

Downtown Bozeman Business Profile

A compilation of economic and business demographic data for Bozeman Montana's downtown commercial district.

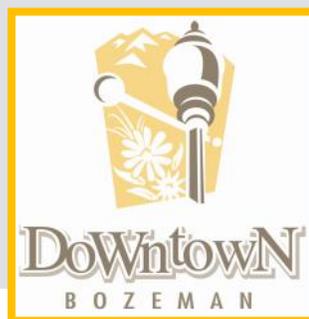


Table of Contents

Introduction.....	page 3
Downtown Map.....	page 3
Business Snapshot.....	page 4
Organizational Management.....	page 5
Developments & Investments.....	page 6
Comprehensive Planning.....	page 7
Business Profile.....	page 8 - 12

Acknowledgements

The on-line business survey used to collect the data for this report was developed by Rob Gilmore, Director of the Northern Rocky Mountain Economic Development District.

The survey data and supporting information was compiled by Chris Naumann, Executive Director of the Downtown Bozeman Partnership.

Contact

For more information about this report or anything pertaining to downtown Bozeman, please contact:

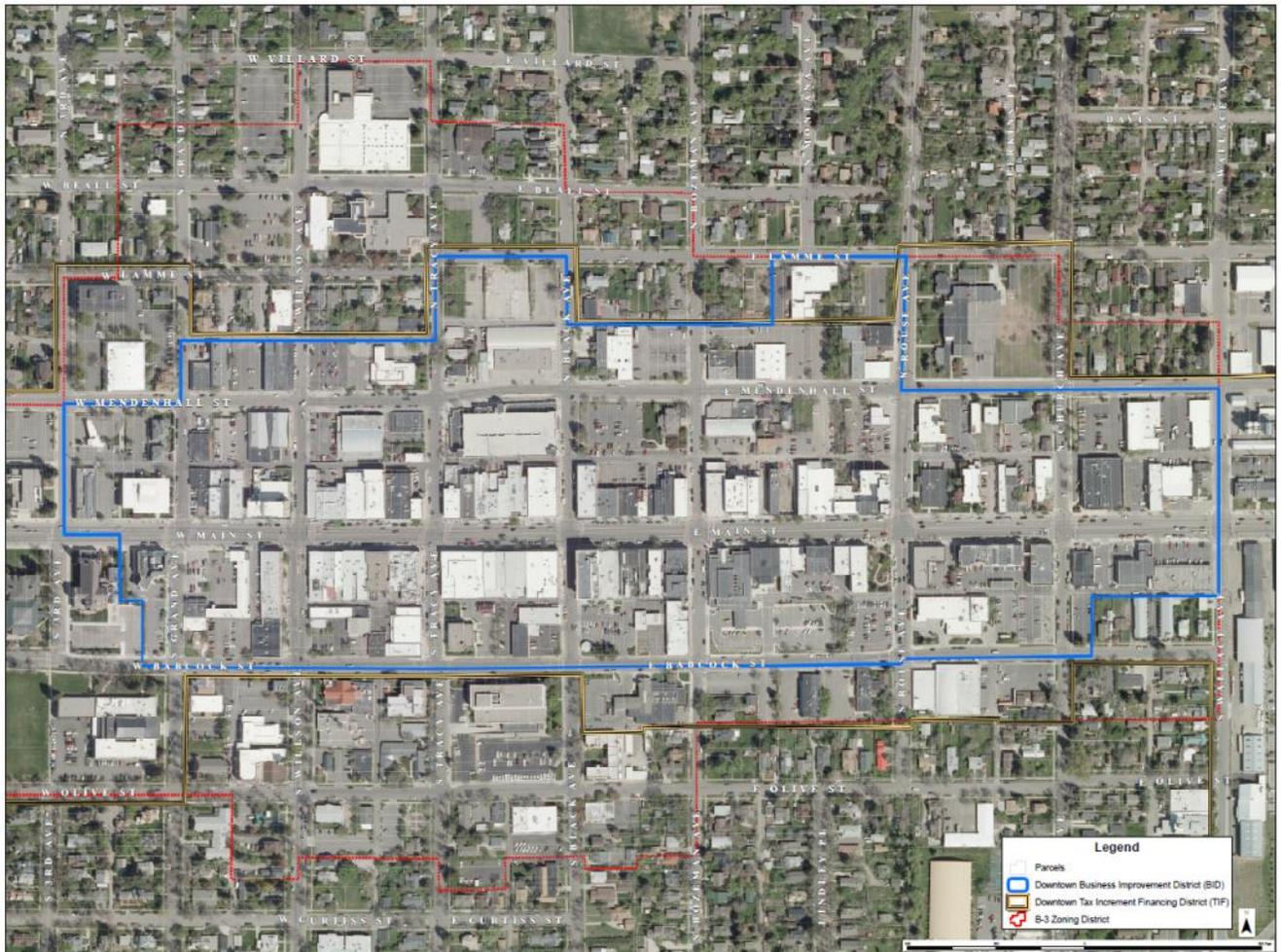
Chris Naumann
Downtown Bozeman Partnership
222 East Main Street, Suite 302
Bozeman MT 59715
406-586-4008
chris@downtownbozeman.org
www.downtownbozeman.org

