

# UNDERSTANDING THE INTERPLAY BETWEEN PUBLIC SAFETY AND COMMERCIAL REVITALIZATION EFFORTS

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# INTRODUCTION

## About me

**Consultant in Retail Strategy and Planning for Urban Communities**

**New York City Planning Commissioner**

**NY State ICSC Alliance Co-Chair**

**Author/Editor/Blogger**

- **“Commercial District Practitioner’s Guide to Tenant Mix” , ICSC**
- **“Real Estate Redevelopment & Reuse”, IEDC**
- **“Commercial Revitalization Planning Guide”, LISC**
- **Commercial District Advisor Blog/Newsletter**

**Training and Education**

- **Pratt University, Assistant Visiting Professor**
- **ICSC University of Shopping Centers**
- **IEDC Professional Development training**
- **ICSC/LISC Applied Training in Retail Leasing**
- **SBS Neighborhood Retail Leasing Program**



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# AGENDA

**The Role of Public Safety and Commercial Revitalization**

**Diagnosing Your District**

**Developing a Commercial Revitalization Strategy**

**Overcoming Retailer Objections to Underserved Markets**



# THE ROLE OF PUBLIC SAFETY AND COMMERCIAL REVITALIZATION



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# **What makes for a successful commercial district?**



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# Economic Development Outcomes

## What does “success” mean?

Improved Shopper preference

Higher real estate values

Retail sales growth

## What are the fundamentals?

Tenant mix

Retail density

Parking/Access

Source: Econsult, “Commercial Corridors: A Strategic Investment Framework for Philadelphia, March 2009



**The good news is:**

**Low incidence of crime does not always  
correlate to corridor success**



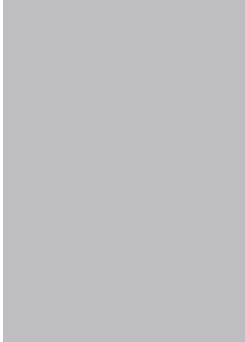


**The bad news is:**

**Crime/perception of crime can hamper efforts to develop a “good” retail mix and**







*A “good” tenant mix is one of the strongest indicators of commercial district success*

*Of course, “good” is relative. And that is why we are here today.*



# DIAGNOSING YOUR DISTRICT



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**What does it take to get “retail ready”?**

# Setting the Stage: Clean and Safe

## THE SHOPPING CENTER EXPERIENCE



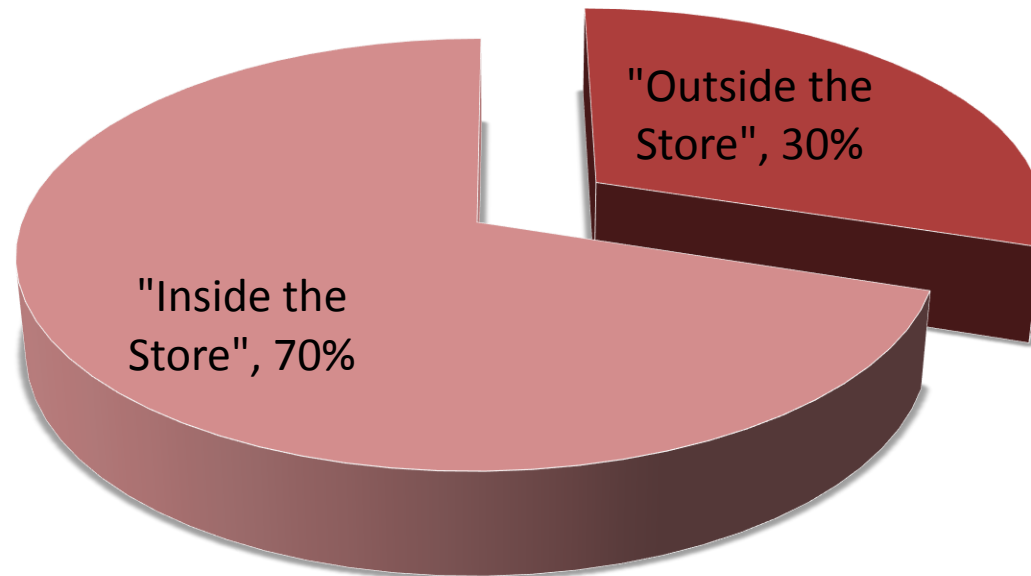
Source: John Skinner, Verde Group/ ICSC Global Research Network,



