revitalization efforts.

Even though the market for a downtown residential lifestyle is growing – and can be taken advantage of – the concentration of low rents, transient housing, and low property valuations present challenges in encouraging building owners and/or developers from investing in residential conversion, as well as hindering the availability of financing. Supporting business and real estate investments through public infrastructure development, access to existing government sources of funding (e.g. historic tax credits) and new local incentives will be needed to spur private investment in the development of additional residential units downtown, especially those that can provide a new base of units with higher assessed valuations.

In addition, certain downtown buildings are prime candidates for conversion of their upper stories to residential usage. Often these may only result in 3 -6 units,

but if a number of such conversions can be encouraged, their aggregate impact could be significant. Conversions in individual buildings may require substantial public incentives given the need to meet code and/or upgrade systems. The potential to group multiple buildings into a redevelopment project reduces the per unit financial impact, results in economy of scale, and can provide access to building safety and egress points much more easily.

Proactive public efforts and programs to encourage residential development downtown should focus on those projects with the following characteristics:

- Result in market rate units, to widen the range of downtown housing alternatives and styles and to provide higher appraisal values.
- Offers urban style housing, rather than suburban, to serve as a differentiator of product
- Highlight the historic character of the building and/or residential unit
- Provide size, floor plan and amenities most attractive to target markets (e.g. millennials and empty nesters)
- Offers, where feasible, units with “live/work” potential
- Is of an appropriate scale for downtown Winchester

Downtown Tourism

The market sector with significant potential to impact Winchester in the immediate future is tourism. Cultural tourism is the fastest growing segment of overall tourism, and Winchester is in a prime position to capitalize on this growth segment, due to the ongoing efforts in Clark County and the tourism boom in Lexington and points east.

In addition to downtown as a tourism generator, the brand loyalty to certain local products and the growing interest in authentic (and regional) food and beverage alternatives provide additional bases of strength for cultural tourism growth in Winchester.

The following areas of tourism-oriented investment in downtown Winchester and the region are suggested:

- Agribusinesses, including healthy eating/slow food movement
- Brewpubs & Casual Dining
- Regional Tourism clusters (Ale-8, Beer Cheese, etc.)
- Visitor Center
- Antiques Cluster
- Outdoor recreation (gateway to Red River Gorge)
- Kentucky Hemp Trail

HEALTHY DOWNTOWNS

A significant number of people have been actively involved in the development of the Downtown Winchester Master Plan, be they public officials, downtown business owners and residents, civic and community leaders, economic development professionals, etc. There was a strong consensus that *“the time is right for downtown Winchester,”* and an equally strong optimism about its future, assuming that a more proactive strategic program can be put into place.

There was also strong consensus on the types of qualities that are present in vibrant and robust downtowns of similar size and character as Winchester, and that Winchester does not yet possess all of these elements. Among the downtowns cited as positive examples in the region and state were Berea, Murray, Danville, Mt. Sterling, and Harrodsburg, among others.



Danville, Kentucky



Mt. Sterling, Kentucky



Berea, Kentucky



Harrodsburg, Kentucky

Downtowns such as these that exhibit healthy conditions often share common elements that draw people to them and leave a positive, lasting impression. Among the most cited such elements are the following:

- Cohesive historic character
- Few “gaps” in the streetscape
- Significant pedestrian activity
- Appropriately scaled buildings
- Downtown residential population
- Variety of places to eat and drink
- Outdoor dining opportunities
- Pedestrian orientation and pedestrian amenities (as opposed to priority given to the movement of vehicles)
- Color and vibrancy
- Green space and/or civic square
- Strong ground floor retail occupancy
- Programming and events/ attractions
- Sense of civic pride
- Strong community identity

This is in fact a very good list of those elements that describe healthy and active downtowns. Winchester exhibits a number of these traits, such as its historic character, few gaps, appropriately scaled buildings, and a sense of civic pride. In addition, it is actively working on many others, with promising initial success. Yet a number of these characteristics remain elusive. The Winchester Downtown Master Plan addresses a number of these yet unattained characteristics, and the success of the Plan’s implementation can be measured in its ability to attain the remaining positive elements.





RECOMMENDED STRATEGIC ACTIONS

Downtown Winchester is a charming place with a strong sense of its history still in place, a desirable location, and a sense of momentum from its citizens and leadership. Yet it remains far from reaching its potential, and there is a sense that it is at a “tipping point;” poised for significant improvement but hindered by challenges that can lead to a downturn in its economic health. This results from a number of factors: its assets and liabilities; its market potential, its public, private, corporate and civic leadership; the support of its residents, and the ability to embrace and implement a proactive, strategic action plan that has emerged from this Master Plan.

Fortunately, many of its “challenges” are within the control of its leadership, and its willingness to deal with these positively and proactively has already become evident. Initial results can already be seen.

The Downtown Master Plan is composed of a number of initiatives designed to **“support new businesses and investment through significant improvements to the public realm, access to financial programs and incentives, and targeting unique local attractions. These strategic initiatives can serve as catalytic actions toward a renaissance in downtown Winchester.”**

These initiatives can be grouped into four broad categories:

- Physical Improvements to the public realm
- Programs to encourage and support investment in the downtown area
- Regulatory revisions to reduce negative activity and encourage positive investment in the downtown area
- Leadership and partnerships in the implementation phase

The goal of all of these actions is to significantly improve the level of activity seen on the street both during the day and in the evenings and weekends. There are many “metrics” as to healthy downtowns, often focused on economic investment, number of downtown workers, number of downtown residents, ground floor vacancy rates, reduction in crime statistics, etc. All of these are indeed indications of the robustness of a downtown area. But to one degree or another, all are directly related to the level and intensity of pedestrian traffic. Increases in pedestrian levels will directly impact increases in economic activity and investment, will increase the number of retailers who may now think about a downtown location, will excite more people about living downtown, and will draw more tourists. All of these are the stated goals of the citizenry for downtown Winchester. Each of these actions individually will be important to increase activity levels, but in aggregate they can serve as the catalysts for a dramatic increase in activity, and thus result in the various metrics to soar.



Downtown Winchester Typical Day

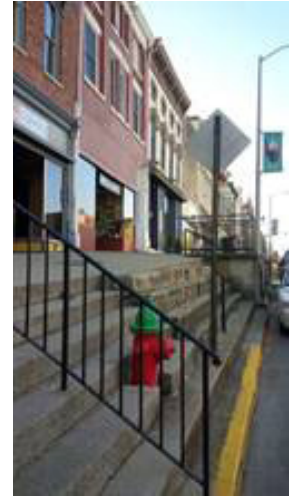


Active Downtown Streets

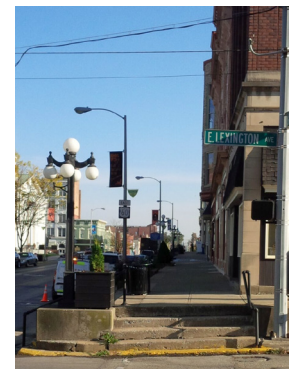
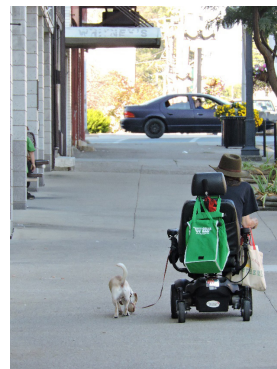
PHYSICAL IMPROVEMENTS

Communities that have a well thought out approach to their pedestrian environment, including the design of their streets and circulation system, are better off because they balance the demands of vehicles and pedestrians. Fewer conflicts emerge. Moreover, cities that value connections between places are likely over time to provide an urban environment that people treasure. Such transformations from mere streets to places in which people like to linger often begin with the community's primary street, or the street that has the most potential to make connections stronger. In Winchester, Main Street is the community's front door. The City deserves an address that is beautiful and makes a strong impression. Main Street should have a consistent look and feel from one end to the other.

Main Street's unique characteristic, in addition to its wonderful and continuous collection of historic buildings, is its elevation change, its "High Side." While this can be – and should be – celebrated and highlighted as a very unusual characteristic – it nonetheless currently presents some significant challenges related to accessibility, visibility, parking, and services. For a considerable length, over 600 feet, a continuous run of stairs separates the eastern side of Main Street from the buildings and businesses that line it.



These steps present significant obstacles for residents and visitors with difficulty walking and/or negotiating stairs, not only those on Main Street but also accessing it from the side streets. In addition, the rather wide sidewalk in front of these Main Street buildings has limited capacity for outdoor use, on a permanent or temporary basis, due to the wide swath of steps that run parallel to the sidewalk.



The walkability of a downtown's main street, especially one with the historic character of Winchester's, cannot be over-emphasized as a critical component of the street's health and vitality.

The elevation change of Main Street represents a significant hindrance to downtown's health.

It must be recognized, however, that this elevation change and its steps represents an important element of the history and character of downtown Winchester. This has been reinforced during public meetings, discussions with community leaders, and residents of the community. To somehow strive to remove this grade change and its steps, would be not only be difficult to carry out from an engineering sense, but it would be removing one of the things that differentiates downtown Winchester. Rather, this characteristic should be retained and redesigned in an appropriate manner that better serves its residents and hails its uniqueness; and that also removes a number of the obstacles that it currently creates.



A key downtown strategic improvement initiative for downtown Winchester is therefore a carefully detailed urban design improvement program for the high side of Main Street... the **“High Side Linear Park.”** The concept is intended to not only ease access to the buildings and businesses on the high side of Main Street, but also to transform the sidewalk area into a linear park, that can serve as the major open space/civic gathering area that downtown currently lacks. Transforming the high side from an area perceived as one with significant obstacles to one that serves as the major “place” in downtown would be an extremely wise civic investment.



Existing high side Main Street



High Side Linear Park

High Side Linear Park



The High Side Linear Park concept has been designed to accomplish a number of goals for downtown Winchester:

- Transform High Side from a barrier to “Main Street’s Balcony”
- Enhance accessibility
- Create outdoor seating areas
- Reduce the redundancy of stairs
- Integrate more greenery and planting
- Introduce sustainable elements of infrastructure
- Forge a stronger, more memorable place to be
- Introduce design elements that serve as prototypes for an overall downtown streetscape program



The High Side Linear Park concept contains the following important elements:

Seating along the Building Edge - Enhanced opportunities for outdoor seating will be made available by extending the sidewalk (a dimension that ranges from six to eight feet). Spaces between outdoor areas will be defined by planting beds.



Stairway Access - Specific entry points to the sidewalk area via some existing steps will remain. Additional historic light posts with hanging planters will further delineate the edge of the High Side Linear Park.

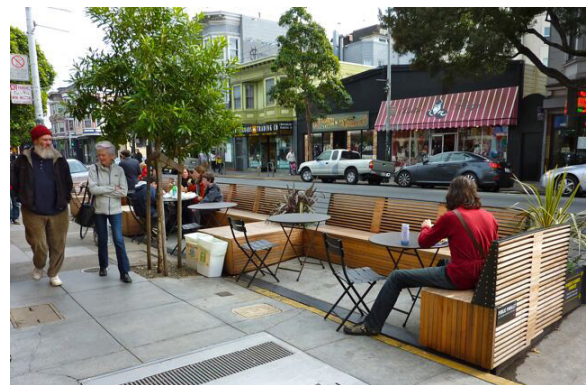
Seating along the Street Edge - Planters and railings on the outside edge of the walkway enable safe areas for seating overlooking Main Street. Cove lighting highlights unique art panels along the outside surface that faces the street.



Ramp Access - For all the stairs that lead to the upper walkway along Main Street, the sidewalk remains fairly inaccessible. There are areas where the conditions of the stairs are in serious need of repair or where the dimensions of the treads have changed due to soil settlement. The ramps that do exist need to have a more generous slope for people in wheelchairs. Improvements to the streetscape include coordinating the signage, lighting and street furniture so that movement along the sidewalk is made more efficient. Areas that have a steep grade change

are candidates for removal of the stairs to provide additional space for sidewalk extensions that level out the slope. This also provides for more space for outdoor use of the sidewalk for pedestrian oriented activities and usage

Planting beds for trees and flowers can be placed in a number of locations to provide shade and enhance the sidewalk character. Ramps at either end of the terrace enable access for people of all mobilities.



The transformation of the high side of Main Street into the High Side Linear Park insures that its uniqueness can be highlighted and celebrated, and at the same time provide necessary and desirable downtown amenities, through a major redesign initiative. The transformation of this streetscape environment as the catalytic first phase of an overall pedestrian and streetscape amenity program for the downtown should be given the highest priority.

Once completed, the design approach and pedestrian oriented amenities should be carried forward in a series of phases to the remainder of the downtown street system.



High Side Linear Park, Winchester

While a number of communities have recently begun to reclaim formerly abandoned and/or underutilized elevated sections of the communities or downtowns (e.g. New York High Line; Atlanta Beltline), or transformed abandoned rail lines into recreational facilities, we can find no recent example of a community of any size undertaking a transformation of its *main downtown street* into a Main Street Linear Park, one that is designed to improve downtown business as well as providing a unique new civic space. The prospects of doing so in downtown Winchester are extremely exciting, and potentially transformative for the community.



High Line, New York City

HIGH

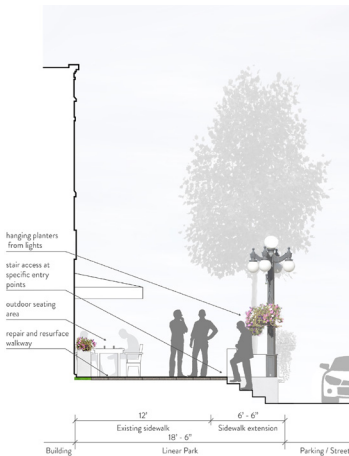
SIDE

LINEAR

PARK



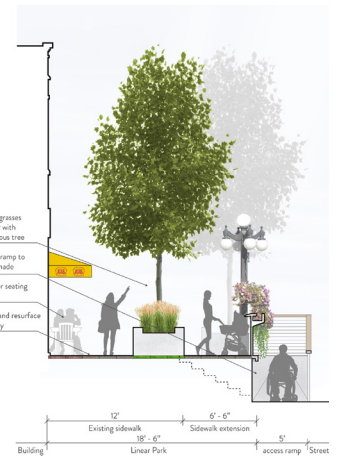
SEATING ALONG BUILDING EDGE



STAIRWAY ACCESS



SEATING ALONG STREET EDGE



RAMP ACCESS

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Specific entry points to the sidewalk area via some existing steps will remain. Additional historic light posts with hanging planters will further delineate the edge of the High Side Linear Park.

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Planting beds for trees and flowers can be placed in a number of locations to provide shade and enhance the sidewalk character. Ramps at either end of the terrace enable access for people of all mobilities.

