



2014 Urbana Business Survey Report



Presented by the City of Urbana Economic Development Division
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Introduction

The Economic Development Division, in an effort to better understand the dynamics of the Business Community in Urbana, has completed its 2014 Urbana Business Survey. This assessment derives detailed quantitative and qualitative based information from the Urbana Business Community across many business districts. The survey covers information related to economic stability, duration of continuous operation, quantity of part/full time employment, participation in job creation, operating budget, facility ownership, and satisfaction with community and city services.

The 2014 Survey builds upon previous surveys conducted in 2002 and 2009, and represents valuable data trends within the community, allowing the Economic Development Division to evaluate the continuing business climate. Data collected from this survey is analyzed for trends in perception and in real indicators of our economic market, and compared to data collected from previous surveys.

Methods

In the development of this survey, questions were devised to match similarly with those posed in previous surveys, and to solicit information that would be internally replicable for the purposes of comparing past trends. Some survey questions from previous years were replaced with new questions that sought additional information the Economic Development Division found to be relevant with its current approach. In producing and analyzing the impact of various questions, the City consulted various business and development partners, such as Champaign County Economic Development Corporation and the Urbana Business Association.

The City also researched the practicality of an electronic-only survey, with a printable survey provided upon request. In this analysis Grace Kyung, former Economic Development Intern, found that the City would save approximately \$2,000 overall by producing surveys electronically, and sending out post-card invites rather than providing the entire survey mailed to each business. In addition, the survey questions are more efficiently maintained with an electronic survey and the results are more easily managed and shared across various platforms when reviewing data side-by-side.

The survey was ultimately produced on the Survey Monkey (www.surveymonkey.com) platform and the link was advertised to businesses through the City's social media, marketing, and business email subscription platforms online, and additional notices were mailed by post card to businesses on the city's business license database. To attract businesses to participate in the survey, a \$100 gift card was randomly awarded to a survey taker.

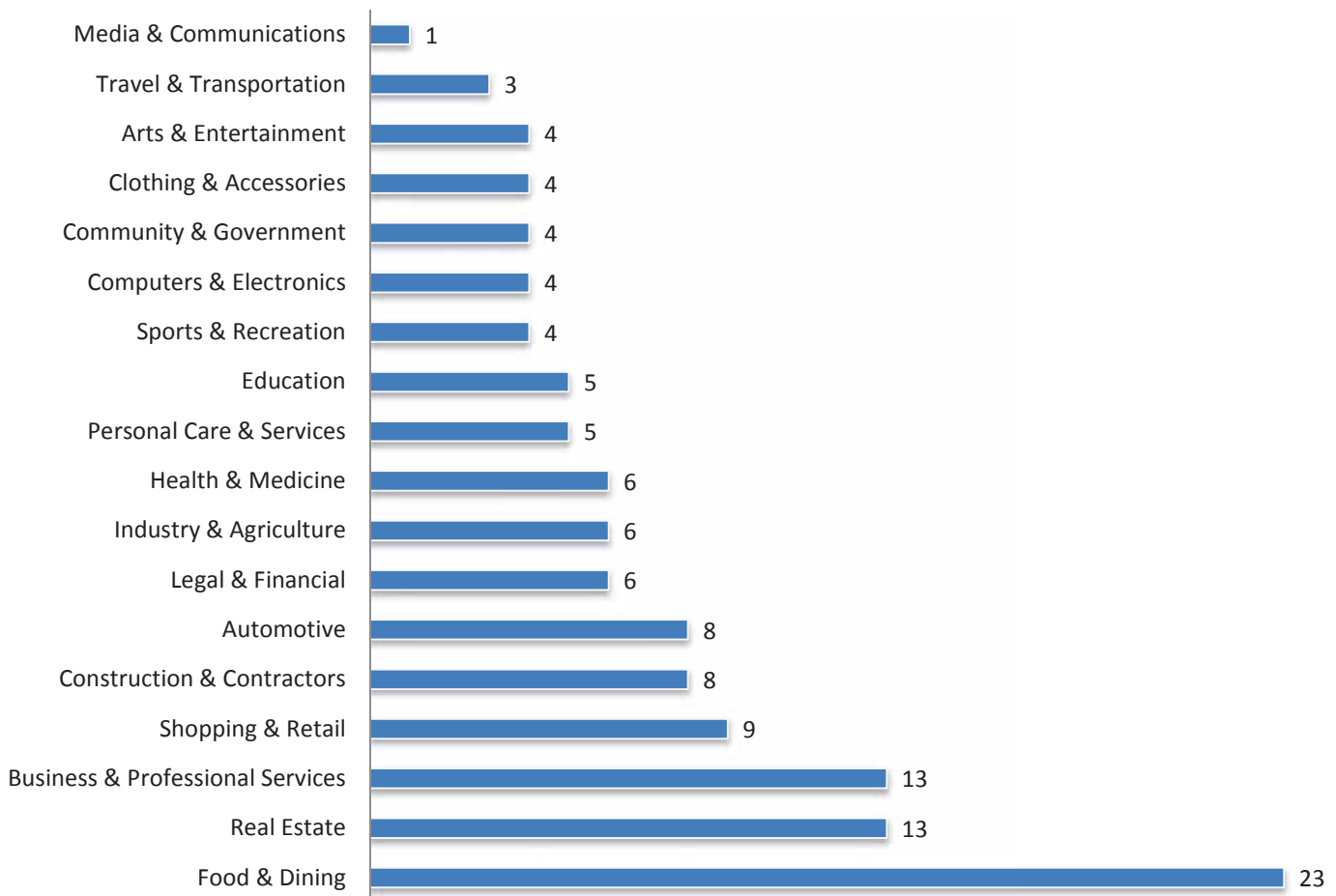
Surveys were completed by 130 individuals, with many business types and locations represented. Of those 130 respondents, approximately 92% completed the multiple choice questions, and approximately 30% completed the three open comment sections.

Businesses Represented in Urbana

In contacting businesses to participate in this survey the City referenced its own comprehensive business database, which was derived from past data, tax records, phone listings, visual surveys, and distribution lists maintained throughout City departments. Additionally, the city reached out via it's social media platforms to solicit responses. The list included over 1,300 incorporations, which represents approximately 850 established businesses throughout Urbana. We received a total of 130 responses indicating a survey response rate of 15.3% of Urbana's established businesses.

In assessing the types of businesses* in Urbana, we utilized categories derived from the Better Business Bureau (BBB). The BBB categories are based on the North American Industry Classification System (NAICS), and descriptions can be found on the United States Census Bureau Website. Many businesses classified themselves as 'Other,' but based on the NAICS category description, many businesses were reorganized under officially recognized categories. This process allowed the Economic Development Division to better understand the business categories represented in this survey, and to be able to compare responses.

Urbana Businesses by Category

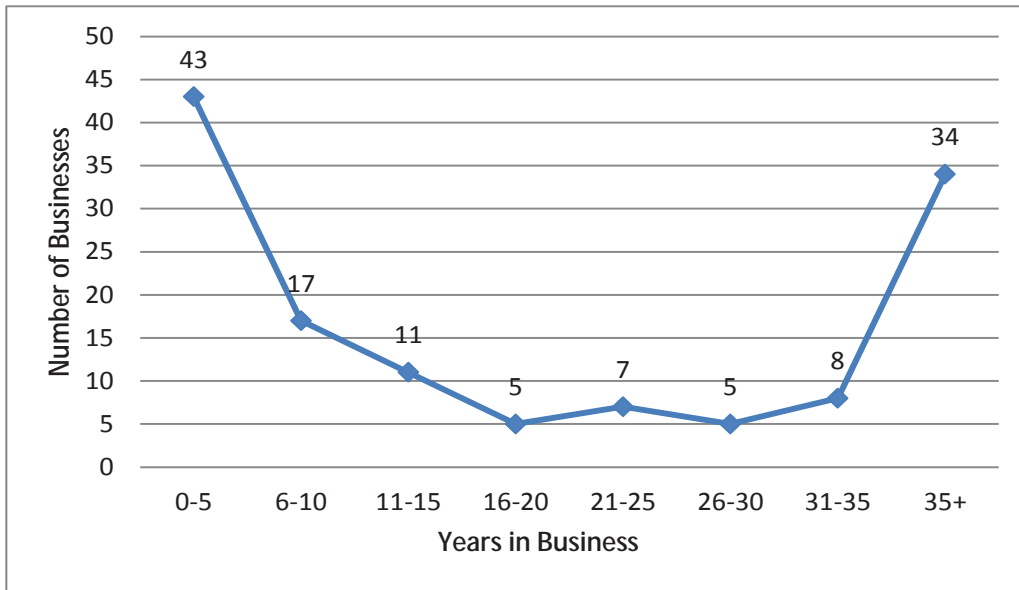


*126 respondents answered the Business Category question.