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# Setting the Stage: Clean and Safe

## The Elements of Customer Loyalty

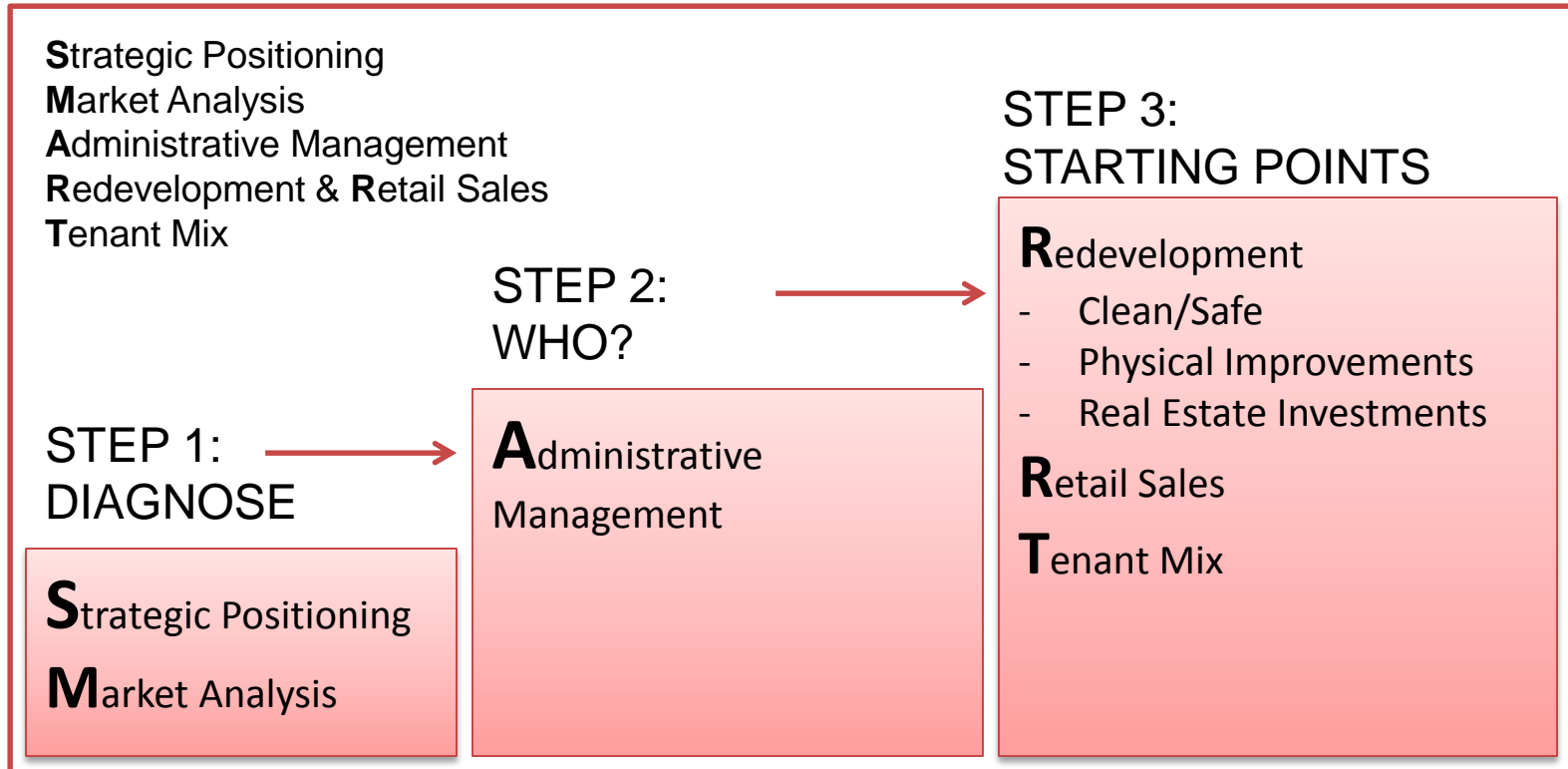


Source: ICSC, The Verde Group



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# A SMART Approach



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**So how do you decide what “starting points”  
make the most sense for your district?**