A PROTOTYPICAL EXAMPLE

Sustainable landscape

The most effective method to minimizing stormwater runoff is to simply reduce the amount of impervious area. There are few trees or planted areas in the downtown core. **Decreasing the amount of paved areas will reduce the heat island effect and increase on-site infiltration** which helps to eliminate sources of contaminants and pollutants. Capturing and treating runoff will allow the water to naturally filter downhill into the soil and surrounding vegetation in planting beds. A greener downtown will cultivate a pedestrian environment around which new development will emerge.

Programming and Events

Additional space on the High Side of Main Street will allow for more activities to be integrated into the public realm. **Many businesses have expressed a desire to have outdoor seating** to serve customers. A more consistent treatment to the sidewalk materials and paving pattern will reinforce a sense of place that will attract more activities.

Outdoor Seating

The most evident feature of active, bustling, economically healthy downtowns and urban areas – be they large or small cities and towns – is people outdoors: on the sidewalks, sitting in restaurants and cafes, or simply people-watching. While downtown Winchester presents a dramatic streetscape of historic properties, this aspect of urban life is still missing, other than for special events and programs. The most dramatic way for this to occur is to encourage ground floor activity – especially food and retail establishments – to have an outdoor as well as indoor presence. Cities wishing to see this occur have had to deal with a variety of competing concerns, such as fire access, adequate sidewalk width, accessibility issues, the need to restrict alcohol beverages to specific locations, music and noise concerns. However, the good news is that regulations and requirements related to such issues have now been well established, and the street life in communities that have done this well is flourishing. The potential of Winchester's High Side provides a unique opportunity to **create a vibrant, active and desirable linear park downtown** that should, if designed properly, team with urban vitality and activity. And the lack of general activity in other areas of downtown can also be alleviated with local regulations that "encourage and welcome" outdoor life.

Parking

While the total number of parking spaces is not currently a problem in downtown Winchester, **the location and accessibility of parking can be improved.** On-street parking along the High Side presents some accessibility challenges, and better connections to parking availability along Church Alley can address some of these issues. Other opportunities exist along Broadway that can be better utilized. Often communities demolish existing buildings with

reuse potential in order to provide additional parking. However, in the process, they remove the character of the downtown that the parking is designed to complement. Given the availability of parking in downtown Winchester, no demolition is required to handle parking needs.

Façade Improvements

Many of downtown Winchester's buildings have undergone significant façade improvements that have restored their historic character, and the results are striking. As more of these downtown properties undergo similar efforts, the overall impact on the character of downtown will become even more impressive, and put Winchester "on the map" of one of the Commonwealth's most beautiful small cities. While some incentive programs for façade improvements

have been in place, a **revised program that ties these improvements with overall building stabilization and reuse is required.** Aesthetic improvements need to occur in sync with new economic activity behind the lovely building facades.

Place-making

Urban design is more effective when it begins with great places. Place-led design means that one considers the type of environment one wants to create first and then assembles the best team to design and implement the project. The High Side Linear Park has the potential to be a remarkable place. Through **improved sidewalks and crosswalks, planting, lighting, signage and wayfinding**, a more unified public realm will be established that capitalizes on the elevated space which overlooks Winchester's Main Street.

Signage and Wayfinding

Building on Winchester's existing collection of historic street lights, banners and wrought-iron signs, **a more complete graphic identification system that fills in the gaps** will lead to a more cohesive street character. Consistent signage standards are needed for both the private property and the public realm.

Downtown housing

Winchester's Main Street buildings provide opportunities for living in urban housing types that are different than what one would get in more traditional neighborhood settings surrounding downtown. **Historic settings are interesting environments to live in for people of all generations**, from Millennials to Empty-Nesters. Their layout lends themselves well to live/work environments. In addition, their open floor plans facilitate expansion and contraction; they are scalable.

Enhanced Accessibility

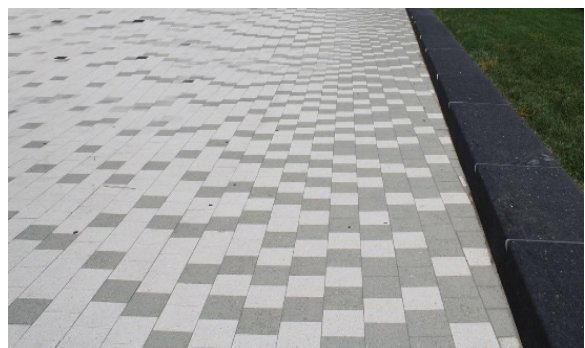
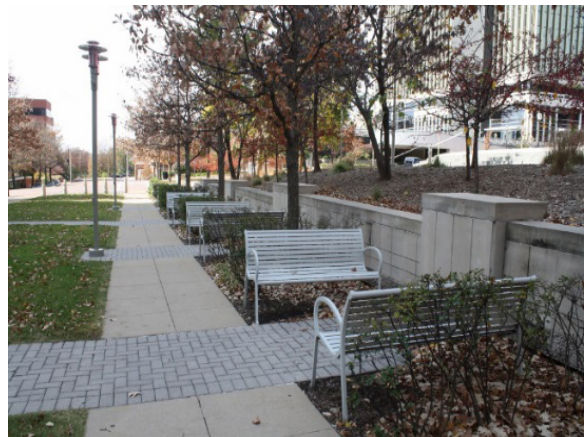
For all the stairs that lead to the upper walkway along Main Street, the sidewalk remains fairly inaccessible. There are areas where the conditions of the stairs are in need of repairs or where the dimensions of the treads have changed due to soil settlement. The ramps that do exist need to have a more generous slope for people in wheelchairs. Improvements to the streetscape include coordinating the signage, lighting and street furniture so that **movement along the sidewalk is made more efficient.** Areas that have a steep grade change are candidates for removal of the stairs to provide space for sidewalk extensions that level out the slope.

For more information refer to full-size poster available at <http://www.downtownwinchesterky.org/projects/>

Downtown Streetscape Program

While the High Side Linear Park focuses on the elevated section of Main Street, it is equally evident that the overall downtown Winchester streetscape deserves an enhanced and more identifiable image. Broken sidewalks, lack of pedestrian amenities, lack of uniformity in paving, curbing, signage, etc. contribute to this lack of identity. While a major streetscape improvement program is warranted, it is understood that fiscal realities and other community priorities likely make a complete program unlikely to be implemented immediately.

The High Side Linear Park therefore should be the community's primary and most immediate physical improvement project for downtown Winchester. However, the design elements chosen for the Linear Park should be carried through to expanded sections of Main Street, and then on to Broadway and Lexington Streets, as future phases of the program. The paving materials and patterns, street furniture and pedestrian amenities, lighting, and landscape elements selected for the Linear Park should all be similarly utilized in future downtown streetscape phases, to be undertaken as funding permits.

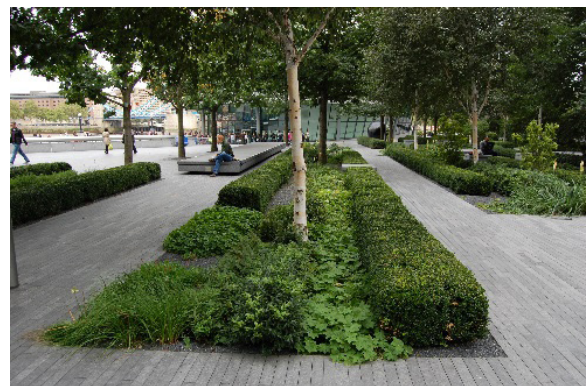
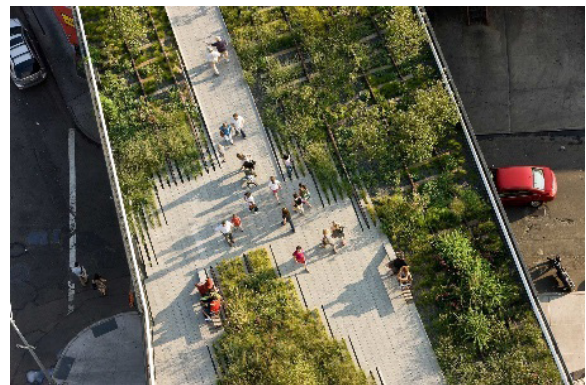


Unified Streetscape Paving Examples

In addition, as private development projects come on line, the City should provide improvements to the streetscape in this manner simultaneously, as an additional incentive for such development. This is a technique becoming more commonly used by communities to expand their streetscape programs over a period of time.

Sustainable Landscape Program

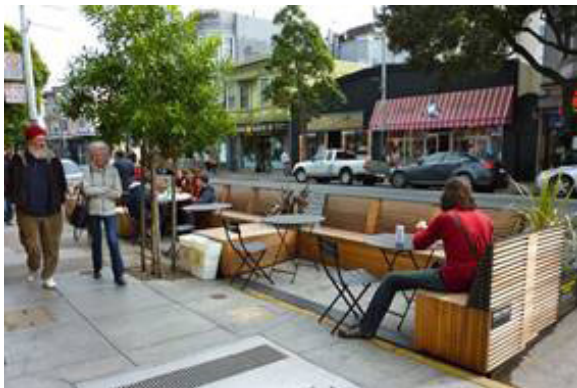
The most effective method to minimizing stormwater runoff is to simply reduce the amount of impervious area. There are few trees or planted areas in the downtown core. Decreasing the amount of paved areas will reduce the heat island effect and increase on-site infiltration which helps to eliminate sources of contaminants and pollutants. Capturing and treating runoff will allow the water to naturally filter downhill into the soil and surrounding vegetation in planting beds. A greener downtown will cultivate a pedestrian environment around which new development will emerge.



Unified Streetscape Landscape Examples

Outdoor Seating

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High Side Linear Park Outdoor Seating

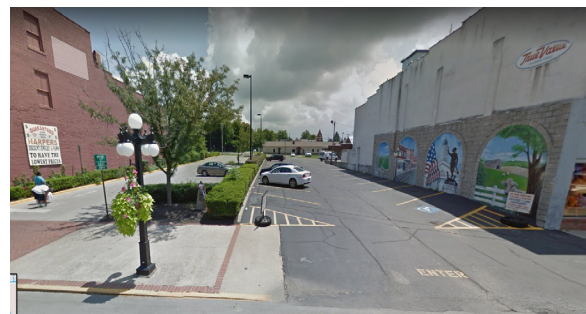
Outdoor Seating Examples

Cities wishing to see this occur have had to deal with a variety of competing concerns, such as fire access, adequate sidewalk width, accessibility issues, the need to restrict alcohol beverages to specific locations, music and noise concerns. However, the good news is that regulations and requirements related to such issues have now been refined over time and well established, and the street life in communities that have done this well is flourishing. The potential of Winchester's High Side provides a unique opportunity to create a vibrant, active and desirable linear park downtown that should, if designed properly, teem with urban vitality and activity. And the lack of general activity in other areas of downtown can also be alleviated with local regulations that "encourage and welcome" outdoor life.

Downtown Parking

The availability of parking is often a major concern in downtown areas, and in many instances is cited as a major reason why a downtown is healthy (lots of parking) or struggling (lack of parking). Surprisingly, while the businesses and residents of Winchester have identified certain specific locations and situations where parking is problematic, they have not identified parking as a "major" issue affecting the downtown's health. Overall,

there is an adequate amount of parking spaces in the downtown, given the level of economic activity. Some of the parking is problematic, such as those along the high side of Main Street (especially during trash pick-up and loading operations).



Much of the off-street parking capacity – both existing and future expansion – can be found along Church Alley; although the availability of public vs. private parking along the Alley is somewhat difficult to comprehend, and overall it is not well marked. It is nonetheless a hidden asset, and as parking demand increases as development activity increases, more attention will need to be paid to the availability of additional supply along Church Alley, both in the identification of those areas that are available for public parking use and in a more "normalized" circulation and space identification system.



Church Alley Parking

Otherwise, the supply of ample, free on-street parking in most of downtown is sufficient, augmented by small off-street public parking lots on Main Street and Broadway. As additional activity occurs downtown – especially more residential living – the ability to accommodate long term and residential parking needs as well as short term parking needs will need to be further evaluated. But currently the overall supply of parking is adequate.

Signage and Wayfinding

The need for downtowns to establish and maintain identity is an essential tool for making places distinctive, and signage and wayfinding are important tools of urban design. They bring legibility to the physical environment. Wayfinding is the process by which someone navigates an environment and it engages all of one's senses: aural, visual, tactile, taste and smell. When done well, it structures and presents the information needed for people to comfortably access a place.

Effective signage works at a number of scales and should be coordinated in downtown settings. When orientation devices are appropriately scaled, they help people to find a logic to the place. Some signs can be landmarks in themselves (like the Leeds marquee sign), express culture and orient the visitor.

Building on Winchester's existing collection of historic street lights, banners and wrought-iron signs, a more complete graphic identification system that fills in the gaps will lead to a more cohesive street character. Consistent signage standards are needed for both the private property and the public realm.



DOWNTOWN BUSINESS AND INVESTMENT INCENTIVES

The long-term economic sustainability of downtown Winchester will depend upon the collective impact of public and private enhancements in the downtown area. The initial catalytic projects and public streetscape enhancements are critical in jumpstarting economic activity, but continued economic investment will only occur when there is confidence that investment in individual buildings will be increased in value - over time - by similar investments in adjacent properties.

While Winchester has an abundance of attractive and reasonably priced property in which some investment is possible, barriers exist that may hinder current owners to invest in their properties. These may include, among others, need for building code upgrades, difficulty with tenant improvement costs; inappropriate and/or illegal upper floor tenancies; unfamiliarity with historic preservation requirements and/or tax credits; and low rental rates. Nevertheless, downtown Winchester has a variety of buildings suitable for reinvestment and reuse. With financial programs in place, such as the proposed Downtown Investment Fund, a number of these properties should be targeted for reinvestment.

Façade Improvement Grant Program

Cities and towns compete with one another not only for business, but also to attract and keep the next generation of citizens. They increasingly strive to distinguish themselves from one another by capitalizing on their inherent strengths and building upon their assets. Authenticity of place and uniqueness of community character are desperately sought out to distinguish one place from another. Downtown has an enviable, nearly continuous backdrop of historic buildings in the downtown. Façade and storefront matching grants will facilitate the rehabilitation of those buildings that are most in need of renovation so that the richness of the architecture attract new activity and investment. A robust façade improvement program will encourage and enable building owners to invest in their properties. In addition, such improvements will increase the value of adjacent properties and encourage those properties to take advantage of the program as well.