Introduction

This business profile utilizes data collected by surveying the businesses located within Bozeman, Montana's downtown commercial district.

In the near future, this business profile will be combined with a property profile documenting business types and land uses to form the Downtown Economic Profile. This more comprehensive report will empower our community to retain, expand and attract business; promote and facilitate strategic economic development; and further establish Downtown Bozeman as a regional social, cultural and economic center.

Downtown Map



Over 50% of downtown businesses have been in business over 10 years.



Nearly 75% of downtown businesses have recovered from the 2008 recession.

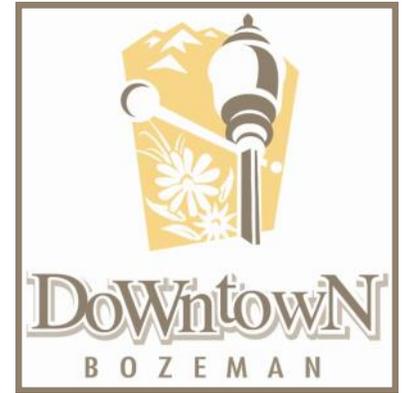
2,500 to 3,000 employees work downtown.



Over 80% of downtown businesses anticipate annual gross revenues to increase this year.

Downtown Organizational Management

The **Downtown Bozeman Partnership** is a member managed limited liability corporation. The member organizations established the Partnership as an incorporated management agency. The Downtown Bozeman Partnership provides combined operational support in the form of offices and employees for the three member organizations.



The downtown **Bozeman Business Improvement District (BID)** is an organization of downtown property owners who have a goal of ensuring the long-term preservation and vitality of the city's underlying economic, cultural, social and environmental assets. The BID works to keep our downtown a safe, beautiful and vibrant place with programs including: trash and recycling collection; graffiti removal; flower basket and holiday decoration installation.

The purpose of the **Downtown Bozeman Association (DBA)** is to promote downtown Bozeman as a center of business, culture and entertainment; to conduct and promote activities and events that build a strong local economy; and to contribute to the well-being, growth and vitality of downtown Bozeman. Annual DBA special events include: the Christmas Stroll, the Bridal Walk, Crazy Days, the Art Walk series, Music on Main, and the Cruisin' on Main car show.

The **Downtown Tax Increment Fund (TIF)** fosters an economically thriving district that 1) attracts private investment; 2) stabilizes and strengthens the tax base; and 3) supports the vitality and diversity of the Gallatin Valley as its economic, social and cultural center. The TIF invests in public infrastructure projects; comprehensive planning processes; and private development incentive programs.

Private Developments

Over the past decade downtown has seen approximately \$50 millions dollars of private development contribute to the vitality of Bozeman's historic core.

Such developments include:

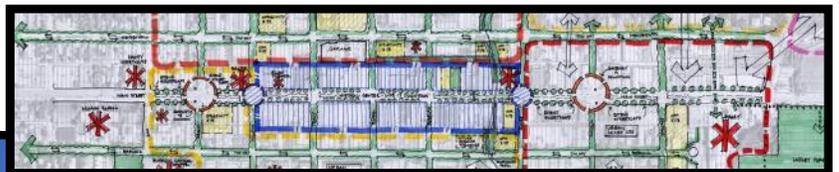
New Construction: 777 Building, Block M, Dunbar Building, Element Hotel, F&H Building, First Interstate Bank, Jacobs Crossing.