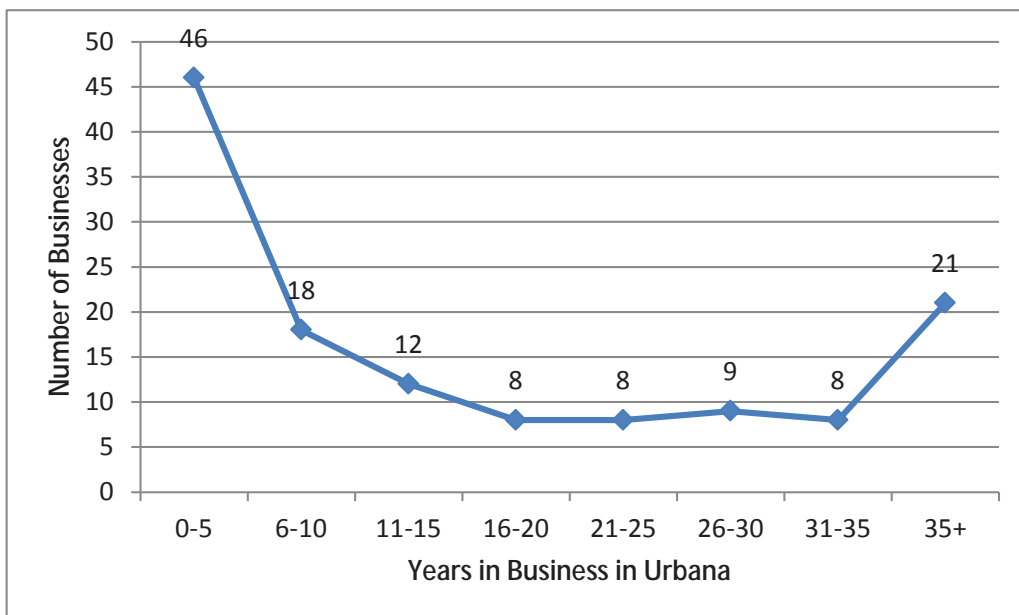
Duration of Operation

The survey found similar trends between years in business, and business duration of operation in Urbana. There were many businesses at both ends of the spectrum, with over 40 businesses opened within the last five years, and 20 to 35 businesses open for 35 years or more. Response indicates a growing number of businesses that have been open between six and 20 years, indicating growth towards a stabilizing business economy.

Similar questions posed found that 60% of respondents owned the location where they operated, and 95% were locally owned businesses.



*All respondents answered this question.

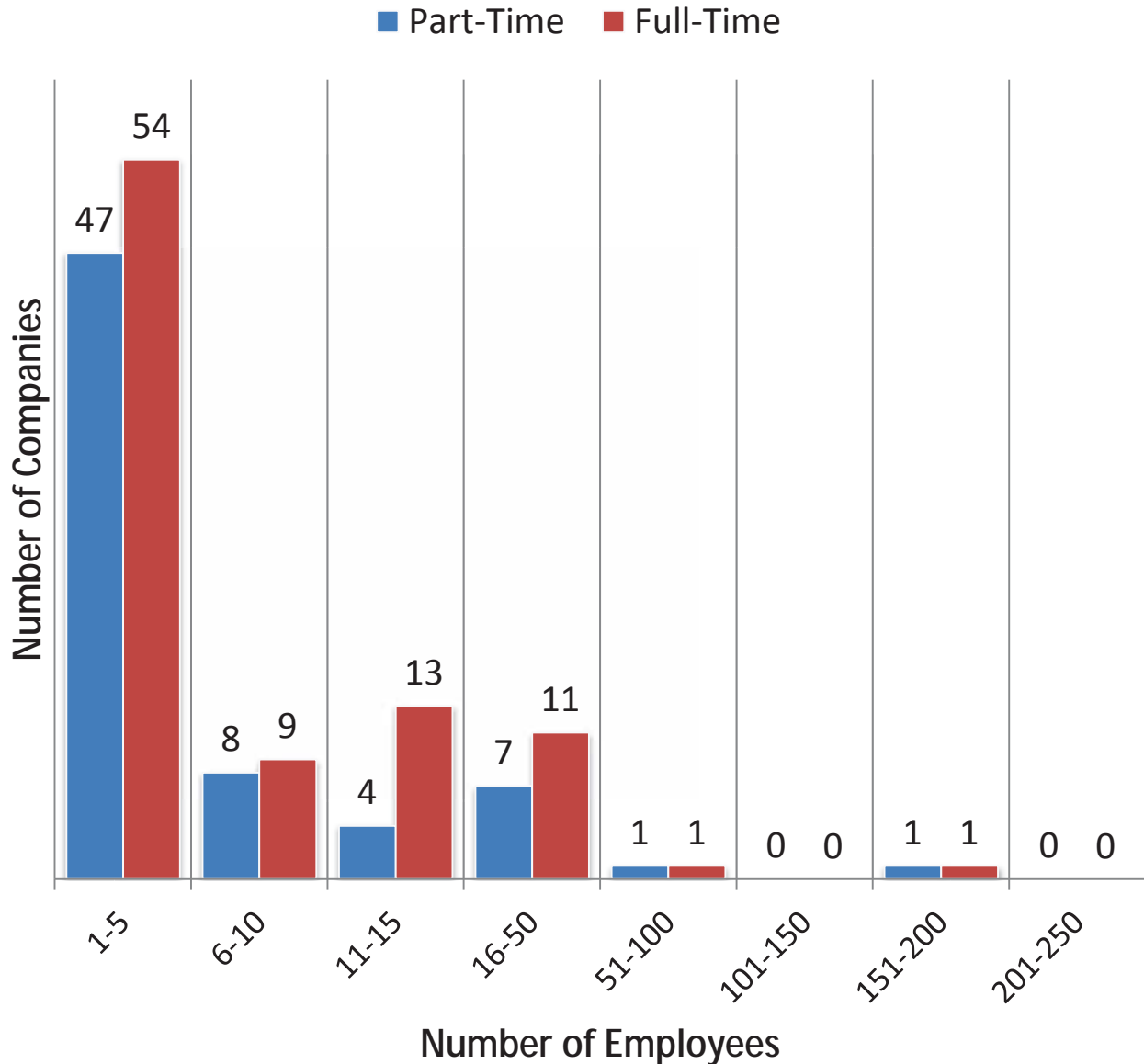


*All respondents answered this question.

Employment

Based on data* received from employers in Urbana, companies employed a greater number of part and full-time workers in 2014. Four companies reported employing 35 or more part-time employees in 2014, versus only two companies in 2012. Additional growth was made in full-time employment during the same period, with a 20% increase in the number of companies reporting that they employed 1-5 full-time employees.