Ground Floor Retail

While a façade improvement program is important to insuring that the historic quality of Winchester's buildings is reinforced and not de-valued by the existence of inappropriate or deteriorating facades, the ability to increase the occupancy of these historic properties is equally or even more important. A high degree of storefront vacancy detracts from the appearance of downtown. Recruiting businesses requires a two-pronged approach: one, the organizational infrastructure to reach out to businesses in the county and region and tell them about Winchester's downtown opportunities; and two, working with downtown property owners and brokers to focus on leasing to targeted businesses.

While downtown Winchester has many opportunities for convenience shopping, there is a limited set of comparison shopping. Despite the integrity of its historic architecture, the building spaces and/ or location are not attracting sufficient numbers of tenants. There are a variety of reasons for this; some relate to market demand, but many are impacted by the costs of property re-investment in these spaces to make them tenant-ready. These range from improvements to meet today's building code regulations when refurbishing new tenant spaces, rents that do not cover the cost

of such improvements, meeting historic requirements, and negotiating financing to accommodate entrepreneurial tenants that may not yet be able to meet credit worthiness criteria under financial institution underwriting.

The creation of financial programs designed to encourage and support building owners to undertake the necessary building upgrades to accommodate new downtown ground floor tenants would be a wise use of a combination of public and private funds. Relatively modest amounts of funds could be provided in matching grant programs or low interest loans and/or credit enhancement mechanisms, and even master leasing of ground floor space for high priority locations or targeted tenant opportunities. The proposed Downtown Investment Fund could certainly provide such financial assistance.

Upper Floor Residential Conversion

People living in downtown result in more activity throughout the day and evening, more patrons for retail shops and restaurants, and perhaps most importantly, more people who consider downtown as their neighborhood. Downtown Winchester currently has relatively few people living downtown, and an even smaller number residing in non-subsidized housing units.

However, many downtown buildings are well suited for residential and/or live-work configurations. Downtown is an attractive location to live because it is so walkable and many of life's day to day needs can be met by businesses in the downtown. Urban living is becoming more and more popular for millennials forming new households and empty nesters looking to downsize.

The market analysis, demographic trends, and discussions with local residents and developers suggest that demand currently outstrips supply of market rate housing units in downtown Winchester. While opportunities exist for the conversion of the upper floors of downtown buildings to residential use, challenges nevertheless exist. These primarily deal with the limited number of units in individual buildings, code issues such as secondary access, sprinkling requirements, meeting historic rehabilitation requirements to qualify for tax credits. In some instances, access to the upper floors have been compromised by adhoc construction whereby stairs or corridors are no longer code-compliant. There are, nevertheless, reasonable opportunities for new residential units, for all income ranges, and interest has been expressed as well by potential residential developers. Similar to the initiative to encourage ground floor retail tenancy, a public/private financing program to

assist building owners to add upper story residential units can be established, utilizing the same mechanisms as the retail assistance. Low interest loans, assistance in meeting code requirements, technical assistance, etc. can all help encourage residential usage. Flexibility in the usage of such financing programs to accommodate individual building issues is important. In addition, efforts should be pursued that combine multiple individual buildings into a larger development project that provides efficiency in floor layouts and circulation systems.

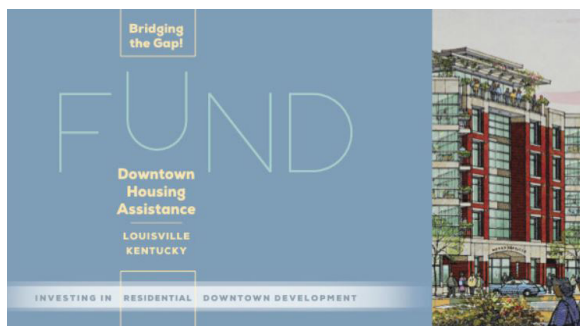
The key is making residential conversion a high priority of any public or public/private downtown financing initiative. Given the need to significantly increase the amount of market rate housing in the downtown area, and indications of demand, these opportunities and this interest should be brought together. In addition to direct assistance to property owners, the City can help by improving the downtown environment as a place to live. Certain efforts like the High Side Linear Park and the associated streetscape improvement program recommended herein will help. But equally important is a proactive approach by the City to enforce local building, housing, and zoning codes to discourage or eliminate illegal transient housing, single room occupancy, and other actions that impede the development of a strong downtown neighborhood.

DOWNTOWN INVESTMENT FUND (DIF)

Given the existing economics of downtown Winchester, the preceding sections identify a number of high priority areas where some degree of financial incentives and assistance is required to help “jump-start” the economic revitalization of downtown. These investment incentives represent a proactive approach to assisting in minimizing a variety of current obstacles that are preventing market forces from taking hold in the downtown area.

While the amount of such incentive or assistance in each individual project is likely to be modest, in aggregate they can represent a magnitude of investment that may be difficult for the public sector – the traditional provider of such incentive funding – to undertake to the degree necessary to make an immediate impact.

This situation is not at all unusual for communities the size of Winchester. As a result, some forward thinking communities have in recent years creatively combined resources of the public sector, the private sector, and the civic sector (such as local non-profit foundations) in creating pools of funds to achieve their downtown revitalization goals. These **Downtown Investment Funds** can take a variety of forms, depending on the unique circumstances of each community.



These funds, regardless of their structure, often have very similar goals and uses. They are designed to stimulate, catalyze, and incentivize private investment and the redevelopment of properties in their downtowns. They are intended to be flexible mechanisms that can address a number of property redevelopment challenges, such as acquisition of problem properties, bringing properties up to building and fire code standards, modernization of utilities, building stabilization, tenant improvement costs, and reuse of upper stories into residential use. Funds operated as private investment vehicles (even if they contain public funds) can more easily attain such flexibility in their use and the terms they can provide to property owners and/or investors, then can be done through more traditional public sector programs.

There are a number of ways that such funds are created, funded, and operated:

For-Profit Limited Liability Corporation (LLC)

A number of communities have created Investment Funds as for-profit Limited Liability Corporations. This is perhaps the most straightforward approach. A LLC is legally created (a relatively simple procedure), multiple investors provide equity infusions into the Fund, and the Fund lends and/or invests in downtown properties and/or redevelopment projects. This investment can be made in a number of ways: property acquisition; equity positions; secondary subordinated loans; soft or forgivable loans; grants, master leasing, etc. The most common form of activity tends to be in the provision of favorable secondary financing, often with a low interest rate (and/or interest-only payments for a period of time), and often a waiver of recourse requirements. In special cases – especially when dealing with a strategically located property with a difficult owner – the Fund is used for short term property acquisition, but the main purpose of these Funds is not to have it serve as a long-term owner of property or as its own redevelopment entity.

Capital investments can be infused into these Funds from a wide range of sources: private individual investors, private corporations and/or financial institutions, community foundations, government, non-profit entities, etc. Participation in the Fund is treated as a capital infusion

– which can be booked as an asset – and not as a charitable contribution. Each investor’s voting share is equivalent to its percentage of the Fund’s total capital (or it can be waived in certain cases). The Fund is intended to be a revolving fund; that is, while a small return can be expected, the funders understand that any receipts will be returned to the Fund. If the Fund is primarily to be used for loans, a small return is possible. The more the Fund is used for grants and forgivable loans, the less likelihood of a return. This is fine, as long as it is the policy of the Fund and the investors understand the likely use of the Fund’s capital and this limited return when they choose to invest.

While the operation of the Fund as an LLC is relatively straightforward, some potential investors may find challenges in participating. For example, some funders (e.g. Community foundations or other non-profits) may require that they only “invest” in non-profit entities. In addition, financial institutions may have difficulty investing in these Funds under their current regulatory environment, as they may need to be booked immediately as underperforming assets, given the favorable rates and terms offered by the Fund. In these situations, a non-profit subsidiary of the Fund can be established, in which funds with these types of restrictions are “donated” rather invested. In such cases, once a donation is made, these

funds no longer remain on the books of the contributing entities.

Non-Profit Corporation

Many communities establish downtown development funds with objectives similar to those listed above as non-profit entities, with Federal 501 © (3) status as a charitable organization. The major advantage of this approach is that any funds contributed to it are considered as tax deductible. As stated above, this may be more attractive for certain types of potential funders. On the other hand, it may be less attractive for some, especially those that 1) wish to be actively involved in the decision-making of the Fund; and 2) wish to retain the option of withdrawing their capital at any time, if the need arises.

Operationally, the non-profit structure parallels that of the LLC in terms of the types of activity it chooses to assist. There are some minor differences. For example, if the DIF decides to purchase property – even for a short term hold – as a non-profit it would not be subject to property taxes. As an LLC, it would be responsible for those taxes. On the other hand, a non-profit entity would need to be careful in how it invests in projects, in order to be able to illustrate that its actions are indeed aligned with its mission, as opposed to merely serving as a lender.

This requires more paperwork, but generally is not a particularly onerous task. It does take more time, likely up to six months, to establish the non-profit and receive its 501 ©(3) status from the IRS. Investors without the need for a charitable tax deduction might find this a less appealing option than an LLC, especially given some stereotypes regarding fiduciary control mechanism of non-profit entities (whether or not this is based in reality). On the other hand, governmental entities may be more comfortable contributing funds to a non-profit rather than investing funds in an LLC. In addition, it reduces the need for a two-tiered approach in order to deal with funding sources that must work through a non-profit.

Fund Management

Given the amount of funds to be raised, the number of potential applicants, etc. it is unlikely that a DIF would need to engage its own management and operating staff. Existing staff resources from other entities could be tapped (on a pro bono basis) to manage the Fund. This could be Main Street Winchester, the Industrial Authority, the Community Foundation, etc. The general practice is that the Investors/Contributors sets up a Project Committee or a Loan Committee that reviews the applications and uses of the Fund, and that body then makes

a recommendation to the full entity for action. In this way, the Fund is able to utilize the expertise and the professional underwriting capacity of its investors, rather than the loaned staff providing all of its work.

The DIF will require annual financial statements from an outside accounting/auditing firm, and the preparation of tax returns and K-1s. A local accounting firm could provide such services as part of its contribution to the Fund.

Strategic DIF Activities

As indicated above, a major advantage of a downtown investment fund is its ability to be flexible in its use, in order to adapt to the particular challenges – and opportunities – of the potential redevelopment of a downtown property. It can also provide an intervening tool to a property owner, business operator, or developer when conventional financing underwriting and/or city assistance programs do not suffice. These challenges may include leverage ratios, development equity, recourse, lack of comparables or executed leases. The Fund is not designed to ignore these circumstances, but rather to provide some flexibility to enable an otherwise sound project to move forward.

Typical uses of the Fund may include the following:

Secondary Financing – The Fund may provide favorable secondary, subordinated financing to a property owner/developer, to reduce the amount of equity necessary to be provided.

Property Stabilization – Favorable terms and rates for necessary building stabilization procedures and repairs, such as environmental remediation, new roof, structural improvements, waterproofing, etc.

Building Code Upgrades – Funds may be provided at attractive rates – or forgivable loans under certain performance guarantees – for improvements necessary to comply with existing building and fire code requirements, such as electrical service, egress, handicapped access, insulation, fenestration, etc.

Tenant Improvements – The ability to attract ground floor tenants, or execute a lease given existing market rates, may be inhibited due to the cost of providing upgrades building code services and/or the necessary tenant improvements. The DIF could provide attractive financing for these improvements, subject to the execution of a tenant lease.

Façade Restoration – The Fund could be used to assist property owners in the restoration/cleaning, rehabilitation of historic facades to their properties.

Upper Floor Conversion – The Fund could encourage the reuse of upper floors of downtown properties into residential units by offering attractive financing for a portion of the cost of the renovation.

Master Tenancy – In certain situations, to facilitate the redevelopment of a property where all of the ground floor commercial space cannot be immediately leased, the DIF could execute a master lease of the commercial space to make the project more financeable. This would only be done on a relatively short term basis.

Property Acquisition – Given certain circumstances, it may be warranted for the Fund to option, purchase, or place a property under contract to gain short term control of the property. These circumstances may include removal of a problem property owner, strategic acquisition where the property is necessary to be under control to facilitate adjacent development opportunities; deterioration of a key property; or facilitating a potential redevelopment project. This would not be a normal use of the Fund's assets, but could play a key role in certain circumstances.

REGULATORY ACTIONS

Improving the quality of the physical environment in downtown Winchester, highlighting the authenticity and character of the community, and providing those wishing to invest and/or reinvest in the downtown area with useful financial tools for strategic activity can combine to move downtown Winchester to a new era of prosperity. At the same time, however, it is equally important for the community to put into place and enforce rules and regulations that adequately deal with activities in the downtown that limit - or worse - that devalue the investment that is under consideration.

Activities that fall into this category include problematic uses in the upper stories found to be occurring in a small number of downtown properties. Certain properties have been rented out on a temporary basis for transient residential use, either daily or weekly. This encourages the attraction of transients in the downtown, potentially illegal activity, and potentially unsafe and non-permitted occupancy.

To the City's credit, it has realized the detrimental impacts that these conditions have on downtown, both in the use of these properties and the appearance - real or perceived - of safety and crime concerns downtown. The City has added a code enforcement officer and stepped

up its code enforcement vigilance. All of this is to the ultimate good of downtown.



In addition, the need to schedule more regular public safety patrols, again to counter perceived concerns regarding safety, has been recognized as well by the City. "Eyes on the Street" whether by citizens and or public safety officers, is an important concept for any downtown area, regardless of the actual crime statistics.

It is a well established fact that the absolutely best method of reducing safety concerns is by having more activity on the street. The recommended elements of the development strategy proposed herein are all designed with this goal in mind, and the benefits, as stated throughout this document, are far-reaching: increased economic investment, more traffic for retail, food and restaurants, increased visitation, and reduced crime and the

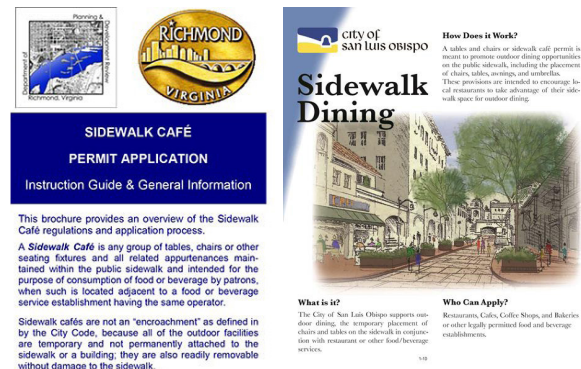
perception of crime. Those involved in advancing these goals in Winchester, from the Mayor to the City Commission to Main Street Winchester to the Police Department, have shown a deep understanding of this and have begun to adapt and adjust the day-to-day management of downtown's operations as a result.