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# DEVELOPING A COMMERCIAL REVITALIZATION STRATEGY



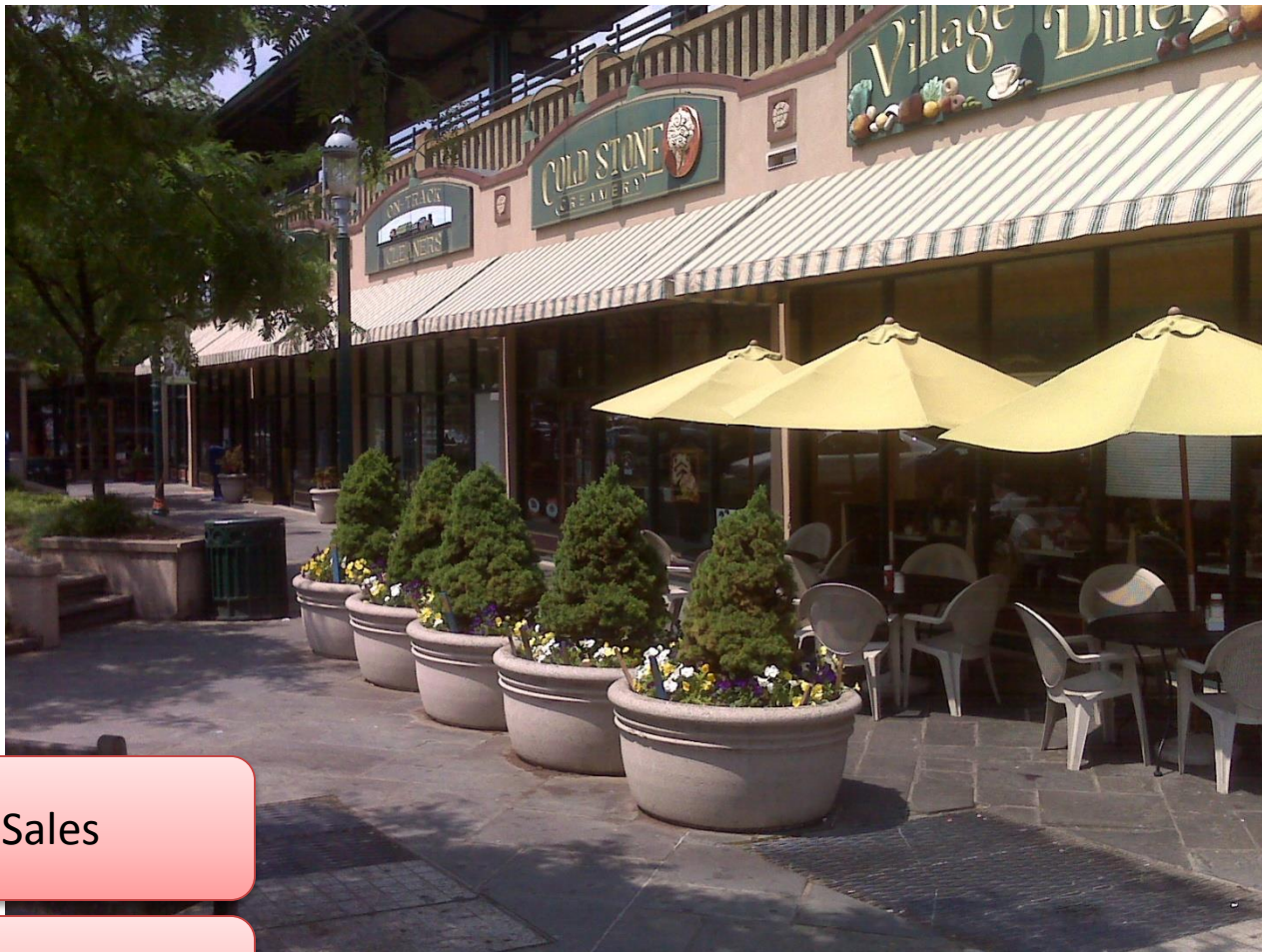
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# LOA Commercial District Diagnosis