Employment in 2012

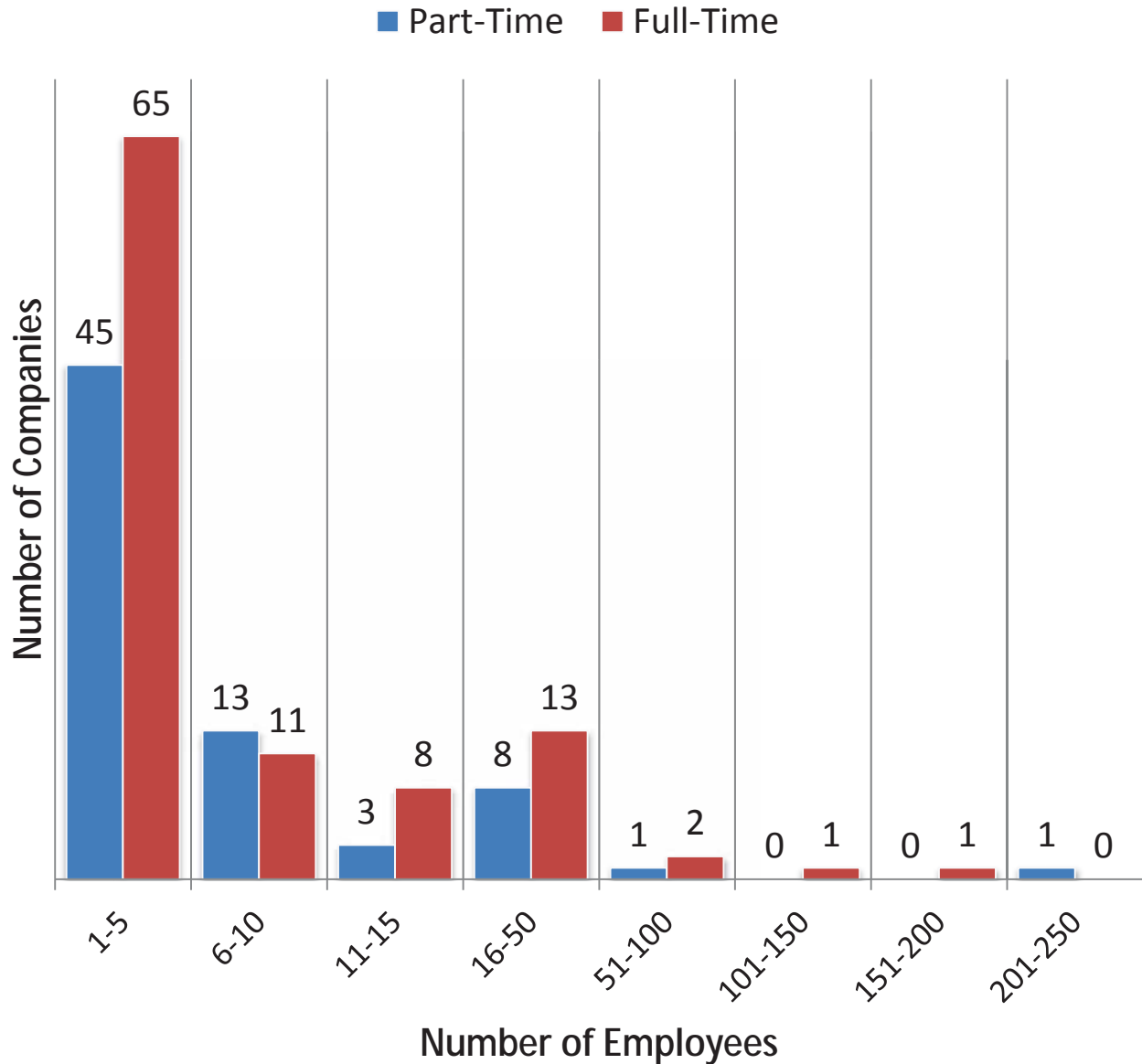


*Individual employment numbers were assimilated into ranges in order to be represented graphically. Numbers at the top of bars represent how many companies employ that range of people.

Based on a calculation of individual employee reporting from employers in Urbana, the average number of part-time employees increased nearly 22%, and full-time employees increased by 14% from 2012 to 2014. By 2014, at least one individual company hosted 200 full-time employees, and another hosted 202 part-time employees.

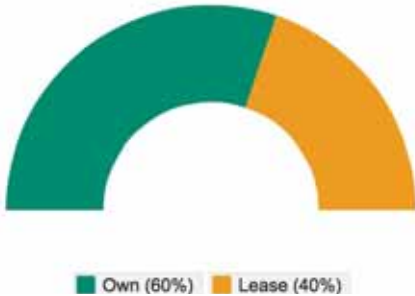
Of 122 respondents, 38% reported that they have created full-time positions since July 2012.

Employment in 2014



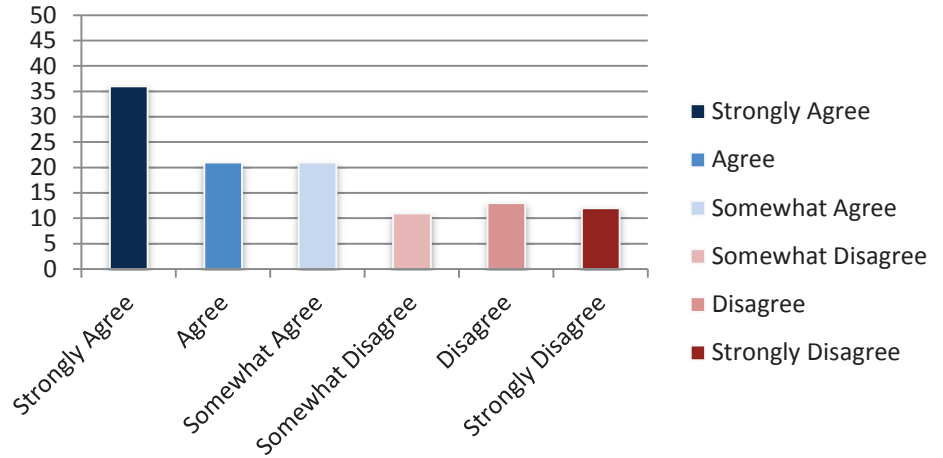
Location

The City also asked a variety of questions related to business location, which served to ascertain whether there were needs or opportunities to improve access, infrastructure, or suggest collocation of certain business that mutually benefited from their customers being in proximity to one another.

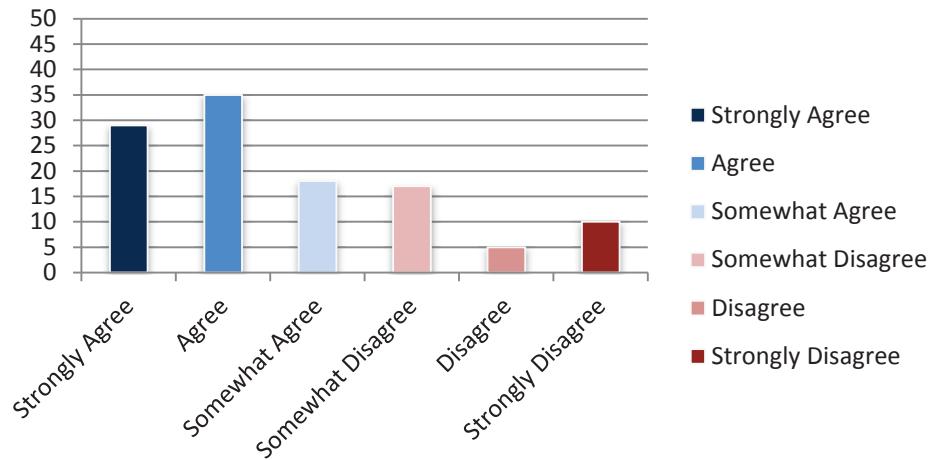


60% of respondents indicated they owned the building where their business was located, compared to just 50% in 2010.

