

Thursday, Jan. 14, 2010

## Consultant: Downtown needs hotel, office space

BY RICK PLUMLEE  
The Wichita Eagle

Housing isn't the only market not being met by Wichita's downtown.

Hotel rooms and office space also are in short supply, say consultants helping the city develop a revitalization master plan for downtown.

Consultant Sarah Woodworth found 73 percent of Wichita's hotel market share comes from those visiting downtown for business or convention reasons, but downtown hotels have only 12 percent of the total rooms in the city.

The news on office space doesn't come as a surprise to some, considering the last office building to go up downtown was in 1987.

More than 300 people turned out to hear Goody Clancy, a Boston-based consulting firm, present its initial findings Wednesday evening at the Wichita Scottish Rite Masonic Center. Local panelists also commented on the consultants' observations and information.

The broad view of the plan is to develop a collection of mixed-use neighborhoods for housing, office space, retail and hotel.

The information on hotel rooms comes two days after the Wichita City Council decided to postpone action for three weeks on a letter of intent to help fund a Marriott Hotel at WaterWalk, which would be downtown at Main and Dewey. Plans for that hotel call for 130 rooms.

Downtown's existing six hotels provide about 1,000 rooms.

Woodworth said her findings were still in the observation stage, so she wasn't prepared to say how many more hotel rooms the downtown market needed.

But she did provide an overview of the market that strongly hinted at the needs.

The most compelling fact was the vast difference between business-related visitors downtown and downtown's small slice of the city's hotel rooms, she said.

Woodworth said she first thought that maybe downtown hotels were doing poorly, but she found that the four downtown hotels north of Kellogg have an occupancy rate of almost 70 percent.

"The rule of thumb is that when you hit 65 percent," Woodworth said, "you're probably ready for new rooms.

"Our preliminary observation is there's a market for additional hotel rooms downtown."

Woodworth also had some observations on office space downtown.

Given downtown hasn't seen a new office building in nearly a quarter of a century, Wichita is short on Class A — or high-end, state-of-the-art technologically — office space. There's only a 5 percent vacancy for such space.

"If larger firms want to come to downtown," Woodworth said, "we can't provide a product."

Such little high-end office space means downtown also runs the risk of losing existing tenants because they can't expand to incorporate the latest in technology.

Woodworth said projected job growth in Sedgwick County shows that office-based industries are expected to jump from about 45,000 jobs in 2010 to 52,000 by 2020.

Two panelists, commercial Realtors Patrick Ahearn and Marlin Penner, said parking is a significant factor in attracting and keeping tenants.

Woodworth agreed, but said it was important to think about parking strategically.

"The challenge is how to have it as a shared usage," she said. "It should be handled on a building-by-building basis.

"Otherwise, we'll create a suburban product in an urban setting."

Valerie Reimers, a panelist and owner of LuCinda's in Old Town, appreciated that consultant Michael Berne said it was important to build upon the existing unique shops.

"I hope we keep downtown unique and not mass market," she said.

Consultant Laurie Volk said she found the downtown market could support 1,000 new households over the next five to seven years.

That translates to about 1,500 residents. That would double to about 3,000 people over that timeframe.

"We recommend that you build on what you already have here in Old Town," she said. "If not for the recession, you could likely do more."

About 50 percent of the households projected to want to live downtown would also want to rent.

"Rentals are the key to getting downtown going," Volk said.

Volk said the market would handle lofts or apartments selling from \$150,000 to \$400,000. The rent range would be \$400 to \$2,100.

Because most of those wanting to live downtown are 35 or younger and most of the households would have one or two people, small units would be in highest demand.

"People will live in a small unit in an urban environment because they're not relying on their apartment to provide everything," Volk said. "The downtown concept is outside your living room."

"We're competing for employees with Kansas City, Oklahoma City, Denver," said Sam Williams, a panelist and managing partner for the advertising firm Sullivan, Higdon and Sink. "They can get a much better living experience downtown there than they can here."

"Right now, we're still in the mode of selling Wichita rather than them coming to us."

The next public step is a meeting Feb. 25 at the Scottish Rite auditorium, when urban researcher Jim Cloar will talk about taking a master plan from a vision to reality. Goody Clancy will present more of its research during a workshop session Feb. 27 at the Wichita Art Museum.

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