# Quadrant I: Manage & maintain



Retail Sales

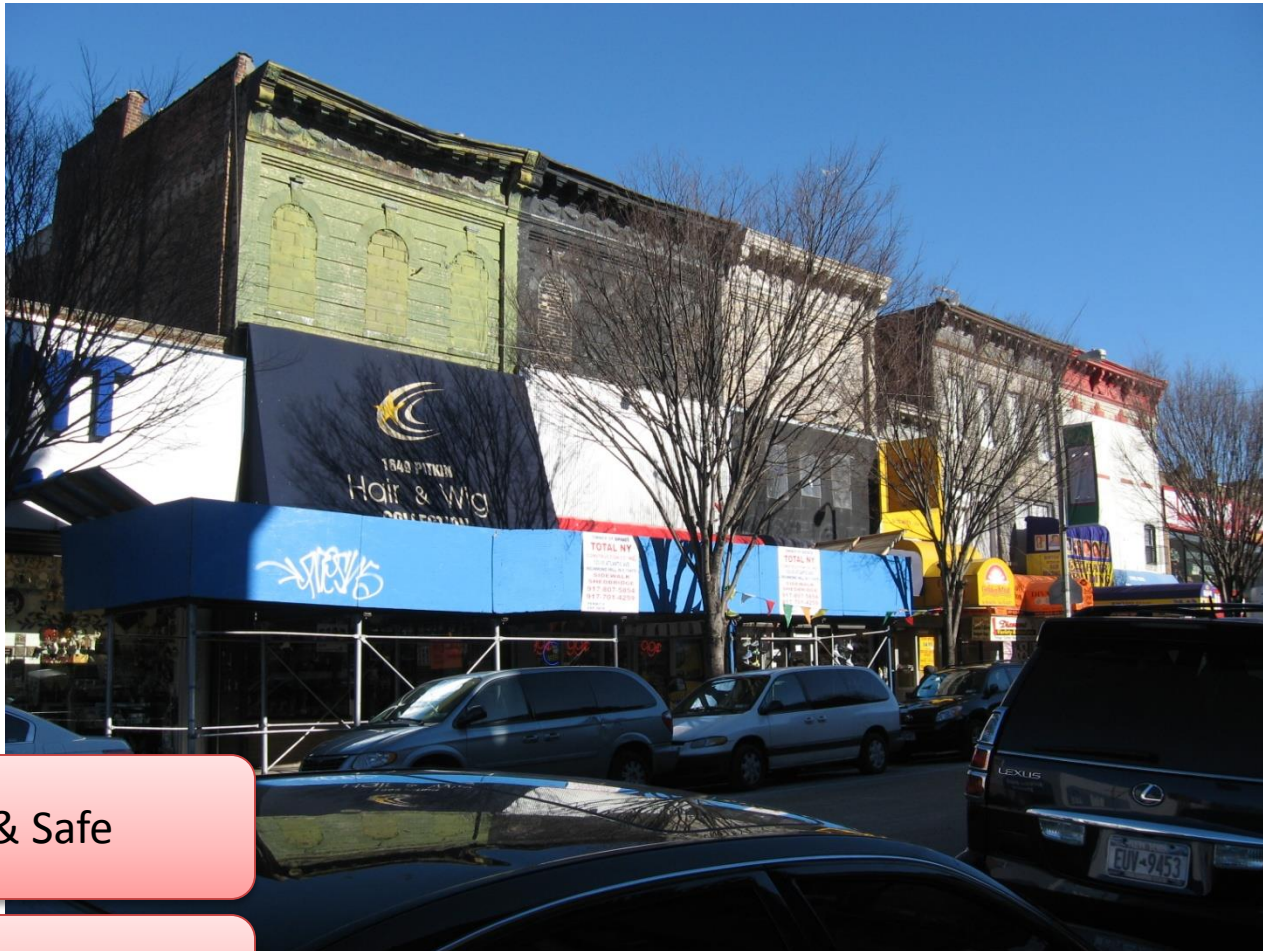
Tenant Mix

South Orange, NJ



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# Quadrant II: Places to shop, no reasons to stay