Another important regulatory measure relates to the regulation of outdoor dining and seating. The ability to comfortably sit outside to eat, drink responsibly, and interact with others is a key element of strong and vibrant downtowns.



There is no doubt that proper regulation of these areas is necessary, for a variety of reasons (e.g. emergency equipment access, adequate sidewalk width, accessibility issues, the need to restrict alcohol beverages to specific locations, music and noise concerns). Local communities have done a good job establishing and revising statutes that appropriately regulate and manage these outdoor areas. The goal is to *welcome and encourage* outdoor

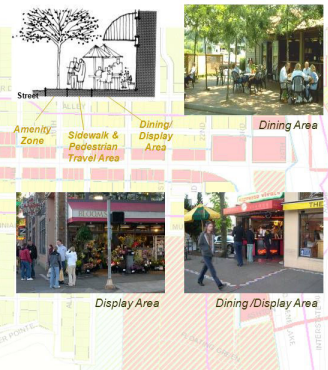
dining with appropriate management, rather than using city requirements and regulations to discourage or stifle outdoor dining options.



Sidewalk Uses

Intent: The "streetscape" shall be pedestrian friendly by providing the following elements:

- 1. Amenity Zone:** Street trees shall be regularly spaced, between 20 feet to 40 feet, located in the amenity zone in tree grates or continuous 5 foot wide planted area.
- 2. Sidewalk Area:** Sidewalk area shall maintain a clear 7 foot dimension for pedestrian travel.
- 3. Dining and Display Area:** Sidewalk area outside the pedestrian travel area may be used for outdoor dining and/or display areas delineated at grade or by a low fence.



Winchester currently does not have specific regulations in place for outdoor dining, but is in the process of developing appropriate statutes that will encourage, in a responsible manner, the provision of outdoor seating and dining. This will be a welcome addition, and an important one, to Winchester's downtown environment.

LEADERSHIP AND PARTNERSHIPS

The set of recommendations and actions suggested herein in aggregate are designed to take downtown Winchester, which recently was seen to be on a “tipping point” between economic health and economic distress, clearly in a positive direction. A number of proactive steps with positive results have already been taken during the formulation of this strategic planning effort. This is a credit to the dedication, perseverance and diligence of those in the community working hard on making downtown Winchester healthy and vibrant.

However, any strategy is only as good as the ability and organizational infrastructure to see it implemented; simply having it documented in a passive manner will yield little return on its investment. Every community that has “turned around” its downtown can attribute much of its success to 1) the community’s leadership; and 2) partnerships that have been developed that collectively take ownership of the initiative.

Fortunately, downtown Winchester has both strong leadership and strong partners, both those already involved and potential additional downtown partners. Public officials such as the Mayor, the City Commission, Clark County Judge and Fiscal Court, the City Manager, the Tourism

Commission, the Industrial Authority, and the Historic Preservation Commission, among others, have all been actively and *collaboratively* involved in the formulation of this Master Plan. Main Street Winchester, has served and continues to serve as the entity with the overall responsibility for both the long term and day to day operations of downtown. It takes stewardship seriously, and the results of its work has been impressive.



As the Plan moves into its full implementation stage, it is important that each of these entities remain actively involved and they each provide their own particular “value” and resources. The City Commission, for example, is moving forward with the Tax Increment Financing District. The Industrial Authority has initiated discussions regarding the Investment Fund. The Tourism Commission is working on the Sphar Building. These are just a few such examples.

A downtown is composed of a variety of different property owners, businesses, streets, parking areas, etc. This often creates challenges in its overall management. But it nevertheless needs to be

managed effectively for it to succeed. Main Street Winchester is in a unique position to serve as the downtown “manager” and be tasked with the responsibility to every day work to make progress on these recommended actions, as well as continuing to manage and grow downtown events and programming.

A key element of successful downtown management efforts is a concerted and well-managed program of downtown events, festivals, and regularly scheduled activities designed to bring people downtown, or keep those already downtown longer. Main Street Winchester has a strong record of accomplishment in this regard, with elements such as the Beer Cheese Festival and its Rock the Block Summer Concert Series. These efforts need to continue to be supported, and expanded.

However, some programming efforts need not be permanent to be effective. The Build a Better Block demonstration project in 2015, for example, showed that excitement and interest can be generated in a short amount of time and with limited resources. Short-term tactical efforts such as this where temporary space occupation and design occurs quickly strengthens partnerships amongst downtown advocates. These events help community groups and civic leaders create the kind of creative spaces that

enable greater public interaction and help people to see downtown anew.

In addition to the efforts of public officials and departments, the success of downtown Winchester will depend upon the creation of key strategic public/private partnership that can both leverage the resources of its corporate, business, and civic sectors as well as utilizing the Winchester “brands” to the benefit of both the downtown and the brands themselves. Local and regional financial institutions headquartered or with a significant presence in Winchester are good corporate citizens with a stake in both an economically viable downtown and an economically viable overall community.



New Kentucky Bank downtown branch

The ability to craft partnerships with these institutions in the creation of the Downtown Investment Fund and other financial tools for downtown investment is critical. Other communities in which similar programs have had significant positive impacts have been able to forge partnerships with their local financial institutions. Initial discussions in Winchester have also been very positive.

In addition to the corporate and financial sector, Winchester is fortunate to have strong and civic minded local foundations that have demonstrated an understanding of both the economic challenges and opportunities of downtown Winchester, and their support and partnership provides Winchester with an advantage and resource not generally available in similar sized communities.

CLARK COUNTY COMMUNITY FOUNDATION



The ability to engage the public, corporate, and civic sectors in downtown Winchester - all of whom have already demonstrated their support - in the creation of innovative partnerships, tools, and programs specifically designed to address the conditions in downtown Winchester, provides the community with a unique opportunity to implement this program.

Further, the community also has an opportunity to engage its most significant and unique ‘brands’ in exciting ways that celebrate these local businesses, provide additional visitation to the community, and help the brands reinforce their connection to the community. This could take a variety of forms and partnerships: a satellite Ale-8 visitor experience in downtown, a permanent Beer Cheese “tasting room” experience; a Creative Coffee roaster, a Tap Room and/Micro Distillery, a Moonshine Trail-head, etc. Any and all of these can be brought to downtown in partnership with proposed redevelopment ideas, as stand alone initiatives, in combination with the new Visitor Center, or even incorporated into the streetscape and High Side Park improvements (for example, mixing Ale-8 bottle glass into the paving or streetscape furniture).



Winchester is fortunate in that all of these locally based brands are known for their creativity, their marketing skills, and the uniqueness of their product. Their incorporation into downtown can take many forms, and part of the excitement of their participation would be the process of brainstorming the new and innovative ways to do so. The important point is to ensure that these local brand assets are indeed incorporated into downtown Winchester's momentum, and that they be part of the ownership of the program.



CATALYTIC PROJECTS

Downtown Winchester needs a number of “anchors” – business and/or properties that generate a significant amount of activity, tourism, business, and “buzz.” These projects need not be large in scope or costs, but rather they need to be strategic in their ability to spur additional investment and build market confidence. It is important that the community indicate its support for these types of projects and those risking their time and/or capital in their development.

Clearly, the initiation of the **High Side Linear Park** must be considered to be an extremely high priority catalytic project, as stated previously, as it embodies many of the goals of the downtown redevelopment initiative. While this is a major undertaking and will require a creative funding package, the initial catalytic action proposed herein is to move forward immediately on its design phase. This will generate interest and excitement, answer questions regarding access, detail unique to Winchester-centric design elements, and provide a cost estimate for the project.



The initiative to rehabilitate the **Sphar Building** is one such project designed specifically to accomplish do just this, and the community should be applauded for their creativity and initiative in conceptualizing this project and successfully seeking outside funds to assist in its implementation. The creation of an anchor at the northern of Main Street is very important, and the successful redevelopment of the Sphar Building can fuel further interest in the reactivation of Depot Street as a trail head for the recreational bike path system.



While the Sphar Building is a complicated project with a variety of funding sources – some with very specific strings attached to the use of these funds – it is important that the City not limit its vision in accommodation of these funding sources and thus reduce its potential impact. The desire to create a Tourism and Visitor Center as part of the Sphar project is appropriate, and is an excellent example of highlighting and celebrating the heritage and the attractions of Winchester and its surrounds. It would be even more dynamic and effective if the project could accommodate a “taste” of some of these attractions, be it Ale-8, Beer Cheese, local food and beverages, etc.

A third catalytic project is the proposed **Wildcat Willie’s Distillery and Mt Folly Farm** retail store as part of the redevelopment and rehabilitation of the former church at 31 East Broadway. Not only is this an excellent example of a true public/private partnership, with the City selling the property for this use, but the new uses are perfect examples of the “niches” that are authentic to Winchester and the region: craft distilling, healthy local produce, and the burgeoning Moonshine Trail. The project will appeal to residents and visitors alike who are interested in, and embrace, these niches. The proprietors should be lauded for their vision, their perseverance, and their commitment to downtown Winchester.



Another such catalytic project would be the location downtown of one or more of the most significant and well-known brands, be it an Ale-8 satellite visitor facility, a Beer Cheese facility, Creative Coffee, etc. Some of these could be co-branded in one location (or as part of the Sphar project) of one or more could be stand alone locations.



Original Ale-8 Downtown Factory

The specifics will need to be worked out individually, but the catalytic action would be an affirmative intent to have a major presence downtown. Initial discussions with representatives of most of these authentic local brands have been very positive. Further discussions should continue, and the creation of innovative public/private partnerships pursued.

The current and positive discussions regarding the creation of the **Downtown Investment Fund** discussed previously can also be considered a catalytic project; or in this case a catalytic action. The Fund is not a physical development project, but rather a tool that will lead to a number of projects that advance the goals of the downtown renaissance, and will if created have a substantial impact on the downtown's re-investment.

The creation of a **Tax Increment Financing District (TIF)** is another important action that can be considered a catalyst, in that it will put in place a mechanism to dedicate certain future tax revenues as a funding source for a number of the elements of this downtown Master Plan. TIF Districts have become increasingly common as ways for communities to connect enhanced revenue from downtown projects to the need for public support for these projects. The City has indicated a strong interest in creating a downtown TIF District and is in the process of setting one up.



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APPENDIX

Appendix 1: Market Assessment for Downtown Winchester Master Plan

Memorandum

To: Barry Alberts, CityVisions

CC: David Gamble, Gamble and Associates

From: ConsultEcon, Inc.

Date: January 27, 2016

RE: Market Assessment for Downtown Winchester Master Plan

This memorandum provides an assessment of the market for commercial (retail) and residential space in Downtown Winchester as an input into downtown master planning. It includes the following data and analyses.

1. Summary of Market Assessment
2. Downtown Situation and Regional Context
3. Business Mix
4. Market Area Definition
5. Resident Market
6. Tourist Market
7. Commercial/Retail Market
8. Housing Market

ASSUMPTIONS

In preparing this memorandum, the following assumptions were made. This study is qualified in its entirety by these assumptions.

1. Every reasonable effort has been made in order that the data contained in this study reflect the most accurate and timely information possible and it is believed to be reliable. This study is based on estimates, assumptions, and other information developed by ConsultEcon, Inc. from its independent research efforts, general knowledge of the industry, and consultations with the client. No responsibility is assumed for inaccuracies in reporting by the client, its agents and representatives, or any other data source used in the preparation of this study.
2. Possession of this report does not carry with it the right of publication. This report will be presented to third parties in its entirety and no abstracting of the report will be made without first obtaining permission of ConsultEcon, Inc., which consent will not be unreasonably withheld.
3. This report may not be used for any purpose other than that for which it was prepared. Neither all nor any part of the contents of this study shall be disseminated to the public through advertising media, news media or any other public means of communication without the prior consent of ConsultEcon, Inc.
4. This memorandum was prepared during the period September 2015 through the date of publication. It represents data available at that time.

1. SUMMARY OF MARKET ASSESSMENT

Downtown Winchester is a government and employment center in Clark County, with a concentration of professional and personal services, where city and county residents conduct their daily business. The downtown has all of the **convenience** businesses to meet resident's day to day needs, but lacks significant **comparison** shopping, except in a few, isolated destination retailers, gift shops, and a large number of miscellaneous store retailers that tend to sell used merchandise at a low price point.

Downtown needs to become more of a shopping destination for area resident and tourists. Despite the integrity of its historic architecture, the building spaces and/or location are not attracting sufficient numbers of tenants. Downtown businesses face the same local and regional market opportunities as locations in other areas of town. Strengthening downtown's connections to major thoroughfares is important to increasing its visibility. Downtown spaces too are typically small, though there are some highly visible vacant spaces that offer large amount of space.

The high degree of storefront vacancy detracts from the appearance and vitality of the downtown, and reflects poor underlying economic conditions. While there is a large amount of retail spending potential by households in the resident market area, the downtown is only a small share of this spending, most of which is going to businesses on Bypass Road. There is high level of competition in the city for retail spending and market saturation in particular store types.

Recruiting businesses to the downtown requires the organizational infrastructure to reach out to businesses in the county and the region and tell them about Winchester's downtown opportunity and working with downtown property owners and brokers to focus on leasing to targeted businesses. Business types to attract to downtown include those that would fill an existing void in the business mix downtown or build on existing clusters of businesses such as:

- ◆ Restaurants, especially those open in the evenings for dinner.
- ◆ Clothing and apparel stores
- ◆ Specialty retail such as gift shops, jewelry, stationary store, toy store and book store
- ◆ Home furnishings, furniture and antiques
- ◆ Art galleries, crafts, and artist live-work spaces
- ◆ Youth and family oriented businesses
- ◆ Health and wellness businesses

Downtown housing in Winchester is a mix of upper story apartments on Main Street, a handful of large, subsidized apartment buildings, and single family homes that surround the core business district. Residential properties in and around the downtown vary considerably in their condition and price. They represent a small segment of the overall housing market in the City. Upper story residential in Downtown Winchester is challenged by vacancy and substandard housing units in some instances. Vacant units, especially those that are not maintained, are a detriment to housing values in the downtown.

In general, housing in downtown Winchester is differentiated by its more urban form. Other areas of the city and the county are more suburban and rural in character—and tend to have higher home values. Nonetheless, there are some units proximate to downtown that command high prices, indicating that the location has inherent value if buildings are in good or excellent condition. Downtown and urban living is becoming more and more popular and in demand especially by millennials forming new households and empty nesters looking to downsize. Downtown is an attractive location to live because it is so walkable and many of life's day to day needs can be met by businesses in the downtown. Many downtown buildings as well are suitable for live-work configurations for upper and lower floors.