Substantial Remodels: Gallatin Building, The Golden Rule, Imperial Inn, Story Block (new Schnees building).



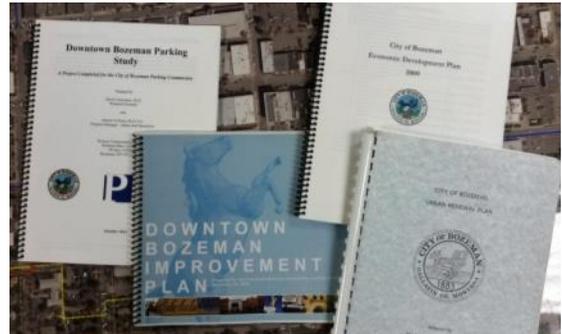
Public Investments

Since 2000 over \$30 million in public infrastructure improvements have been made downtown. These project include: 435-space Bridger Park Garage; new LEED certified Public Library; pedestrian-friendly streetscapes; comprehensive "overlay" of Main Street; significant water, sewer and gas line upgrades.



Comprehensive Planning

Downtown Bozeman and the entire community benefits from a variety of interrelated planning documents that guide growth while ensuring a high quality of life.



The **Bozeman Community Plan** was most recently updated in 2007 providing a master plan and defining the municipal growth policy.

In 2009 the City adopted the **Bozeman Economic Development Plan**. This plan provides Bozeman with a vision to address the community's most pressing economic development needs and to come together behind a strategy for progressive and sustainable change.

Bozeman has a downtown-specific “**B3**” **zoning code** that allows a wide-variety of land uses and development in a more dense, urban form including taller building heights; no building set backs; lower on-site parking requirements; and a mix of residential and commercial uses.

The **Downtown Urban Renewal Plan** was adopted in 1995 with the goal of an economically thriving downtown that attracts public and private investment; stabilizes and strengthens the tax base; and supports the vitality and diversity of the entire community as its economic, social and cultural center.

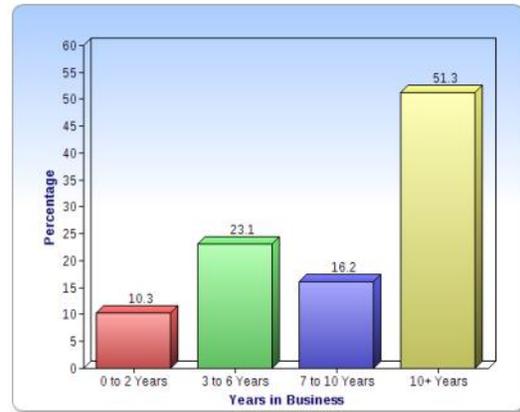
Bozeman's central commercial district has benefited from two **Downtown Improvement Plans**, the first in 1998 and the most recent in 2009. These plans have guided the development of downtown by restructuring codes, policies and operation procedures; outlining specific physical improvements; and establishing programs to assist private property owners with development projects.

The Bozeman Parking Commission and the Downtown Bozeman Partnership have collaborated on a series of **Downtown Parking Studies** in 2010, 2012 and 2014. These studies have inventoried the public and private parking assets; documented the usage of these assets; and established trends in use.

Over 50% of businesses have been in business at least 10 years.

Years in Business Downtown

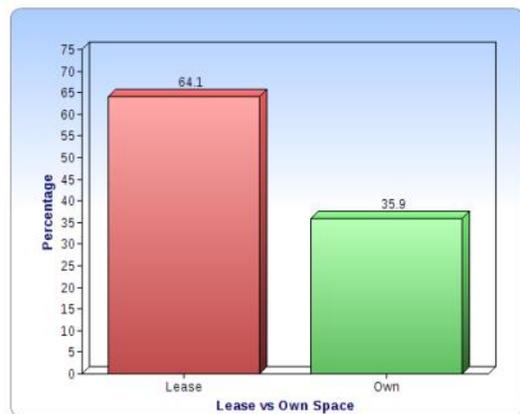
0 to 2 years	10.3%
3 to 6 years	23.1%
7 to 10 year	16.2%
10+ years	51.3%



The majority of downtown businesses lease their space.