Clean & Safe

Physical Improvements

Pitkin Avenue, Brooklyn, NY



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# Quadrant III: Starting from scratch



Clean & Safe

Redevelopment

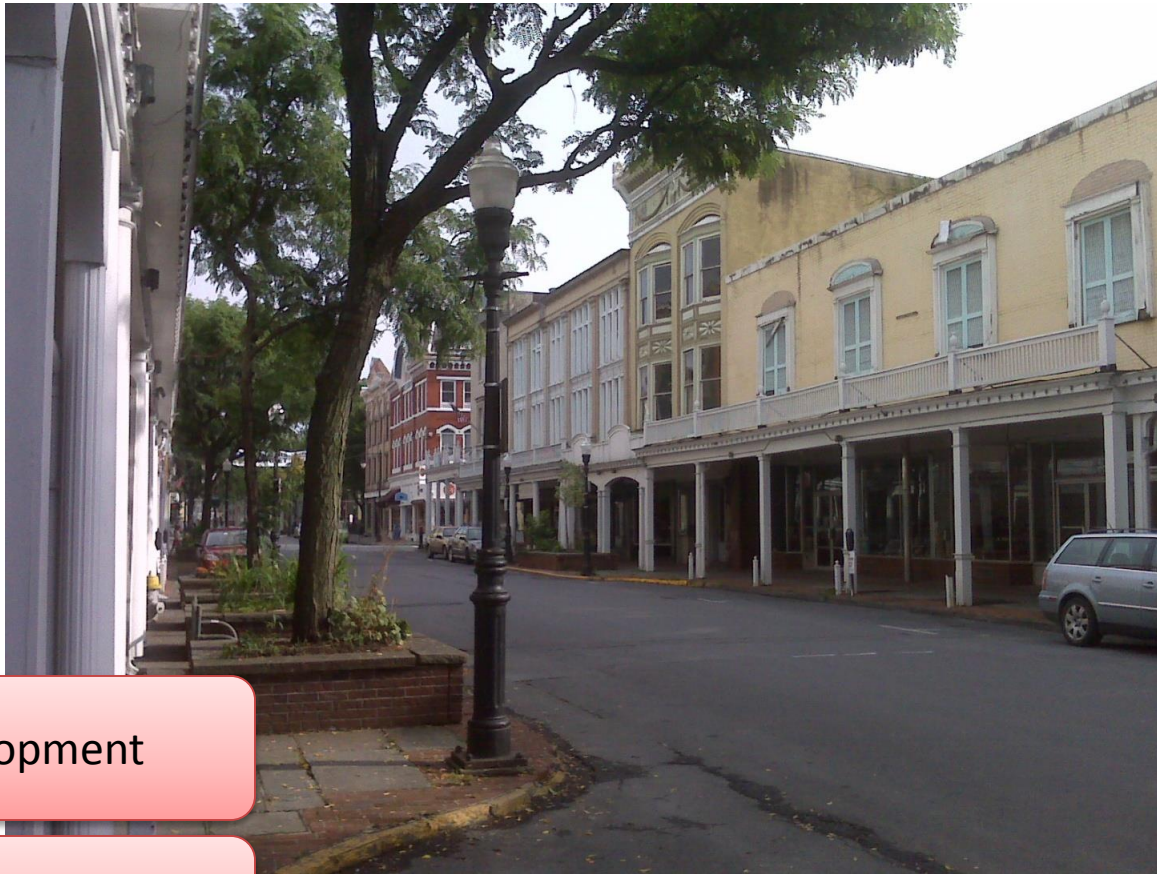
Physical Improvements

Nicotown, Philadelphia, PA



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# Quadrant IV: Great bones, where are the people?