Low rents in the district contribute to low property valuations. The high costs required for renovation of historic properties make investment by the private sector challenging. Recent investments in businesses and properties, such as the Cairn, Engine House, Opera House and Dirty South Pottery, have offered something new downtown. Supporting new business and real estate investments through public infrastructure development, access to existing government sources of funding (e.g. historic tax credits) and new local incentives may have the potential to spur additional private investment in redevelopment of downtown.

2. DOWNTOWN SITUATION / REGIONAL CONTEXT

Downtown Winchester is a center of retail trade, professional and personal services and government services in Clark County. Clark County is one of six counties in the Lexington-Fayette Metropolitan Statistical Area (MSA), which contained an estimated 472,000 people, according to the 2010 Census. Most of the regional population, an estimated 295,000 people or 63 percent of the regional population, is located in Lexington, consolidated with Fayette County. With an estimated population of approximately 36,000, Clark County accounts for 8 percent of the region's population. Winchester is located a short 15 to 20 minute drive from Lexington, depending on location and proximity to the highway between destinations.

Downtown is approximately 1.5 miles from the highway and one of the primary economic nodes in the city. The areas around Exit 94 and Exit 96 on Interstate 64 are other important economic nodes, with large scale developments and undeveloped areas on the north side of the interstate, including Amazon, a new large employer in the County, which draws employees from through the region.

Most of the Winchester urbanization is south of the highway. From the highway interchange to Boonesboro Road, Bypass Road contains more recent vintage and larger scale commercial developments than in the downtown. Bypass Road businesses capture the lion's share of retail sales in the city and county. Its occupancy rate is higher than in the downtown, and retail and commercial rents are reportedly higher than in the downtown. From Bypass Road into Downtown Winchester (Main / Maple), West Lexington Avenue also has low density, auto orientated commercial uses.

3. DOWNTOWN BUSINESS MIX

There are 121 businesses present in the ground floor storefronts in Downtown Winchester, as shown by data in **Table 1**. The most common type of business present in downtown is Retail Trade (26%), Other Services (15%) and Professional Services (15%).

Downtown Occupancy

Downtown occupancy is estimated at 85 percent, which is low and is indicative of poor economic conditions downtown. A healthy business district typically has occupancy over 95 percent. There are 21 vacant ground floor spaces in the downtown, with a vacancy rate of 15 percent.

Table 1
Distribution of (First Floor/Storefront) Downtown Businesses by Sector
Downtown Winchester Master Plan

Sector ^{1/}	Number	Percent to Total Businesses
Manufacturing	4	3.3%
Retail Trade	31	25.6%
Information	2	1.7%
Finance & Insurance	9	7.4%
Real Estate, Rental & Leasing	2	1.7%
Professional, Scientific & Tech Services	15	12.4%
Educational Services	2	1.7%
Health Care & Social Assistance	2	1.7%
Arts, Entertainment & Recreation	4	3.3%
Accommodation & Food Services	7	5.8%
Other Services (except Public Administration)	18	14.9%
Public Administration	4	3.3%
Uncategorized	21	17.4%
Total Businesses	121	100.0%
Vacant Units	21	
Total Businesses and Vacant Units	142	
<i>Occupied Units as a Percent of Total Units</i>	<i>85.2%</i>	
<i>Vacant Units as a Percent of Total Units</i>	<i>14.8%</i>	

^{1/} Categories are representative of 2-digit codes from North American Industrial Classification System (NAICS). Certain categories are not shown because are not present in the business inventory.

Source: Winchester First/City of Winchester, and ConsultEcon, Inc.

Retail and Other Consumer Oriented Businesses

The downtown's current retail inventory is composed primarily of small, local entrepreneurs, with a generally localized base of patronage. A relatively large number of antique, consignment, and specialty apparel/gift shops (many trading in used goods) tend to pre-dominate in the vicinity of Main and Broadway. Food and personal services businesses cater to the daytime market of workers in government and professional services centered on the courthouse. Operations such as Graham's, the Opera House events center, and selected antiques/used goods shops have a significantly wider regional draw, which brings in much needed non-local business. The lower/southern portion of Main Street has an aggregation of small operations catering to teens and young adults, and anchored by the Leeds Center for the Arts, which offers youth and adult arts education and live theater and music.

Data in **Table 2** show the composition of consumer oriented businesses including those in retail trade, accommodations and food services, arts, entertainment and recreation, and other services.

Table 2
Distribution of Businesses by Selected Consumer-Oriented Sectors
Downtown Winchester

Sector	Number	Percent to Consumer Oriented Businesses
<i>Retail Trade</i>		
Motor Vehicle and Parts Dealers	1	1.7%
Furniture and Home Furnishings Stores	0	0.0%
Electronics and Appliance Stores	0	0.0%
Building Material and Garden Equipment and Supplies Dealers	1	1.7%
Food and Beverage Stores	1	1.7%
Health and Personal Care Stores	1	1.7%
Gasoline Stations	4	6.8%
Clothing and Clothing Accessories Stores	1	1.7%
Sporting Goods, Hobby, Book, and Music Stores	5	8.5%
General Merchandise Stores	1	1.7%
Miscellaneous Store Retailers	16	27.1%
Nonstore Retailers	0	0.0%
Total Retail Trade	31	52.5%
<i>Accommodations and Food Services</i>		
Accommodation	0	0.0%
Restaurants/Drinking Places	6	10.2%
Total Accommodation and Food Services	6	10.2%
<i>Arts, Entertainment, and Recreation</i>		
Performing Arts, Spectator Sports, and Related Industries	2	3.4%
Museums, Historical Sites, and Similar Institutions	1	1.7%
Amusement, Gambling, and Recreation Industries	1	1.7%
Total Arts, Entertainment and Recreation	4	6.8%
<i>Other Services</i>		
Repair and Maintenance	4	6.8%
Personal and Laundry Services	11	18.6%
Religious, Grantmaking, Civic, Professional, and Similar Organizations	3	5.1%
Subtotal Other Services	18	30.5%
Total Businesses in Consumer-Oriented Sectors	59	100%
Other Businesses	62	
Total Businesses in All Sectors	121	
<i>Percent of Consumer-Oriented Businesses</i>	<i>48.8%</i>	

NOTE: Does not include Finance, Insurance and Real Estate.

Source: Salamanca Area Chamber of Commerce, City of Salamanca, and ConsultEcon, Inc.

Assessment of Downtown Business Mix

Downtown's dominant cluster is in government and legal services. Winchester City Hall and Clark County judicial and detention facilities comprise a civic complex in the center of downtown. Downtown is a banking, insurance and real estate center as well. There are numerous financial institutions, insurance and real estate agencies, accountants and tax preparers. The employment they create is an important source of demand for storefront offices surrounding the courthouse and for food and personal services. These public facilities are likely an important factor in the newspaper and media presence in downtown Winchester as well.

Winchester downtown contains a grocery store and a hardware store, which is unique. Grocery stores and hardware stores have been closed in many historic downtowns due to the growth of larger format stores and category killer, big box stores like Lowe's and Home Depot that have put many small town hardware and home improvement stores out of businesses. These types of businesses, as well as other conveniences businesses, such as banks, post office, laundry/dry cleaners and barbers/hair salons, contribute to the overall walkability and livability in downtown. Downtown Winchester is the only place in the county where a resident does not need a car to take care of their basic day to day needs.

The downtown has a cluster of used goods stores that feature antiques, used furniture, furnishing and clothing, coins and collectibles. Most of these stores offer goods at a low price point, although there is one antique store with merchandise at a higher price point. One strategy that leverages this cluster is to take advantage of consumer interest in "picking" and creating value added products.

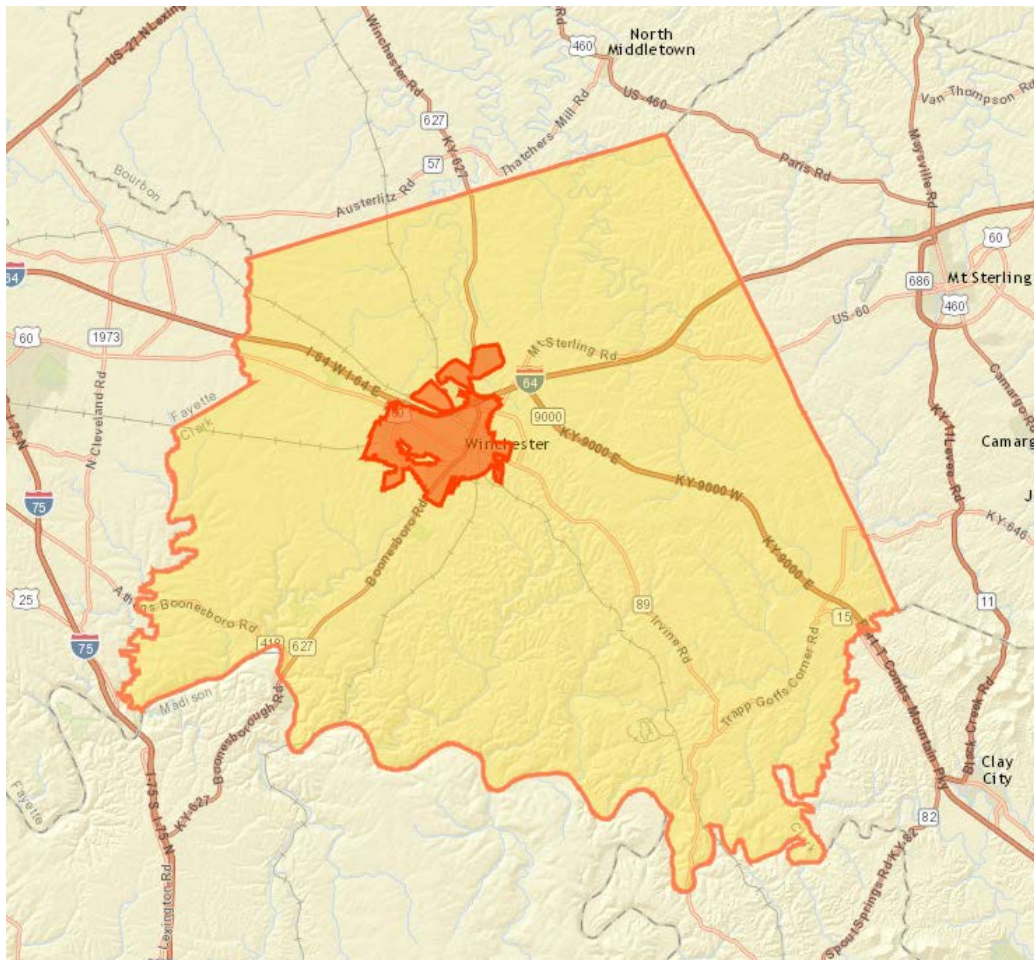
Restaurant and dining options are limited in downtown, with breakfast and lunch time dinners focusing on daytime traffic, and closing after close of business. These businesses cater to government and services center workers. Increasing nighttime dining and entertainment options can contribute new activity to downtown and create secondary opportunities for window shopping.

Destination businesses are not clustered and therefore they may have limited spillover benefits. Several businesses, such as Graham's Western Wear, Opera House, Bluegrass Heritage Museum, are destination businesses that draw from outside of the area, and off of the highway because of their unique goods and offerings. Additional spillover impact may be induced with the addition of retailers in the same category that offer goods for comparison shopping or linked goods and services that promote destination shopping.

4. MARKET AREA DEFINITION

The Market Area for the downtown is defined as the whole of Clark County. This overall Market Area is segmented into Primary and Secondary Market Areas. The Primary Market Area is defined as the City of Winchester and the Secondary Market Area is defined as the remainder of Clark County. Data in **Figure 1** show a map of the Market Area. Primary Market Area residents are likely to frequent stores within Downtown on a regular basis for convenience goods and services, such as going to the grocery store, bank, or post office. Residents in the Secondary Market Area are likely to visit the stores in Downtown on a regular basis, though perhaps less frequently than the residents of the Primary Market Area.

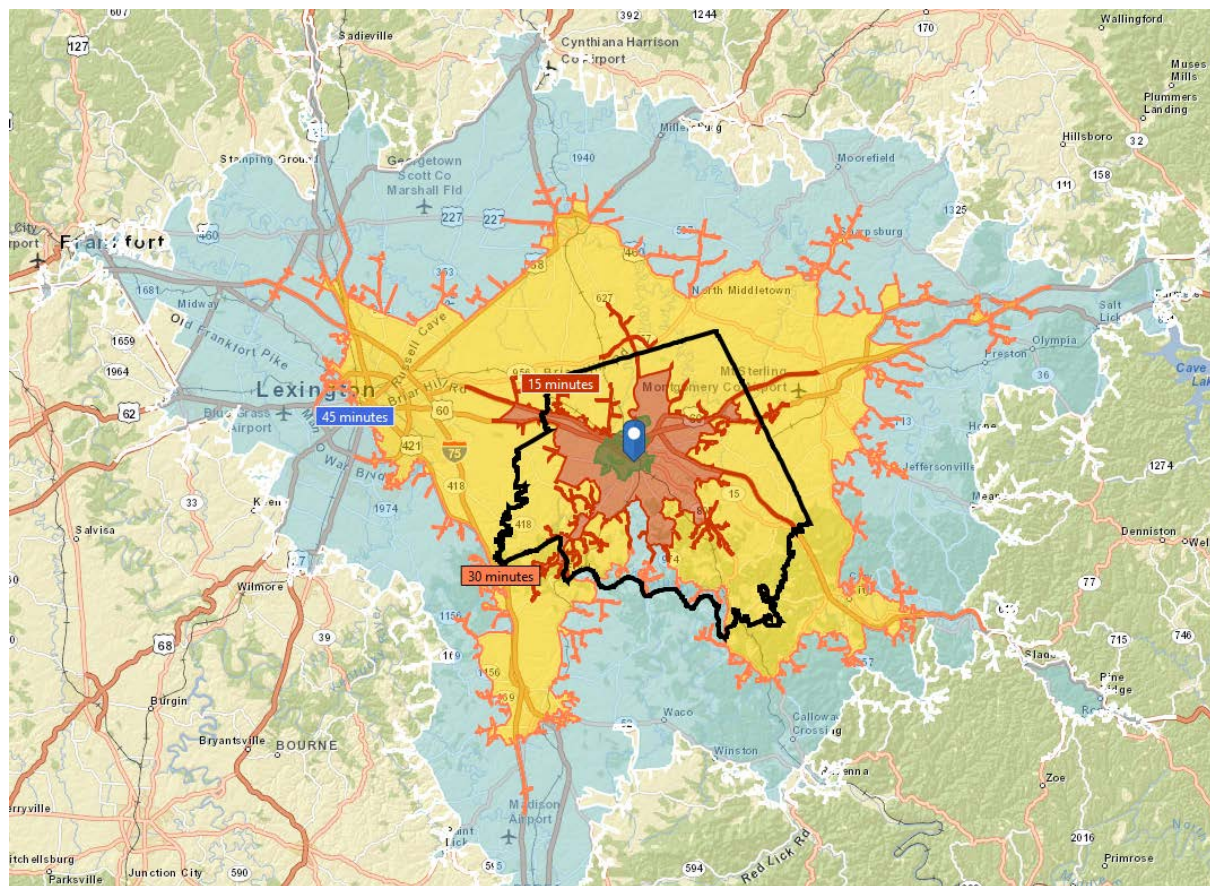
Figure 1
Market Area Map
Downtown Winchester Master Plan