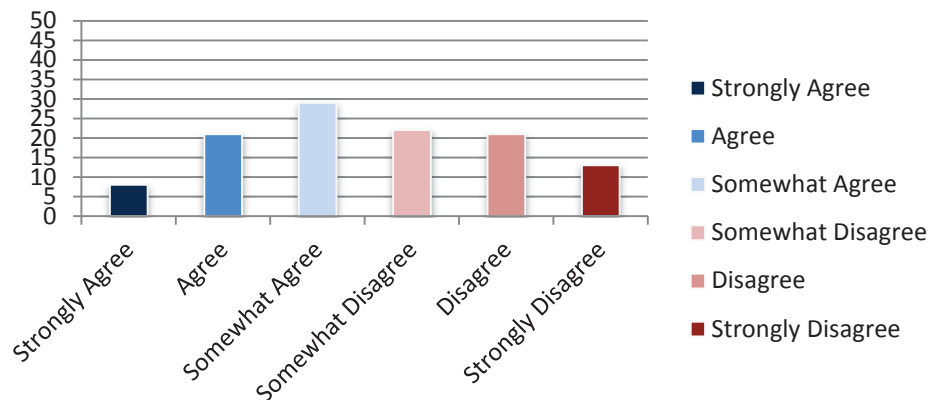
Visibility is great for my business



Parking is sufficient



Proximity to restaurants and bars has helped

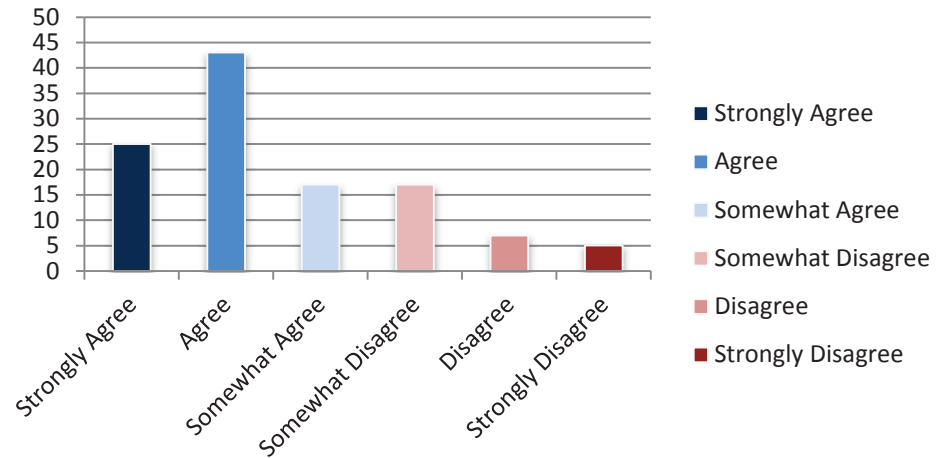


Traffic

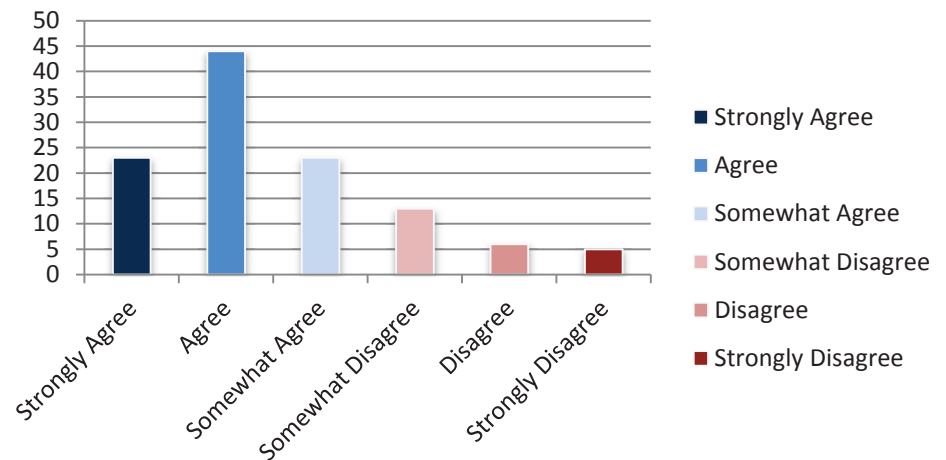
Traffic overall was not reported as being an issue in downtown, indicating that there was enough vehicular traffic downtown, but not so much as to adversely impact ability to get around.

Some respondents indicated a lack of pedestrian traffic, but overall the response to pedestrian traffic was positive.

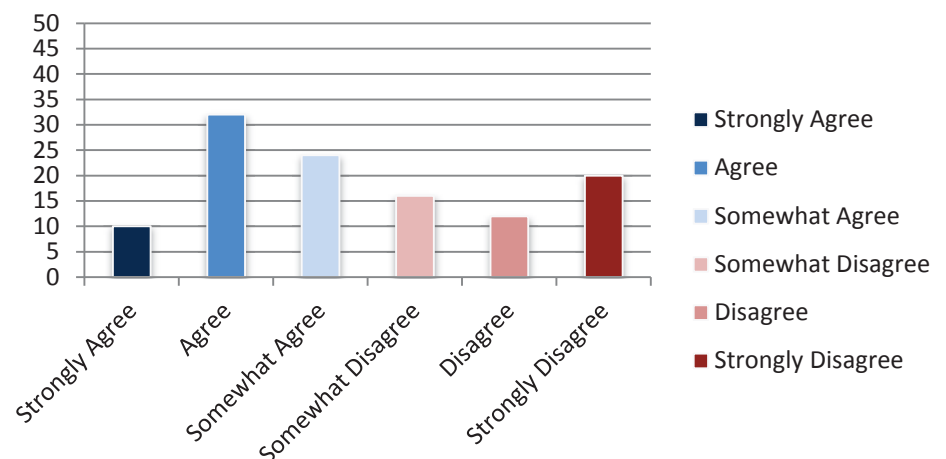
Traffic Congestion is not a problem



There is enough vehicle traffic



There is enough foot traffic

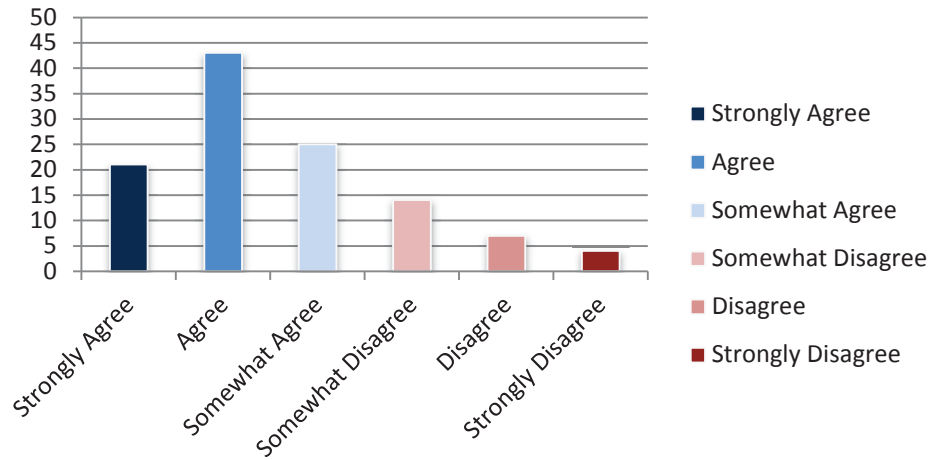


Business

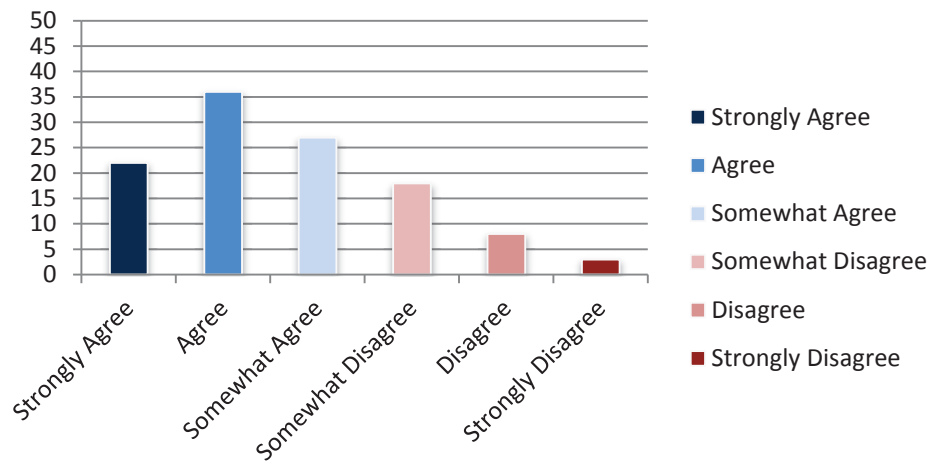
Most respondents indicated a positive outlook on the ease of access to their individual business, and open-commentary sections indicated that many had positive association with improved bicycle lanes and improvements to sidewalks and pedestrian ingress/egress.