Redevelopment

Tenant Mix

Uptown, Kingston, NY



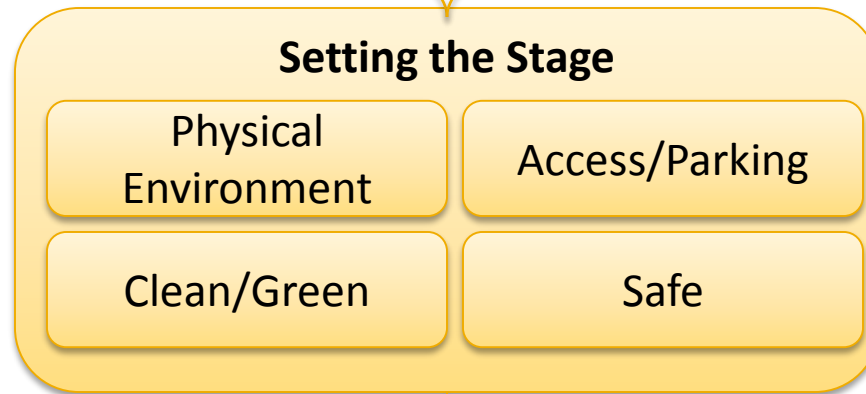
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# “Retail Ready” Hierarchy

**PHASE III:  
Grow  
Customer  
Base**



**PHASE II:  
Focus on the  
Fundamentals**



**PHASE I:  
Build Capacity**



Advanced



Early Stage



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# What role do you play?

- The good and bad news....
  - 30/70 rule
  - There is no silver bullet
    - Retailers have varied approaches to site selection, get acquainted with site selection criteria for the categories you plan to pursue
  - Urban communities still confound
  - Physical constraints matter (though less so where there is density)
    - Access/Parking
    - Visibility
    - Retail density and a reliance on individual property owners participation





# **OVERCOMING RETAILER OBJECTIONS TO UNDERSERVED MARKETS**



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# What factors do retailers say are “significant: obstacles to entry into underserved markets?

Factor	Very or Somewhat Significant
Crime/Perceived Crime	93%
Insufficient concentration of target customer	88%
Lack of Consumer Purchase Power	86%
Potential Shrinkage (theft)	86%
Rent	85%
Buildout/Rehab Costs	84%
Site Identification	84%
Inadequate Parking	83%
Higher Operating Costs	82%
Construction and Development Costs	81%
Lack of Amenities to Attract Out-of-Neighborhood Shoppers	81%



# What roles can community and government play in addressing retailer concerns?

- Help overcome perceptions of weak market
- Proactive advocacy for investment in public infrastructure improvements
- Help retailers/investors identify sites
- Address concerns re: crime
  - Hold tours – help out of town investors understand market
  - Evaluation the impact of design upon safety – is parking visible and accessible to entry?



# What indicators matter to retailers?

Generally...

- Median Household Income (not average)
- Total number of households



# What roles can community and government play in addressing retailer concerns?

- Help overcome perceptions of weak market



# What indicators matter to retailers?

**Specifically...**

## Site Selection Indicators

1. Average Household Size
2. Average Income
3. Competition (presence, type, location)
4. Crime
5. Daytime Population
6. Educational Attainment
7. Ethnic Composition
8. Homeownership
9. Home Sales Values
10. Income Change
11. Major Employers in the Area
12. Median Income
13. Neighborhood Orientation
14. Number of Households
15. Pedestrian Traffic
16. Population Change
17. Population Size
18. Visibility

Source: ICSC, Social Compact, "Inside Site Selection. Retailers' search for strategic business locations", 2008

# What indicators matter to retailers?

Specialized retailers rely on additional indicators...

Do you have the enough of the “right” residents?



Hot: Urban Cowgirl Cami  
Cool: \$24



Mandee  
to the rescue!  
www.mandee.com

Do you have the right kind of space?



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# Data retailers want but struggle to get...