Primary Market Area (City of Winchester)	
Secondary Market Area (Clark County)	

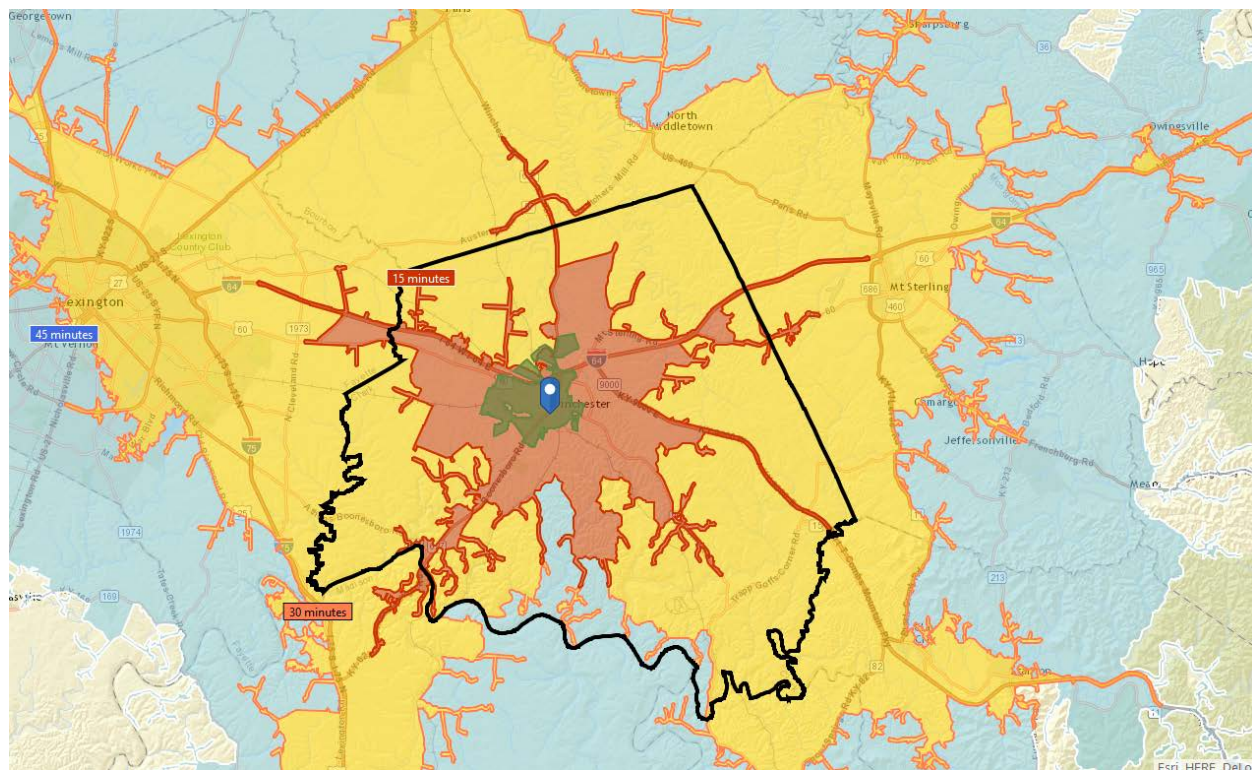
Source: ESRI and ConsultEcon, Inc.

Figure 2
Regional View: Map of Market Area
and 15-, 30- and 45-minute Drive Time Areas from Downtown
Downtown Winchester Master Plan



Source: ESRI and ConsultEcon, Inc.

Figure 3
County View: Map of Market Area
and 15-, 30- and 45-minute Drive Time Areas from Downtown
Downtown Winchester Master Plan



Source: ESRI and ConsultEcon, Inc.

5. RESIDENT MARKET

Population Trends

Data in **Table 3** show the population of the Market Area, Downtown Winchester and comparative areas, based on 2010 census data, the estimated population in 2015, and the projected population in 2020. Overall the Market Area population is stable, compared to a population growth statewide and in the U.S. as a whole.

Table 3
Population Trend in the Resident Market Area
Downtown Winchester Master Plan

	2010	2015	2020	Percent Change, 2015 to 2020
Primary Market Area	18,400	18,000	17,800	-1.1%
Secondary Market Area	17,200	17,300	17,300	0.0%
Total Resident Market Area	35,600	35,300	35,100	-0.6%
<i>Downtown Winchester</i>	<i>741</i>	<i>707</i>	<i>692</i>	<i>-2.1%</i>
<i>Kentucky</i>	<i>4,339,400</i>	<i>4,439,500</i>	<i>4,556,000</i>	<i>2.6%</i>
<i>United States</i>	<i>308,745,500</i>	<i>318,536,400</i>	<i>330,622,600</i>	<i>3.8%</i>

Source: U.S. Census Bureau, Census 2010 Data; Esri forecasts for 2015 and 2020; and ConsultEcon, Inc.

Note: Population numbers are rounded to nearest hundred.

Age Profile

Data in **Table 4** show the median age and distribution of the population across different age cohorts in the designated Market Area. In general the Resident Market Area has a higher proportion of population over the age of 35 compared to the State of Kentucky. This phenomenon is most present in the Secondary Market Area. The Primary Market Area age distribution is more similar to the state age distribution than that of the Secondary Market Area.

Table 4
Median Age and Percent of Population by Age Group
in the Resident Market Area, 2015
Downtown Winchester Master Plan

	Median Age	0 to 17	18 to 24	25 to 34	35 to 54	55 +
Primary Market Area	39.2	22.7%	8.9%	12.9%	26.2%	29.2%
Secondary Market Area	43.5	20.9%	7.4%	10.3%	29.4%	32.0%
Total Resident Market Area	41.3	21.8%	8.2%	11.7%	27.8%	30.6%
<i>Downtown Winchester</i>	<i>38.7</i>	<i>20.8%</i>	<i>10.6%</i>	<i>13.7%</i>	<i>26.4%</i>	<i>28.4%</i>
<i>Kentucky</i>	<i>39.0</i>	<i>22.6%</i>	<i>9.3%</i>	<i>13.1%</i>	<i>26.5%</i>	<i>28.6%</i>
<i>United States</i>	<i>37.9</i>	<i>23.0%</i>	<i>9.8%</i>	<i>13.6%</i>	<i>26.0%</i>	<i>27.6%</i>

Source: ESRI and ConsultEcon, Inc.

Households

Data in **Table 5** show the estimated number of households and family households in the Resident Market Area. The Primary Market Area has approximately 7,400 households. Of these, approximately 64.9 percent are family households, which is a lower proportion compared to that of the Secondary Market Area (75.0%). At 2.36 persons, the average household size in the Primary Market Area is smaller than 2.55 persons per household in the Secondary Market Area, which is higher due to the larger number of families.

Table 5
Resident Market Household Profile, 2015
Downtown Winchester Master Plan

	Estimated Number of Households	Estimated Number of Family Households	Percent of Families to Total Households	Average Household Size
Primary Market Area	7,400	4,800	64.9%	2.36
Secondary Market Area	6,800	5,100	75.0%	2.55
Total Resident Market Area	14,200	9,900	69.7%	2.45
<i>Downtown Winchester</i>	<i>351</i>	<i>196</i>	<i>55.8%</i>	<i>1.87</i>
<i>Kentucky</i>	<i>1,767,700</i>	<i>1,173,100</i>	<i>66.4%</i>	<i>2.44</i>
<i>United States</i>	<i>120,746,300</i>	<i>79,691,700</i>	<i>66.0%</i>	<i>2.57</i>

Source: ESRI and ConsultEcon, Inc.

Note: Population numbers are rounded to nearest hundred.

Household Income

Data in **Table 6** profile the income cohorts in the Resident Market Area. The median household income in the Primary Market Area is \$37,000. This is lower than the median income for the Secondary Market Area (\$56,000). Almost 36 percent of the population in the Primary Market Area earns less than \$25,000.

Table 6
Percent of Resident Market Area Households by Income Group, 2015
Downtown Winchester Master Plan

	Median Household Income	Less than \$25,000	\$25,000- \$49,999	\$50,000- \$74,999	\$75,000- \$99,999	\$100,000+
Primary Market Area	\$37,438	35.8%	28.1%	17.1%	9.3%	9.7%
Secondary Market Area	\$55,887	17.2%	23.8%	22.1%	13.6%	23.3%
Total Resident Market Area	\$46,490	26.9%	26.1%	19.5%	11.3%	16.2%
<i>Downtown Winchester</i>	<i>\$25,401</i>	<i>49.3%</i>	<i>29.1%</i>	<i>8.5%</i>	<i>6.6%</i>	<i>6.6%</i>
<i>Kentucky</i>	<i>\$43,267</i>	<i>29.8%</i>	<i>25.6%</i>	<i>17.8%</i>	<i>11.8%</i>	<i>15.0%</i>
<i>United States</i>	<i>\$53,217</i>	<i>23.1%</i>	<i>23.8%</i>	<i>17.6%</i>	<i>12.5%</i>	<i>23.1%</i>

Source: ESRI and ConsultEcon, Inc.

6. TOURIST MARKET

Downtown Winchester is one of a number of tourist attractions in Clark County. The region's tourism is centered on Lexington and there are a number of historic downtowns in the region. The area's hotels are adjacent to the highway geared toward pass through traffic on Interstate 64.

Tourism Impact in Clark County

Clark County's tourism economy is driven by the size and scale of the tourist economy in Lexington. In 2016, there was an estimated direct tourist spending of \$59.6 million in Clark County, an increase of \$2.4 million from 2015. Nearby Lexington had an estimated \$1.3 billion in direct tourist spending, the largest in the Bluegrass, Horses, Bourbon and Boone tourism region.

Hotel Rooms

Most of Winchester's rooms are located near highway interchanges—there are no accommodations in the downtown. There are an estimated 307 hotel rooms in Winchester, as shown by data in **Table 7**. The location of Winchester hotels are shown in **Figure 4** in relation to downtown.

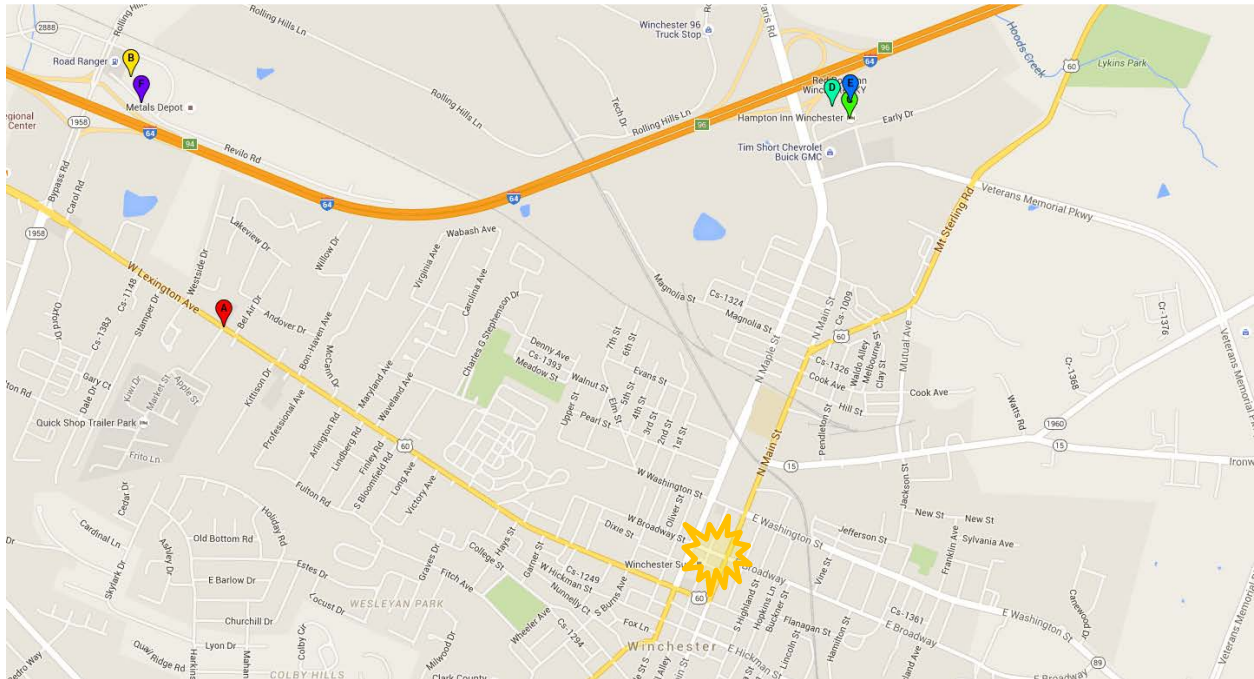
Table 7
Hotels in Winchester
Downtown Winchester Master Plan

	Hotel/Motel	Address	Number of Rooms
A	Best Western Country Squire Motel	1307 W. Lexington Ave., Winchester, KY 40391	46
B	Comfort Inn	5250 Revilo Road, Winchester, KY 40391	50
C	Hampton Inn	1025 Early Drive, Winchester, KY 40391	60
D	Quality Inn & Suites	960 Interstate Drive, Winchester, KY 40391	47
E	Red Roof Inn	1100 Interstate Drive, Winchester, KY 40391	64
F	Best Value Inn	5100 Revilo Rd., Winchester, KY 40391	40
	TOTAL ROOMS IN WINCHESTER		307

Note: not including B&B's

Source: tourwinchester.com, tripadvisor, Google maps, and ConsultEcon, Inc.

Figure 4
Map of Hotels in Winchester
Downtown Winchester Master Plan



Source: Google Maps and ConsultEcon, Inc.



Indicates the location of downtown.

Local Attractions and Events

Downtown Winchester is an important attraction in the county. Its historic architecture is distinctive and unique and remarkably well preserved. Downtown also contains several notable attractions and is home to community events that draw visitors from outside of Clark County. A map of area attractions appears in **Figure 5** and data in **Table 8** shows these local attractions and events.