Open-commentary identified general positive outlook on shopping areas downtown, but noted a feeling of 'insecurity' in the Philo Road Business District. Though, several additional comments noted positive sentiments of, 'stellar Police and Fire Protection in southeast Urbana,' in particular.

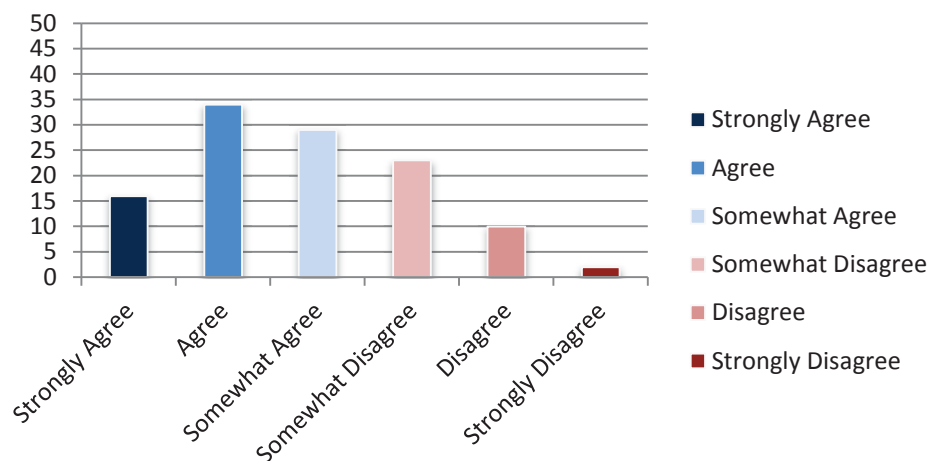
The business is very easy to get to



The business is in a great area



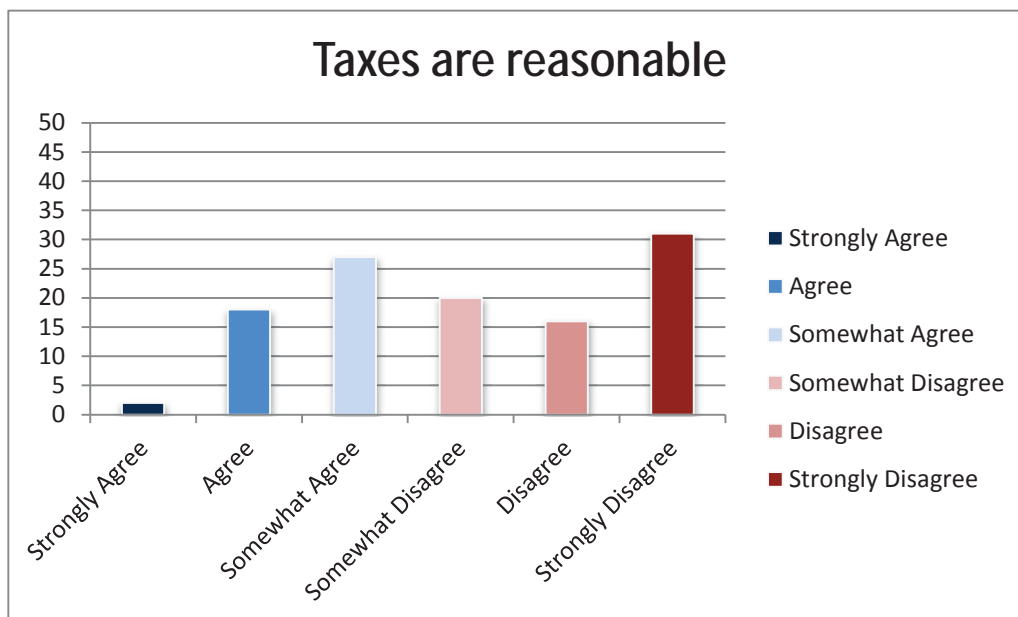
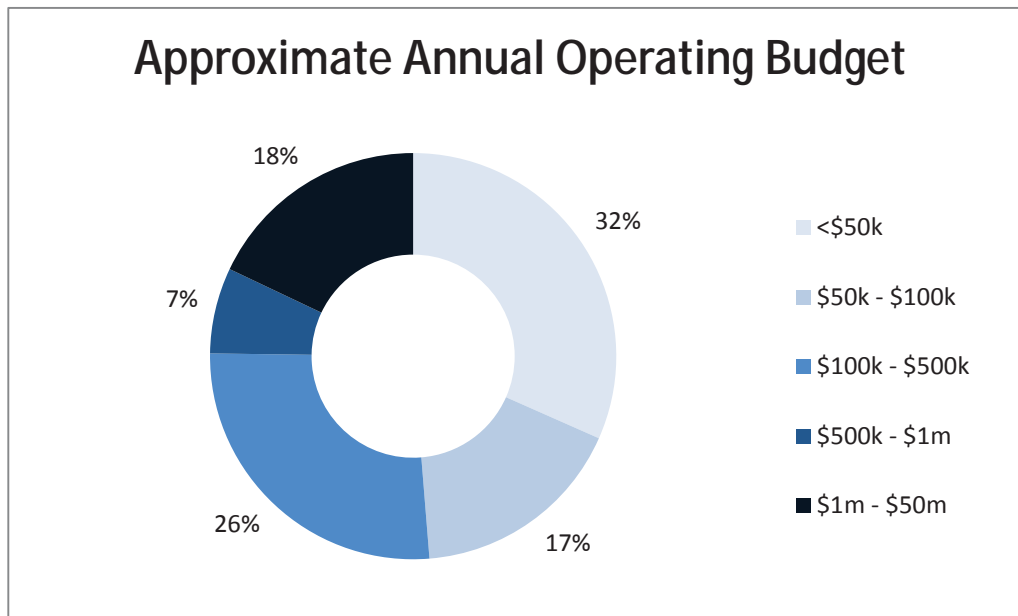
The area is safe



Operating Budget and Taxes

The number of businesses with operating budgets in excess of \$100,000 accounted for 51% of all respondents, with 18% of those with budgets in the one-million to fifty-million range or more.

The questions regarding taxes, were the most split, with 41% of respondents garnering a positive outlook on the tax rate, and 59% a negative outlook. This was also represented in the open-commentary sections at the end of the survey, with a few respondents noting higher 'real estate/property' taxes in particular being a sticking point.