Lease vs Own Space

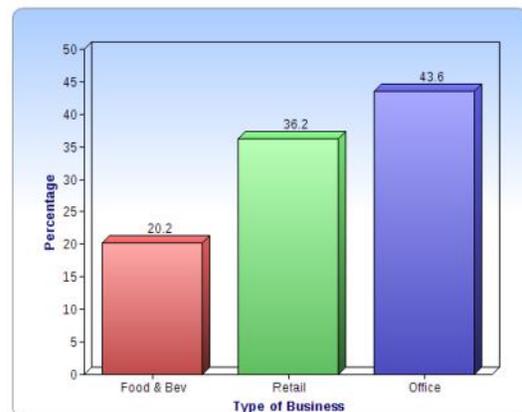
Lease	64.1%
Own	35.9%



Downtown Bozeman has a balanced mix of business types.

Type of Business

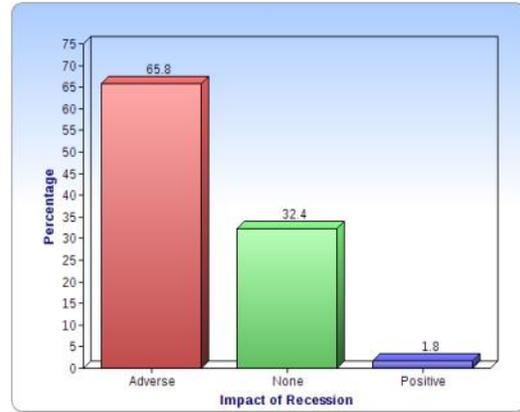
Food & Bev	20.2%
Retail	36.2%
Office	43.6%



The majority of downtown businesses were adversely impacted by the 2008 recession.

Impact of Recession

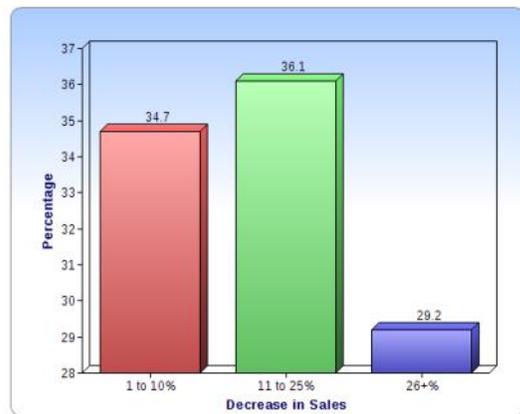
Adverse impact	65.8%
No impact	32.4%
Positive impact	1.8%



Adverse impacts of 2008 recession ranged greatly for downtown businesses.

Decreased Sales

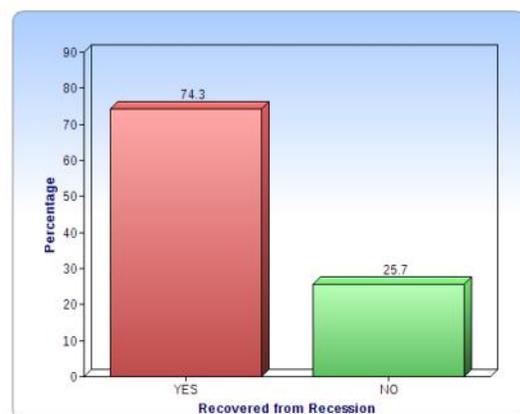
Down 1 to 10%	34.7%
Down 11 to 25%	36.1%
Down 26+%	29.2%



The majority of downtown businesses have recovered from the 2008 recession.

Recovered from Recession

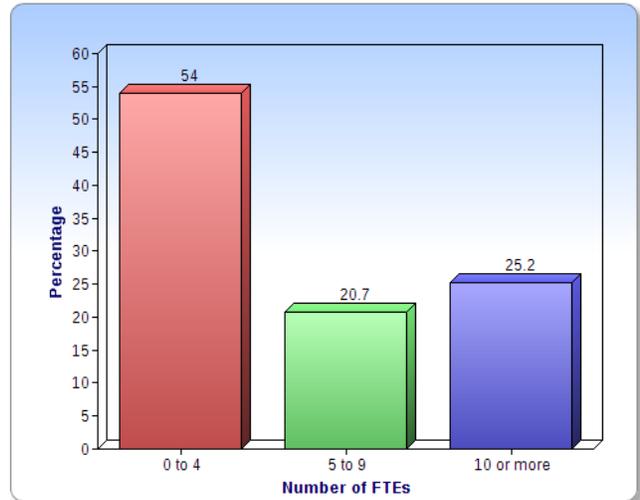
Yes	74.3%
No	25.7%



Over half of downtown businesses have less than 5 full-time employees (FTEs).