- ◆ The **Leeds Center for the Arts** is a restored 365-seat theater and cultural center, showing live music, films, and various musical and drama performances. In 2014, theater had 55 events with 9,000 visitors and \$32,000 in ticket sales. Most of the audience is local, but the center is planning on diversifying its arts programming and leveraging partnerships with local schools.
- ◆ The **Bluegrass Heritage Museum** draws 3,000 visitors annually. Seventy-five percent of visitors are from out of county. Many of them are stopping at other regional historical attractions, such as Ft. Boonesborough, Civil War Fort at Boonesboro, Whitehall, and Henry Clay House and Mary Todd Lincoln House in Lexington. Many come to the museum from the Red River Gorge.
- ◆ Large events with venues in the downtown, the **Daniel Boone Pioneer Festival** and the **Beer Cheese Festival** reportedly draw 35,000 and 10,000 people, respectively.

Table 8
Selected Local and Regional Attractions and Events
Downtown Winchester Master Plan

Attraction/Event	Attendance	Pricing	Description
Red River Gorge Stanton, KY	2.2 million visits to national forest as a whole	Admission to Park & Trails is free – charge for boat ramps, camping, etc.	The Red River Gorge is part of the Daniel Boone National Forest (DBNF) which contains an estimated 500 miles of trails through rugged terrain made of sandstone cliffs and exposed limestone rock faces. Popular activities include hiking, camping, picnicking, hunting, fishing, boating, swimming, horseback riding, bicycling, rock climbing, spelunking, bird watching, photography, nature study, and more.
Fort Boonesborough State Park Richmond, KY	60,000	<u>Apr.-Oct.</u> Adults \$8.00 Child 6-12 \$5.00 <u>Winter-weekends only</u> Adults \$2.00 Child 6-12 \$1.00	Fort Boonesborough has been reconstructed as a working fort complete with cabins, blockhouses, and furnishings. First-person Daniel Boone interpretation along with 18th century life skills and period craft demonstrations are ongoing April through October.
Clark County Fair Winchester, KY	40,000	<u>Fair June 13-20</u> \$5.00/day \$10.00/day incl. rides (weekdays) Additional fees for contest participation <u>3-day event in Aug.</u> \$10.00/full event	The Clark County Fair and Horse Shows provides education, Social, culture, and economic opportunities to preserve and promote agriculture and tradition. Also location of Bluegrass & Acoustic Music Festival.
Daniel Boone Pioneer Festival Winchester, KY	35,000 (est.)	Event is free – fees are charged for participants in walk, run & vendors	Annual event known as the Daniel Boone Pioneer Festival featuring craftsmen and musicians, street dance, 5k run. Sponsored by Art Guild.
Ashland, the Henry Clay Estate Lexington, KY	12,402 (actual)	\$10 Adults \$9 AAA Members \$5 Students Children 5 and under free	Historic House: c.1806 estate of Henry Clay; c.1856 house of James Clay. (open seasonally; weekends only Dec.-Mar.; by appt. only Feb.)
Beer Cheese Festival	12,000	Wristband admission is \$5.00.	One-day event, where the main activity is eating “Beer Cheese”

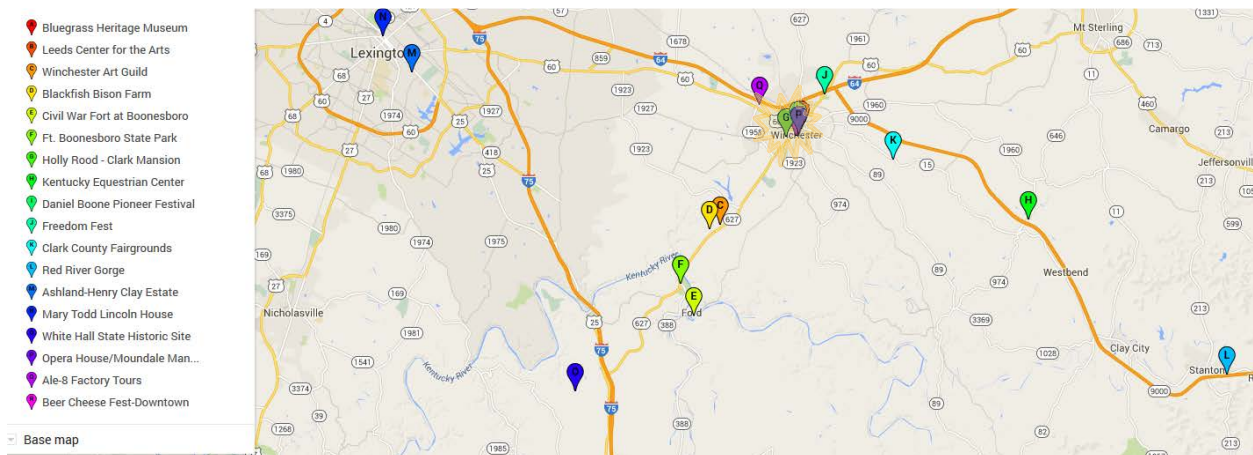
Winchester, KY			Festival goers can vote for “people’s choice” award. Event has live music and local arts & crafts.
Mary Todd Lincoln House Lexington, KY	11,000 (est.)	\$10 Adults \$5 Children 6-12 yrs Free Children ages 5 yrs and under	Historical & Preservation Society Museum: housed in 1803-1806 Inn occupied by Todd family from 1832-1849.
Freedom Fest Winchester, KY	10,000 plus	Free	Independence Day music and fireworks show with food vendors.
Leeds Center for the Arts Winchester, KY	9,000	Prices vary, depending on shows & programs	Restored 365-seat theater, serving as cultural center, and showing live music, films, and various musical and drama performances. In 2014, theater had 55 events with 9,000 visitors and \$32,000 in ticket sales.
Whitehall State Historic Site Richmond, KY	5,000 (est.)	Adults \$8.00 Senior, AAA, Military and Adult groups of 10 or more \$7.00 Children \$4.00 (6-12) 5 and under free	Historic House: 1798 Georgian style building, added to in 1861 in the Italianate style, with 44 rooms & eight levels. Home of Cassius M. Clay, Ambassador to Russia during the 1860's under Abraham Lincoln. (Open seasonally, Apr.-Oct.)
Bluegrass Heritage Museum Winchester, KY	3,000	Free	The museum collects, preserves and exhibits objects valuable to the history of Winchester, Clark County and the surrounding area known as the Bluegrass.
Ale-8 Factory Tours Winchester, KY	2,500	Free	Tours of bottling plant require reservations and are only available Thursday and Friday mornings.
Blackfish Bison Ranch Winchester, KY	NA	\$10.00/person (open seasonally)	Bison ranch conducts 1 ½ -2-hour participatory tours, with a focus on the historical and spiritual relationship which existed between buffalo and Native Americans.
Civil War Fort at Boonesboro Winchester, KY	NA	Free	The earthwork fortification was built by Union Soldiers to defend the ford and ferry at Boonesboro. A scenic trail provides a view of the Kentucky River. Self-guided tour. A moderately strenuous, wooded one-mile loop trail that provides panoramic views of the Kentucky River Valley.
Holly Rood – Clark Mansion Winchester, KY	NA	NA	Built in 1814 by James Clark, 13th Governor of Kentucky, the house follows the simple lines of Federal

			style architecture. Tours by appointment.
Kentucky Equestrian Center Winchester, KY	NA	\$10.00/day for trail riding Pricing varies for camping, events & site & stall rentals.	The Kentucky Equestrian Center is located in Clark County KY on 70 acres east of the town of Winchester. Includes seven barns, a concession area, rest room/shower facilities, and courtyards serving each group of barns, with 142 stalls.
Opera House & Moundale Manor Winchester, KY	NA	NA	Wedding and event venues. The Opera House is in the downtown and Moundale Manor is just outside of downtown.
Winchester Art Guild Winchester, KY	NA	Gallery is Free	Arts & Crafts display & sales by local artists.

NA = Not available

Source: tourwinchester.com (Winchester/Clark County tourism dept.), americantowns.com/ky/clark-county, facilities listed, ConsultEcon, Inc.

Figure 5
Local Attractions Map
Downtown Winchester Master Plan



Source: Google maps and ConsultEcon, Inc.



Indicates the location of downtown.

Opportunity for Regional Tourism

Downtown Winchester is a part of tourist itinerary in Clark County and the Lexington region, and getting it on more itineraries will be important to growing tourism downtown. Downtown and its attractions draw tourists that are traveling throughout the region and so they are familiar with Kentucky downtowns, their look and their feel. To the untrained eye, the region's downtowns may be architecturally indistinguishable and so downtowns are differentiated on their experience, quality and condition. Tourists therefore are potentially more impressed by downtowns that are active, vibrant and attractive places that feel safe, and that are free of trash, vacancy and perceived threat.

In downtown Winchester, visitor services and amenities are limited, except for several convenience services that are largely geared towards a local market. Downtown lacks overnight accommodations and many of the restaurants and stores close at night. Downtown's appearance and public safety perception can be improved, especially at night, with extended business hours. More food services, arts, crafts, and gift oriented retail would provide new spending opportunity and create amenities for downtown visitors. More visitor attractions can help to create additional market support for visitor oriented retail and food services.

Expanding existing downtown festivals and developing other regular and special events can draw multiple tourist market segments. Niche audiences of arts, heritage, cultural, and recreational tourists enjoy what downtown has to offer. Expanding existing connections and creating new connections between downtown attractions and other regional destinations offer an avenue to connecting to niche tourist audiences, such as heritage tourists and recreational travelers.

7. COMMERCIAL/RETAIL MARKET

The market for commercial/retail space in Downtown Winchester is shaped by consumer spending in the market area, as well as the demand for downtown space by local businesses.

Household Income and Consumer Spending

Consumer spending is a function of household income. Data in **Table 9** show total household income in the resident market area, based on total households and average household income. Data in Table 7 also show the total household expenditures on retail and restaurants. The location of this year round resident spending may be in downtown, the remainder of City of Winchester, elsewhere in Clark County or outside of Clark County.

Table 9
Total Household Income, 2015
Downtown Winchester Master Plan

	Total Households	Average Household Income	Total Household Income	Total Expenditures on Retail and Restaurants ^{1/}
Primary Market Area	7,400	\$48,700	\$360,380,000	\$199,197,887
Secondary Market Area	6,800	\$73,200	\$497,760,000	\$270,440,402
Total Resident Market Area	14,200	\$60,400	\$858,140,000	\$469,638,289
<i>Downtown Winchester</i>	<i>351</i>	<i>\$36,100</i>	<i>\$12,671,100</i>	

Note: Figures rounded to nearest 100, except for Downtown Winchester households.
spending of all resident households during the year.

Source: ESRI and ConsultEcon, Inc.

Household Spending on Retail and Restaurants

Data in **Table 10** show the total estimated expenditures in retail trade and restaurant sectors. Total resident spending in retail and restaurants was estimated to be \$468.9 million in the Market Area. The demand profile showed that approximately one quarter of retail and restaurant demand, or \$52.5 million, is due to households in the Primary Trade Area. The highest spending was in food stores, motor vehicle parts and dealers, and general merchandise stores.

Table 10
Restaurant and Retail Expenditures by Store Type
by Resident Market Area Households
Downtown Winchester Master Plan

NAICS Industry	Primary Trade Area	Secondary Trade Area	Total Trade Area	Percent to Total
Motor Vehicle & Parts Dealers	\$42,316,241	\$58,810,270	\$101,126,511	21.5%
General Merchandise Stores	\$39,726,742	\$53,376,605	\$93,103,347	19.8%
Food & Beverage Stores	\$33,428,256	\$44,180,713	\$77,608,969	16.5%
Food Services & Drinking Places	\$18,105,595	\$24,572,759	\$42,678,354	9.1%
Gasoline Stations	\$14,057,228	\$18,682,903	\$32,740,131	7.0%
Health & Personal Care Stores	\$11,505,146	\$15,887,804	\$27,392,950	5.8%
Bldg Materials, Garden Equip. & Supply Stores	\$8,180,509	\$11,931,786	\$20,112,295	4.3%
Miscellaneous Store Retailers	\$8,241,257	\$10,867,025	\$19,108,282	4.1%
Electronics & Appliance Stores	\$7,190,188	\$9,797,962	\$16,988,150	3.6%
Clothing & Clothing Accessories Stores	\$7,168,905	\$9,560,325	\$16,729,230	3.6%
Sporting Goods, Hobby, Book & Music Stores	\$4,668,741	\$6,364,763	\$11,033,504	2.3%
Furniture & Home Furnishings Stores	\$4,609,079	\$6,407,487	\$11,016,566	2.3%
Total	\$199,197,887	\$270,440,402	\$469,638,289	100.0%

Note: Consumer expenditures in restaurant and retail categories only. Does not include spending on nonstore (e.g. internet) retailers, transportation, lodging, entertainment and recreation, and personal services. The location of spending may be in Winchester, elsewhere in Clark County, or outside of the Resident Market Area.

Source: ESRI; Bureau of Labor Statistics; ConsultEcon, Inc.

Supply / Sales Gap

The sales gap, also known as the supply gap, is the difference between the total consumer expenditures in a market area and the total estimated retail sales of stores located in that market area. A positive sales gap or leakage indicates that consumers are spending their money in stores outside of the county. Data in **Table 11** and **Table 12** show the estimated sales gap in the Primary Market Area (City of Winchester) and in the total Resident Market Area (Clark County), respectively.

In the Primary Market Area, there is sales gap of:

- ◆ \$3.6 million in Electronics and Appliance Stores,
- ◆ \$2.7 million in Clothing and Clothing Accessories,
- ◆ \$1.6 million in Sporting Goods, Hobby, Book & Music Stores, and
- ◆ \$386,000 Furniture and Home Furnishings.

Table 11
Retail Trade and Food Services Supply Gap
in the Primary Market Area (City of Winchester)
Downtown Winchester Master Plan

NAICS Industry	Total Sales Potential / Demand ^{1/}	Estimated Sales / Supply ^{2/}	Leakage / (Surplus)
Motor Vehicle & Parts Dealers	\$42,316,241	\$104,276,180	(\$61,959,939)
General Merchandise Stores	39,726,742	94,386,276	(54,659,534)
Food & Beverage Stores	33,428,256	94,077,368	(60,649,112)
Food Services & Drinking Places	18,105,595	34,986,121	(16,880,526)
Gasoline Stations	14,057,228	50,174,423	(36,117,195)
Health & Personal Care Stores	11,505,146	15,069,168	(3,564,022)
Miscellaneous Store Retailers	8,241,257	10,660,721	(2,419,464)
Bldg Materials, Garden Equip. & Supply Stores	8,180,509	16,796,589	(8,616,080)
Electronics & Appliance Stores	7,190,188	3,582,385	3,607,803
Clothing & Clothing Accessories Stores	7,168,905	4,513,731	2,655,174
Sporting Goods, Hobby, Book & Music Stores	4,668,741	3,032,785	1,635,956
Furniture & Home Furnishings Stores	4,609,079	4,222,591	386,488
Total	\$199,197,887	\$435,778,338	(\$236,580,451)

1/ Consumer expenditures in restaurant and retail categories only. Does not include spending on nonstore (e.g. internet) retailers, transportation, lodging, entertainment and recreation, and personal services. The location of spending may be in Winchester, elsewhere in Clark County, or outside of the Resident Market Area.