*Hint, Hint. This is where you come in....*

- Generally includes data NOT captured by the census
- Short-term change at the neighborhood level (one year, two years, five years)
  - Retailers unaware of new data sets, notably the Home Mortgage Disclosure Act (HMDA)
- Daytime population information
- Visitor population information
- Pedestrian traffic counts
- Detailed ethnic composition (i.e. Latino market)





# BEST PRACTICES



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# Grand Street. Brooklyn.

## Overcome perception of market.



### GRAND STREET RETAIL HIGHLIGHTS

### 2012 DEMOGRAPHICS

GRAND STREET (0.5 MILE)	BROOKLYN
43,277 TOTAL POPULATION	2,504,700
32.3 MEDIAN AGE	34.2
\$33,073 MEDIAN HOUSEHOLD INCOME	\$40,269
2.31 AVERAGE HOUSEHOLD SIZE	2.69
88% PERCENT RENTERS	72%
57,678 DENSITY (POP/AC SQ.)	35,369

### DATA HIGHLIGHTS

- HIGH INCOME HOMEOWNERS:** 3.4% annual increase in homeownership rates (twice as fast as Brooklyn overall).
- GROWING CONSUMER DEMAND:** 2000-2009 - Williamsburg/Greenpoint had more residential units authorized by new building permits than any other neighborhoods in Brooklyn.
- BUSINESS OPPORTUNITIES:** \$75,528,091 in retail leakage, with the most opportunity in General Merchandise, Grocery, Clothing, and Food Service and Drinking Places.
- YOUNG SPENDERS:** 44% of residents are between 20 and 44.
- EDUCATED CONSUMERS:** 1/3 of residents have a bachelor's degree or higher.
- CREATIVE PROFESSIONALS AWAITING CREATIVE STORES:** 15% of the population works in art, design and entertainment - one of the highest concentrations in the 5 boroughs.
- GREAT ACCESS:** 5 minutes to Bedford Avenue, 10 minutes to Union Square on the L Train, 15 minutes to Downtown Brooklyn on the G Train.

### RETAIL OPPORTUNITIES

The Grand Street Business Improvement District is looking for new businesses to join our community of outstanding retailers. Our growing population of residents and shoppers are young, diverse and educated, and we are looking for retailers to meet their needs. Get in on this growing market that is ripe for new retailers. Get in on Grand.

#### RETAIL LEAKAGE (0.5 MILE)

TOTAL RETAIL TRAFFIC AND FOOD & DRINK

\$75,528,091

GENERAL MERCHANDISE STORES

\$32,379,810

GROCERY STORES

\$13,547,222

CLOTHING & CLOTHING ACCESSORIES STORES

\$12,601,398

FOOD SERVICES & DRINKING PLACES

\$11,567,716

\*Source: Fair Business Analyst



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# 125<sup>th</sup> Street BID.

## Safety Enhancements. Nighttime lighting improvements.

- BID advocated for site surveys to determine if lighting met City guidelines

### Public Realm Challenges

"Concerns were expressed over the current condition of Park Avenue, which has poor lighting, is unattractive to pedestrians, noisy and encourages undesirable and unsafe activity." – from CB 11 outreach summary



### Amenities: Phase 1 Improvements

#### New pedestrian lighting under viaduct

- Requires a local funding partner

#### Pedestrian City Light



Project – Community Working Group

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# Downtown Brooklyn. Site Identification & Category Focus.


12/9/13 Gmail - Top 10 Nightlife Spaces

Larisa Ortiz <loritz@folkes@gmail.com>

**Top 10 Nightlife Spaces**

1 message

**Downtown Brooklyn** <info@dbpartnership.org> Thu, Jan 17, 2013 at 10:53 AM  
To: loritz@larisaortizassociates.com



**TOP 10 POTENTIAL NIGHTLIFE SPACES IN DOWNTOWN BROOKLYN**


Downtown Brooklyn is amidst an economic renaissance that rivals any downtown in America. Home to 15,000 residents, 57,000 college students, 100,000 office workers – not to mention tens of thousands of tourists and shoppers who visit daily – the neighborhood offers endless possibilities for an entrepreneur looking to meet the growing demand for dining and retail establishments.