Number of FTEs

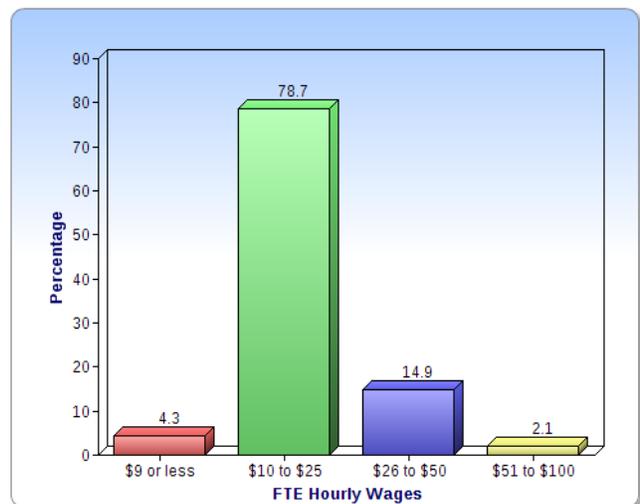
0 to 4	54.0%
5 to 9	20.7%
10 or more	25.2%



The vast majority of downtown FTEs make between the equivalent of \$10 and \$25 per hour.

FTE Hourly Compensation

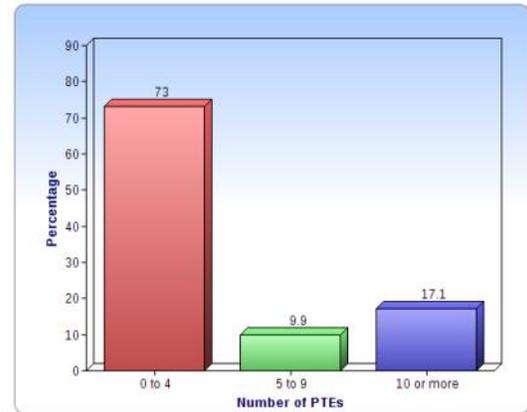
\$9 or less	4.3%
\$10 to \$25	78.7%
\$26 to \$50	14.9%
\$51 to \$100	2.1%



The vast majority of downtown businesses have less than 5 part-time employees (PTEs).

Number of PTEs

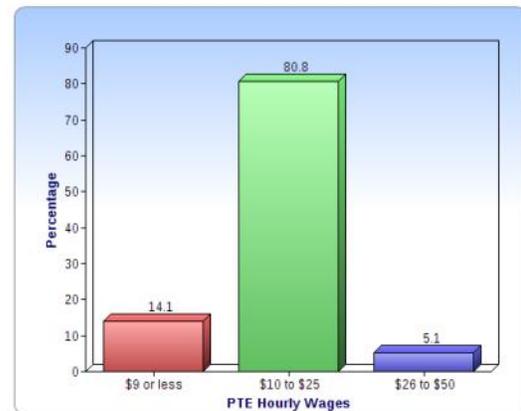
0 to 4	73.0%
5 to 9	9.9%
10 or more	17.1%



The vast majority of downtown PTEs make between the equivalent of \$10 and \$25 per hour.

PTE Hourly Compensation

\$9 or less	14.1%
\$10 to \$25	80.8%
\$26 to \$50	5.1%



Between 2,500 and 3,000 employees work downtown.

Downtown Employees

Type	Survey	Estimate
Full-time	588	1764
Part-time	336	1008
TOTALS	924	2772

To calculate the approximate number of employees it was assumed that the 117 completed surveys represent 1/3 of all downtown businesses.

Therefore the survey's employee numbers were tripled to estimate the total number of downtown employees.

The majority of downtown businesses have annual gross revenues of less than \$500,000.

Annual Gross Revenues

\$250k or less	30.6%
\$250k to \$500k	28.6%
\$500k to \$1m	19.4%
\$1m to \$5m	16.3%
Over \$5m	5.1%



Over 80% of downtown businesses anticipate annual gross revenues to increase this year.

Change in Annual Revenues

Decrease	5.0%
Stay the same	13.0%
Increase 1-10%	46.0%
Increase 11-25%	26.0%
Increase 25+%	10.0%