2/ Retail Sales estimated for businesses located throughout the Primary Market Area (City of Winchester), including those located in downtown and outside of downtown.

Source: ESRI; Bureau of Labor Statistics; ConsultEcon, Inc.

In the total Resident Market Area, there is a sales gap of:

- ◆ \$13.0 million in Electronics and Appliance Stores,
- ◆ \$11.6 Clothing and Clothing Accessories,
- ◆ \$6.7 million in Furniture and Home Furnishings,
- ◆ \$4.2 million in Health & Personal Care Stores,
- ◆ \$1.7 million in Food Services and Drinking Places, and
- ◆ \$649,000 in Sporting Goods, Hobby, Book & Music Stores.

Table 12
Retail Trade and Food Services Supply Gap
in the Resident Market Area (Clark County)
Downtown Winchester Master Plan

NAICS Industry	Total Sales Potential / Demand ^{1/}	Estimated Sales / Supply ^{2/}	Leakage / (Surplus)
Motor Vehicle & Parts Dealers	\$101,126,511	\$109,584,417	(\$8,457,906)
General Merchandise Stores	93,103,347	128,679,001	(35,575,654)
Food & Beverage Stores	77,608,969	117,604,898	(39,995,929)
Food Services & Drinking Places	42,678,354	41,000,283	1,678,071
Gasoline Stations	32,740,131	63,409,944	(30,669,813)
Health & Personal Care Stores	27,392,950	23,121,183	4,271,767
Bldg Materials, Garden Equip. & Supply Stores	20,112,295	25,491,925	(5,379,630)
Miscellaneous Store Retailers	19,108,282	12,349,354	6,758,928
Electronics & Appliance Stores	16,988,150	3,969,766	13,018,384
Clothing & Clothing Accessories Stores	16,729,230	5,109,115	11,620,115
Sporting Goods, Hobby, Book & Music Stores	11,033,504	10,384,699	648,805
Furniture & Home Furnishings Stores	11,016,566	4,282,181	6,734,385
Total	\$469,638,289	\$544,986,766	(\$75,348,477)

1/ Consumer expenditures in restaurant and retail categories only. Does not include spending on nonstore (e.g. internet) retailers, transportation, lodging, entertainment and recreation, and personal services. The location of spending may be in Winchester, elsewhere in Clark County, or outside of the Resident Market Area.

2/ Retail Sales estimated for businesses located throughout the Resident Market Area (Clark County), including those located in downtown and outside of downtown.

Source: ESRI; Bureau of Labor Statistics; ConsultEcon, Inc.

Demand for Downtown Storefront Space

Low occupancy and low building values are indicative of low rents and low demand for storefront space. For commercial/retail spaces, rents reportedly range from \$450 to \$600. There are a number of businesses that own their own buildings.

Commercial Sales

There are a small number of recent sales in the downtown. In 2015 there were three commercial properties sold, for an average of \$143,000. ¹ Prices ranged from \$132,000 to \$156,780.

¹ Arm's length transactions only, not including transactions with \$0 or \$1 sales price.

8. HOUSING MARKET

CITY AND REGIONAL HOUSING MARKET

In 2013, there were 7,846 households in the city of Winchester and almost 14,500 in Clark County, as shown by data in **Table 13**. Sixty three percent of households were families, a lower proportion compared to Clark County households as a whole, but the same as households in the Lexington MSA as a whole. Fifty one percent of the households reside in owner occupied units, and 49 percent of households rent. The city has a lower proportion of owner occupied units and a higher proportion of renter occupied units than the County and the Lexington MSA as a whole.

Table 13
Population and Household Characteristics: Size, Families and Tenure,
2005-2009 Estimates and 2009-2013 Estimates
Downtown Winchester Master Plan

	Winchester		Average Annual Change,	Clark County		Average Annual Change,	Lexington MSA		Average Annual Change,
	2009	2013	2009-2013	2009	2013	2009-2013	2009	2013	2009-2013
Population	16,602	18,366	2.1%	35,481	35,608	0.1%	455,593	478,699	1.0%
Households	7,147	7,846	2.0%	14,673	14,498	-0.2%	183,778	191,204	0.8%
Average Household Size	2.32	2.34	0.2%	2.42	2.46	0.3%	2.48	2.50	0.2%
Household type									
Families	65.8%	63.4%	-0.8%	72.1%	70.8%	-0.4%	62.9%	63.1%	0.1%
Non-Families	34.2%	36.6%	1.5%	27.9%	29.2%	0.9%	37.1%	36.9%	-0.1%
Tenure									
Owner	48.0%	51.2%	1.3%	65.1%	64.8%	-0.1%	61.4%	59.6%	-0.6%
Renter	52.0%	48.8%	-1.2%	34.9%	35.2%	0.2%	38.6%	40.4%	0.9%

Source: U.S. Census, American Community Survey, 2005-2009 Estimates, 2009-2013 Estimates; ConsultEcon, Inc.

Unit Type

As shown by data in **Table 14**, most (95%) owner occupied units in the City of Winchester are single family homes, the same ratio as in Lexington MSA. Forty eight percent of renter occupied units are in buildings with between 2 and 9 units, 37 percent are in single family homes, 14 percent are in buildings with 10 or more units.

Vacancy Rate

Data in **Table 15** shows the distribution of owner occupied, renter occupied and vacant units. Between 2009 and 2013, the vacancy rate for owner occupied units decreased from 2.6 percent to 1.0 percent in the City of Winchester. Over the same period, the vacancy rate for renter occupied units decreased from 6.7 percent to 4.7 percent.

Table 14
Occupied Housing Units by Unit Type and Tenure, 2009-2013 Estimates
Downtown Winchester Master Plan

Unit Type	Winchester		Clark County		Lexington MSA	
	Number of Units	% of Total	Number of Units	% of Total	Number of Units	% of Total
<i>Owner-Occupied</i>						
1, detached	3,532	87.9%	8,223	87.5%	104,274	91.5%
1, attached	268	6.7%	333	3.5%	3,978	3.5%
2	52	1.3%	52	0.6%	559	0.5%
3 or 4	11	0.3%	11	0.1%	402	0.4%
5 to 9	15	0.4%	15	0.2%	353	0.3%
10 to 19	0	0.0%	0	0.0%	327	0.3%
20 to 49	0	0.0%	0	0.0%	183	0.2%
50 or more	0	0.0%	0	0.0%	389	
Mobile home	138	3.4%	764	8.1%	3,468	3.0%
Boat, RV, van, etc.	0	0.0%	0	0.0%	26	0.0%
Total Owner-Occupied Units	4,016	100.0%	9,398	100.0%	113,959	100.0%
<i>Renter-Occupied</i>						
1, detached	1,030	26.9%	1,739	34.1%	23,370	30.3%
1, attached	385	10.1%	461	9.0%	4,861	6.3%
2	862	22.5%	904	17.7%	8,298	10.7%
3 or 4	395	10.3%	414	8.1%	7,333	9.5%
5 to 9	576	15.0%	576	11.3%	10,062	13.0%
10 to 19	284	7.4%	303	5.9%	9,891	12.8%
20 to 49	149	3.9%	149	2.9%	6,099	7.9%
50 or more	86	2.2%	86	1.7%	5,429	
Mobile home	63	1.6%	468	9.2%	1,902	2.5%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%
Total Renter Occupied Units	3,830	100.0%	5,100	100.0%	77,245	100.0%
Total Occupied Units	7,846		14,498		191,204	

Source: U.S. Census, American Community Survey 2009-2013 Estimates; ConsultEcon, Inc.

Table 15
Housing Unit Occupancy and Vacancy Rates, 2010-2013
Downtown Winchester Master Plan

Tenure	Winchester			Clark County			Lexington MSA					
	2009	2013		2009	2013		2009	2013				
	Number of Units % of Total	Number of Units % of Total	Number of Units % of Total	Number of Units % of Total	Number of Units % of Total	Number of Units % of Total	Number of Units % of Total	Number of Units % of Total				
Owner-Occupied Housing Units	3,785	44.5%	4,016	46.8%	9,480	60.6%	9,398	59.9%	113,937	55.5%	113,959	54.2%
Renter-Occupied Housing Units	3,906	45.9%	3,830	44.7%	5,055	32.3%	5,100	32.5%	74,372	36.2%	77,245	36.7%
Vacant Housing Units	814	9.6%	728	8.5%	1,118	7.1%	1,195	7.6%	17,008	8.3%	19,194	9.1%
Total	8,505	100.0%	8,574	100.0%	15,653	100.0%	15,693	100.0%	205,317	100.0%	210,398	100.0%
Homeowner Vacancy Rate ^{1/}	2.6%		1.0%		1.5%		0.9%		2.0%		2.1%	
Rental Vacancy Rate ^{2/}	6.7%		4.7%		5.7%		4.0%		6.7%		5.5%	

1/ The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale." It is computed by dividing the total number of vacant units "for sale only" by the sum of owner-occupied units, vacant units that are "for sale only," and vacant units that have been sold but not yet occupied; and then multiplying by 100.

2/ The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the total number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied; and then multiplying by 100.

Source: U.S. Census, American Community Survey, 2005-2009 Estimates, 2009-2013 Estimates; ConsultEcon, Inc.

Contract Rents

As shown by data in **Table 16**, the median contract rent is \$530 per month in the City of Winchester, \$538 in Clark County and \$605 in the Lexington MSA. Forty five percent of the renter occupied units are rented for between \$500 and \$750, 26 percent are rented for between \$250 and \$500. Less than 1 percent of the units rent for more than \$1,000 per month.

Rent Burden

The City of Winchester is an affordable place to live. Nonetheless, about 40 percent of the renting households are considered rent burdened, paying more than 30 percent of their household income on rent. This ratio is the same as that of Clark County and the Lexington MSA as a whole, as shown by data in **Table 17**.

Table 16
Contract Rent, 2009-2013 Estimates
Downtown Winchester Master Plan

Contract Rent	Winchester		Clark County		Lexington MSA	
	Renting Households	% of Total	Renting Households	% of Total	Renting Households	% of Total
Less than \$250	512	13.4%	565	11.1%	5,393	7.0%
\$250 to \$499	1,003	26.2%	1,324	26.0%	15,928	20.6%
\$500 to \$749	1,711	44.7%	2,258	44.3%	30,863	40.0%
\$750 to \$999	363	9.5%	529	10.4%	12,611	16.3%
\$1,000 to \$1,249	13	0.3%	121	2.4%	3,926	5.1%
\$1,250 to \$1,499	21	0.5%	21	0.4%	1,070	1.4%
\$1,500 to \$1,999	0	0.0%	0	0.0%	1,322	1.7%
\$2,000 or more	0	0.0%	0	0.0%	1,040	1.3%
<i>No Cash Rent</i>	207	5.4%	282	5.5%	5,092	6.6%
Total	3,830	100.0%	5,100	100.0%	77,245	100.0%
Median Contract Rent	\$530		\$538		\$605	

Note: N/A = Not Applicable

Source: U.S. Census, American Community Survey, 2009-2013 Estimates; ConsultEcon, Inc.

Table 17
Gross Rent as a Percentage of Household Income in Past 12 Months
(Renter-Occupied Units Only)
Downtown Winchester Master Plan

Percent of Income	Winchester		Clark County		Lexington MSA	
	Renting Households	% of Total	Renting Households	% of Total	Renting Households	% of Total
Less than 10 percent	67	1.7%	145	2.8%	2,625	3.4%
10 to 14 percent	385	10.1%	565	11.1%	6,522	8.4%
15 to 19 percent	462	12.1%	570	11.2%	9,143	11.8%
20 to 24 percent	470	12.3%	641	12.6%	9,452	12.2%
25 to 29 percent	434	11.3%	510	10.0%	8,011	10.4%
30 to 34 percent	413	10.8%	506	9.9%	5,445	7.0%
35 to 39 percent	222	5.8%	298	5.8%	4,481	5.8%
40 to 49 percent	367	9.6%	573	11.2%	6,022	7.8%
50 percent or more	704	18.4%	911	17.9%	18,713	24.2%
Not computed	306	8.0%	381	7.5%	6,831	8.8%
Total	3,830	100.0%	5,100	100.0%	77,245	100.0%

Source: U.S. Census Bureau, 2008-2012 American Community Survey; and ConsultEcon, Inc.

DOWNTOWN HOUSING MARKET

Downtown housing in Winchester is a mix of upper story apartments on Main Street, a handful of large, subsidized apartment buildings, and single family homes that surround the core business district. Residential properties in and around the downtown vary considerably in their condition and price. They represent a small segment of the overall housing market in the City.

Housing Prices and Rents

In 2015, the average sales price of the 9 residential properties sold in the downtown area was \$65,000.² Prices ranged from \$6,000 to \$179,500, with a median of \$46,000. Asking prices range from \$25,000 to \$400,000, reflecting a wide range of available housing in Winchester. Approximately 75 percent of available homes for sale are less than \$150,000. Two bedroom apartments reportedly rent for \$600 on average in downtown.

Downtown Apartment Buildings

Large housing complexes include:

- ◆ Phoenix Housing Apartments – 21 rent assisted units for seniors at 50 Main Street.
- ◆ Brown Proctor Apartments – 49 one bedroom and studio units at 108 S Main St,
- ◆ Beverly P While Towers – 90 rent-assisted units at 4 N Maple St

² Arm's length transactions only, not including transactions with \$0 or \$1 sales price.

Downtown Vacancy

Upper story residential in Downtown Winchester is challenged by vacancy and substandard housing in some instances. Vacant units, especially those that are not maintained, are a detriment to housing values in the downtown.

Market Orientation

In general, housing in downtown Winchester is differentiated by its more urban form. Other areas of the city and the county are more suburban and rural in character—and tend to have higher home values. Nonetheless, there are some units proximate to downtown that command high prices, indicating that the location has inherent value if buildings are in good or excellent condition. Downtown and urban living is becoming more and more popular and in demand especially by millennials forming new households and empty nesters looking to downsize. Downtown is an attractive location to live because it is so walkable and many of life's day to day needs can be met by businesses in the downtown.