And with over a dozen projects in the development pipeline, such as City Point and the Hub, that demand is only going to soar in upcoming years. The time to capture that energy is now, whether for happy hour or all hours of the day. To better help you navigate the potential nightlife landscape, below is a list of our top choices for spaces in Downtown Brooklyn that could serve as venues for restaurants, bars, music, comedy – you name it. Our in-house expert Malina Tran is here to provide assistance in finding space in Downtown Brooklyn, so don't hesitate to reach out: 718-403-635.

[https://mail.google.com/mail/u/0/?ui=2&ik=c287384ad5eewp&ik=Top 10 Nightlife Spaces&as=trunk&search=query&th=13c493779592a03](https://mail.google.com/mail/u/0/?ui=2&ik=c287384ad5eewp&ik=Top%20Nightlife%20Spaces&as=trunk&search=query&th=13c493779592a03)

1/5


12/9/13 Gmail - Top 10 Nightlife Spaces



**1) FOR THE BUSINESS LOOKING FOR NEW GLAMOR IN HISTORIC SPACE**

**253 Livingston Street**  
Space: 6,200 square feet  
Contact: Isaac Mograby, Crown Retail Services, at 212.292.0214


Renovated and refurbished, this historic building has it all: an 18,000-square-foot Planet Fitness, Seattle's Best Coffee, and retailers such as Express and Raymour & Flanigan. What's missing? A full-service establishment that contributes to the live-work-play cycle of Downtown Brooklynites. Students and young professionals occupy this neighborhood niche, and as such, the restaurant that locates in this corner of Downtown Brooklyn should exude the energetic hustle-and-bustle of its constituents.



**2) FOR THE ESTABLISHMENT WITH LOFTY ASPIRATIONS**

**BellTel Lofts | 365 Bridge Street**  
Space: 4,240 square feet, ground floor and 25,000 square feet, lower level  
Contact: Robert F. Hebron, Ingram & Hebron, at 718.625.0011

Locate your restaurant in this Downtown Brooklyn gem, described as a "great architectural masterpiece in New York City" – the BellTel Lofts. Stylized in the Art Deco tradition, this building houses luxury condominiums and



[https://mail.google.com/mail/u/0/?ui=2&ik=c287384ad5eewp&ik=Top 10 Nightlife Spaces&as=trunk&search=query&th=13c493779592a03](https://mail.google.com/mail/u/0/?ui=2&ik=c287384ad5eewp&ik=Top%20Nightlife%20Spaces&as=trunk&search=query&th=13c493779592a03)

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# South Bronx. Aspirational Staging.

## Vacancy: Before

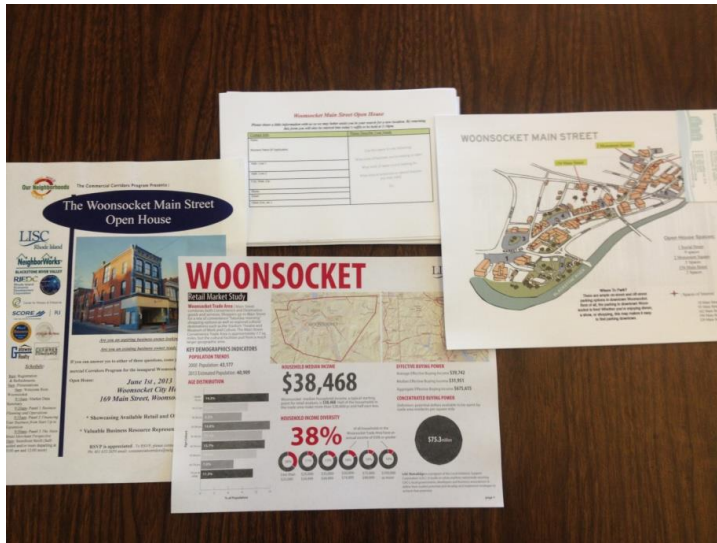


# South Bronx. Aspirational Staging.

## Vacancy: After



# Woonsocket, RI. Site Identification. Main St. Open House





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**THANK YOU!**