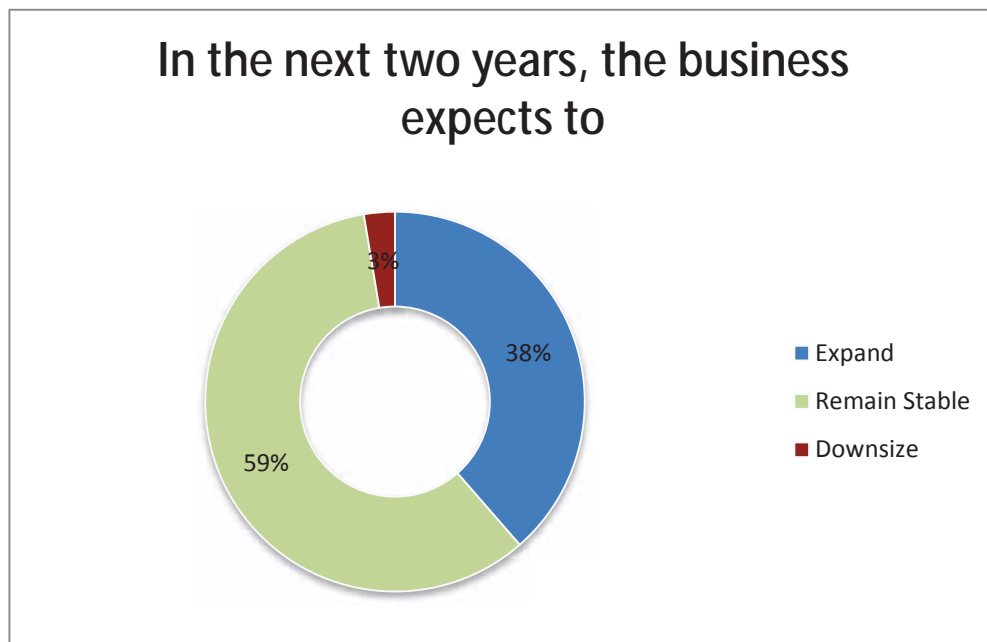
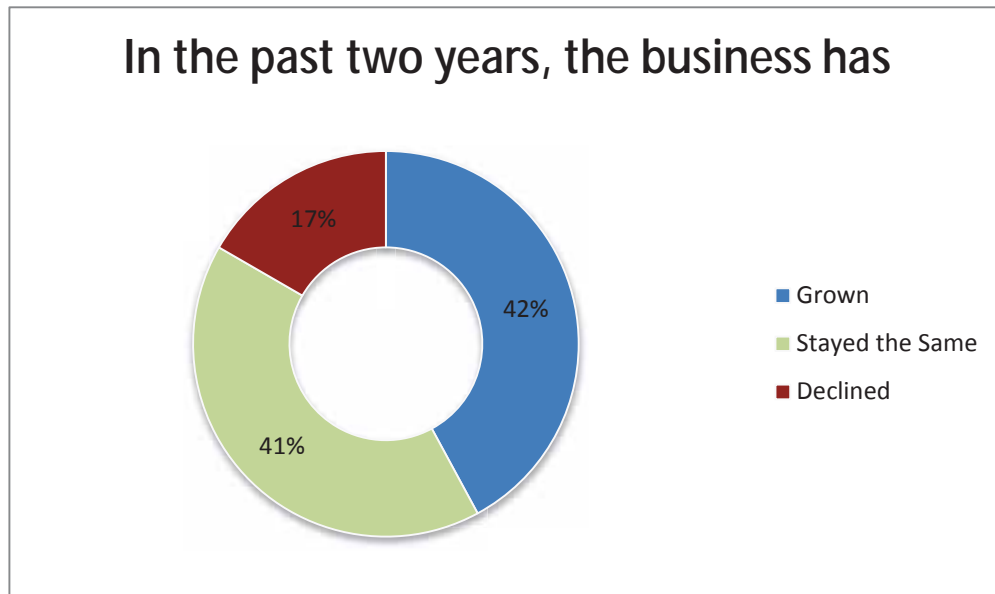


Current and Future Plans

For the most part, businesses have indicated that they have grown or stayed the same over the last two years, and most expect to either expand or remain stable in the two years to come.

114 of 130 respondents provided answers to the questions detailing the current and future status of their business. Of these:

- 75% indicated they intended on remaining in their current space
- 94% indicated they were not considering closing their business
- 89% indicated they were not considering selling their business



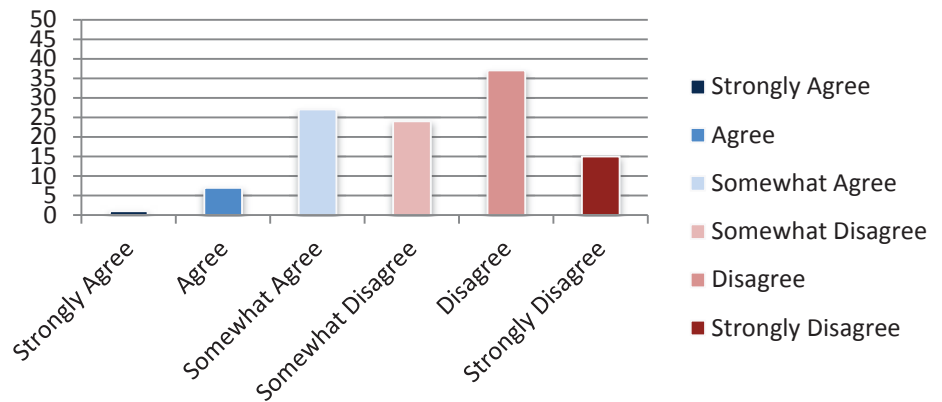
Local Economy

In an assessment of community incentive programs, the responses indicated that some businesses were unaware of incentive opportunities. Though, as open-commentary indicated there were quite a few respondents outside of the cities existing Tax Increment Financing (TIF) Districts, which may not be eligible for all incentives.

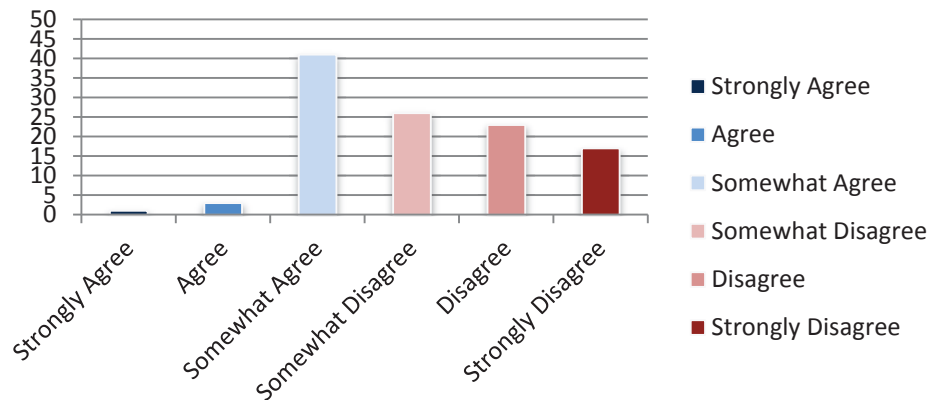
In an extension of its ongoing efforts, the City has recently submitted its Enterprise Zone application, which if approved would provide additional incentive opportunities for business development in these under-served areas.

Responses about the economy in general were fairly cautious, which reflected similarly in questions about the local economy. Though, positive outlook on the local economy was slightly higher than perception of the economy overall.

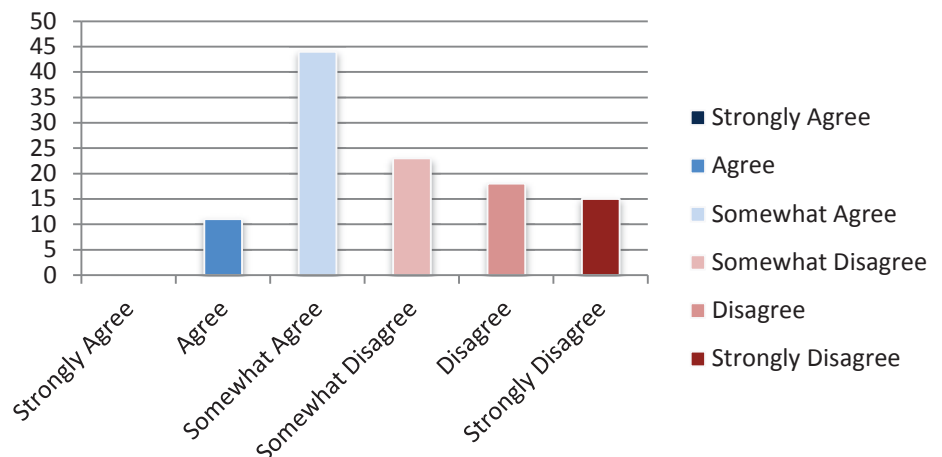
Businesses are aware of the City's Incentive Programs



The overall economy is performing well



The local economy is performing well



Perception of Urbana as a good place live and do business were generally positive. This was likewise reflected in open-commentary with sentiments such as:

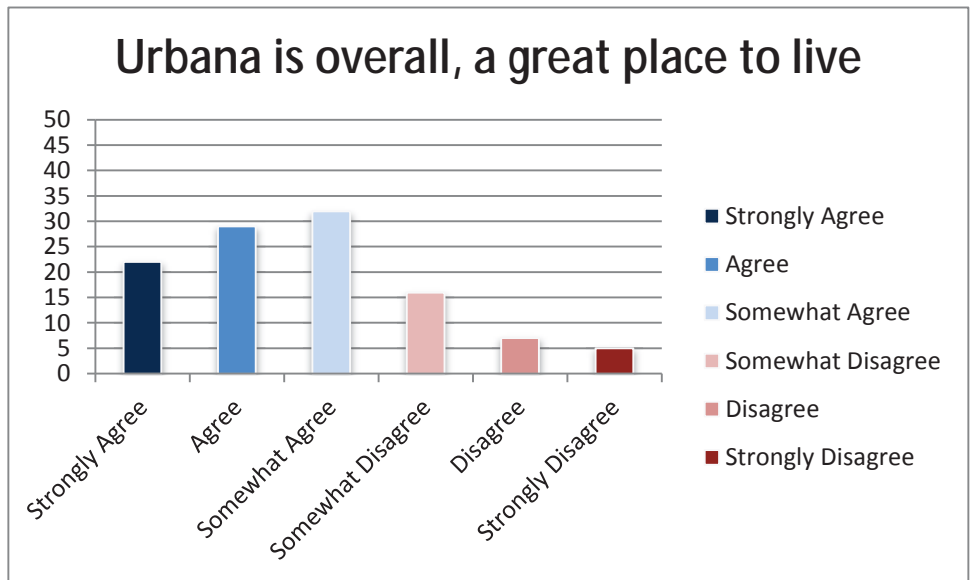
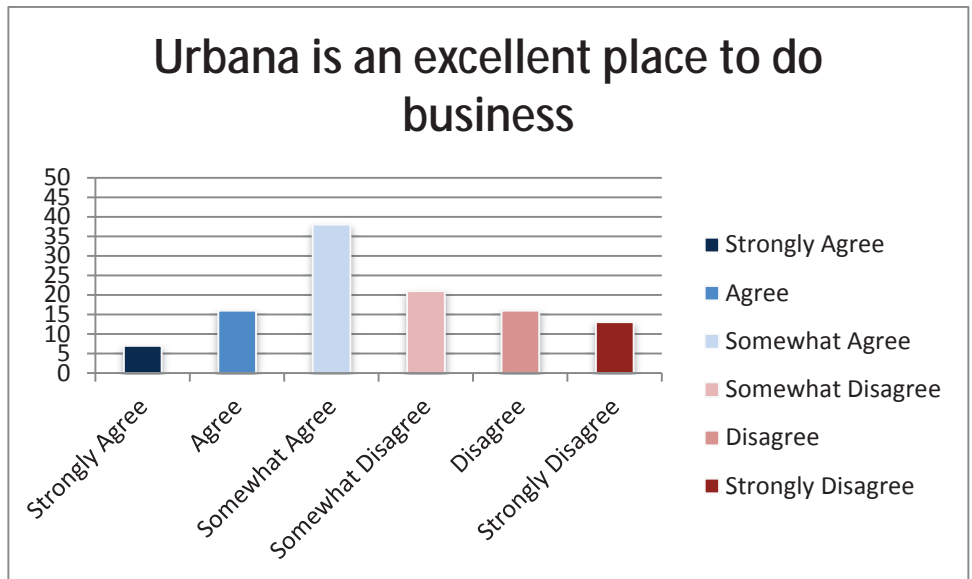
“Incentive programs for local business development is encouraging and it creates an environment for creating and retaining businesses.”

“We have one of the most effective Fire Departments in the county in terms of routine inspections to keep business owners aware of safety issues. Police have also been responsive to business owner’s concerns.”

“...Arbor Department is exceptional and stays on top of tree maintenance and removal as well as seasonal plantings to enhance the appearance of our downtown.”

“Police and Fire Department in SE (southeast) Urbana is stellar; they put forth maximum effort considering tight budgets/staffing levels.”

“The Economic Development Dept. has been very helpful in helping to find a space and a grant to help us start up business here!”



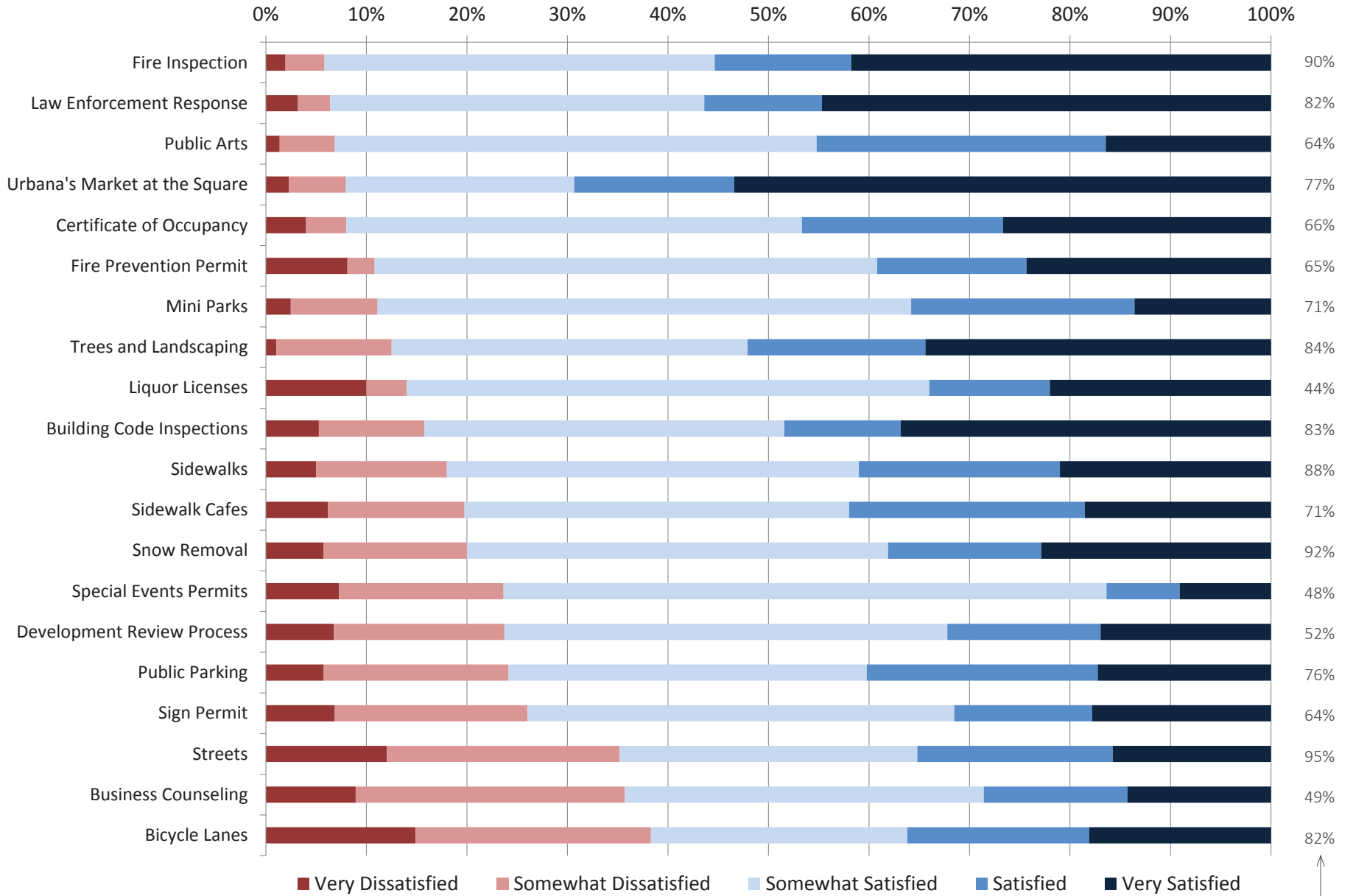
Services and Community Organizations

Respondents were asked to assess both their satisfaction with services that the City of Urbana provides and the organizations that provide services to businesses and residents. Organizations included civic groups, non-profits, city emergency response, city administrative/planning departments, and county services.

Assessing these services and organizations provides the City with a baseline metric on how we compare with other organizations, and where and how they city can improve its performance.

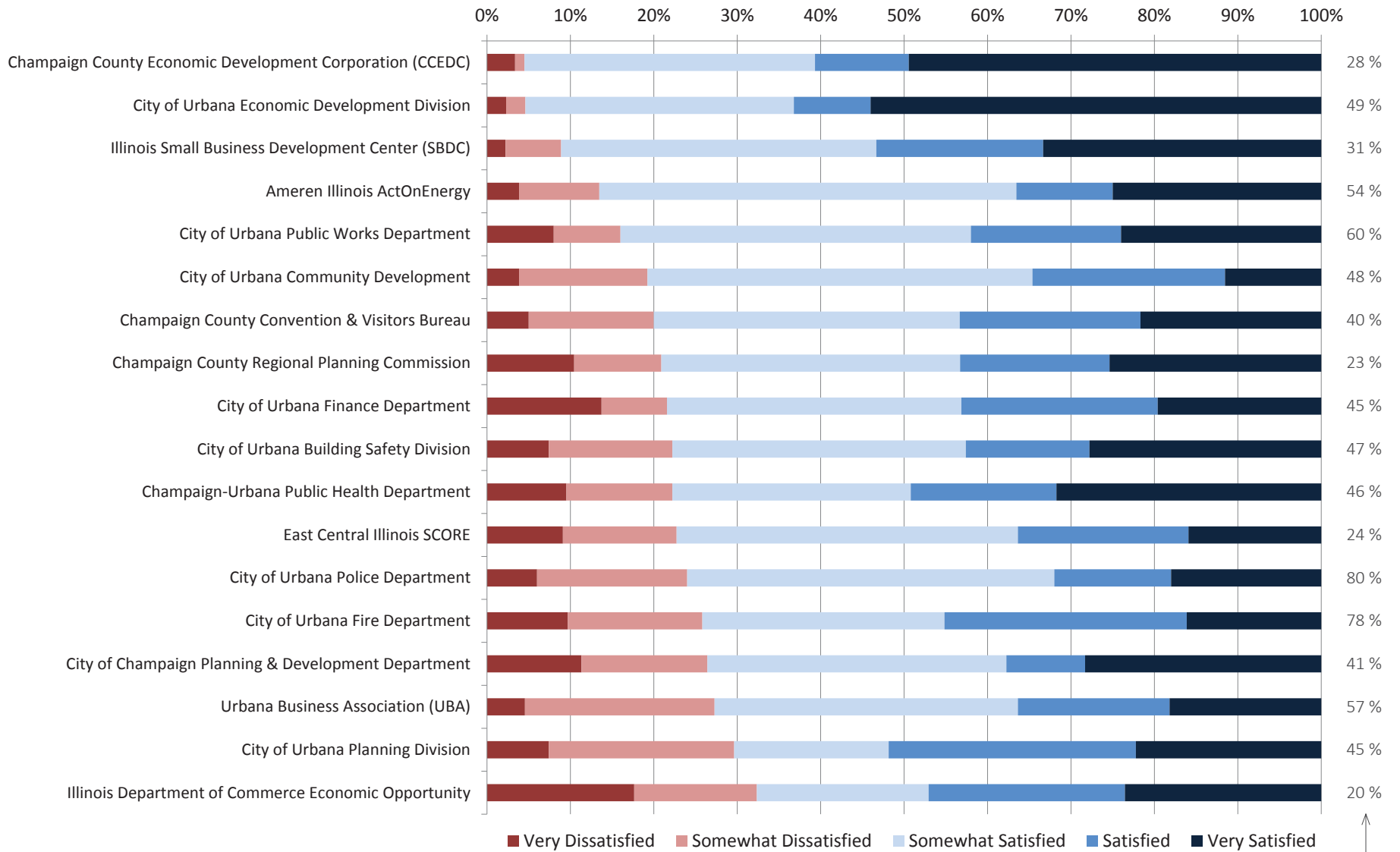
The results of service and organization questions are addressed on pages 18 and 19.

Survey Respondents' Level of Customer Service Satisfaction with Services



Percent of survey respondents that indicated experience with the listed service.

Survey Respondents' Level of Customer Service Satisfaction with Organizations



Percent of survey respondents that indicated experience with the listed organization.

Representative Comments

Equally important to this survey were the open-ended comments provided by respondents, which provided feedback on where City services met or did not meet expectations along with general comments and concerns. The intent of these sections was to obtain dynamic feedback on how people felt about the business community and opportunities in general, and to provide an opportunity for respondents to elaborate on multiple-choice questions.

The following page represents a collection of comments that were repeated or deemed collectively useful.

“The Fire Department and Police Department are very good about responding to any problems in a very timely manner.”

“Need assistance (or an intermediary) in dealing with the Champaign-Urbana Public Health District on Health Permits, the process to obtain permits is inconsistent.”

“The (Business) Grants are great, but we need more (in other areas).”

“Urbana Market at the Square is great!”

“Any incentives to move law offices down the street or to collocated spaces, and lease the store fronts to retail would help the downtown to thrive!”

“Commercial recycling would be a big benefit to restaurants and businesses.”

“The rise in taxes has continued to be a burden on our business.”

“...the way to help out business in downtown is to provide more housing for people in this area. Additional apartment buildings should create more growth for many different businesses here.”

“Urbana is killing small business- unsustainable real estate tax increases that only decrease values of the properties and business of its own community. Increase after increase - storm water utility fees, multi-family program fees, multi-family recycling fees. These increases push rental rates higher and force more renters back to Champaign. Not a single item promotes incentive to remain or operate in Urbana for companies like ours.”

“City charges \$50 for a temporary health permit for each fundraiser for individual groups, while only charging businesses once per year.”

Summary of Results and Conclusion

Overall, the survey results were found to be generally positive, and were supportive of 'growth' when respondents compare their positions today with their prospects in 2012. The type of respondent varied, but in comparison to past surveys there were a larger number of respondents within the 'Food & Dining Industry,' which can be attributed to the surge in Café and Restaurant openings in downtown over the past year.

Despite a few recent closures, there are more options from various cafés, restaurants, and retail shops in Urbana's downtown than in many years past. This has contributed to an increase in professional service firms locating near downtown, taking advantage of both available office space and proposing new construction. These trends have supported the economic advantage of hosting a diverse business community throughout Urbana, and recognizing the city's continued ability to be a captivating option for many technology and industrial start-ups.

As noted within the report, grant and incentive opportunities were desired in areas of southeast Urbana, which was reflected in the individual commentary from respondents. This has been an ongoing need recognized by the City, and is detailed within the City's application for a new Enterprise Zone. A significant portion of the Proposed Enterprise Zone provides for commercial/industrial expansion and new construction, as well as completion of undeveloped portions of neighborhoods.

Generally, business respondents found that when it comes to their location they had decent visibility and sufficient parking, which trended positively with a beneficial ratio of vehicular and pedestrian traffic. Positive attitudes also prevailed in the economics of individual businesses with 83% of respondents indicating their business had grown or remained stable over the past two years, and 97% indicating they planned to remain stable or to expand in the next two years (87% of respondents answered questions related to location/economics). The smaller proportion of businesses that indicated a decline or intent to downsize creates an opportunity for the City to perform retention visits, and prioritize assistance in situations where the City is able to help.

Organizations and Services that respondents were aware of or had experience interacting with, also had generally positive feedback. The City Police, Fire, and Public Works Departments received the most positive feedback, with other departments and services receiving complementary levels of feedback. This trend can be correlated with some departments having a higher level of interaction with the general public, and the proportion of their work that takes place outdoors, in public view.

The most compelling results were those that continued to support sustained and quickly growing employment in Urbana, despite national levels rising more slowly. The number of new businesses and those that have weathered the economic environment are also encouraging, and are continuing to be sustained despite a fluctuating national economy. The Economic Development Division found the results of this survey to be indicative of a growing local economy, with complementary sustainable employment.

The City of Urbana Economic Development Division thanks its business community and partners for the success of the 2014 Urbana Business Survey.

Disclaimer: All percentages and averages are based upon answers to the individual questions where a response was provided. The response rate is detailed throughout this report, and reflects an approximate 92% response rate for multiple-choice questions overall. Survey results were collected during the summer of 2014, and compiled into this report in December 2014 by Miles Thomas, Economic Development Associate - City of Urbana Economic Development Division.