Tompkins Avenue in Bedford Stuyvesant
Retail Scan
September 2008
LISC MetroEdge combines innovative market research, quantitative analysis, and grassroots community engagement to correct misperceptions of urban markets, identify hidden assets, and help communities exercise more control over their economic futures.

The comprehensive urban metrics developed by LISC MetroEdge more accurately describe emerging markets, spotlight assets, and identify trends that community and government leaders can use to attract and grow businesses in their cities.

LISC MetroEdge is a product of the Local Initiatives Support Corporation (LISC), the nation’s largest community development intermediary.

LISC MetroEdge has been working in urban markets since the mid-1990’s with clients from the public and nonprofit sectors as well as directly with retailers and developers. LISC MetroEdge is national in scope – they serve clients from Los Angeles to New York, from Atlanta to Milwaukee, from Chicago to Philadelphia.
Introduction: Retail Scan Goals and Purpose

• Use market data to identify assets, opportunities, challenges, and *suggest* initial strategies which will improve retail choices for consumers and business viability for owners and operators.

• A collaborative effort by and for Bridge Street Development Corporation, Bedford Stuyvesant Restoration Corporation, and Pratt Area Community Council supported by the New York Mayor’s Office of Comprehensive Neighborhood Economic Development, the Dept. of Small Business Services and LISC New York City.

• Partners have included Tompkins Avenue Merchants, Citibank and the 79th Precinct and others.
Tompkins Ave Trade Area Study

• Bridge Street Development Corporation in collaboration with their community partners set the vision for the overall market:
  – Make Tompkins Ave and other secondary commercial corridors such as Lewis and Malcolm X viable, sustainable corridors with a desirable retail mix of goods and services for the Bedford-Stuyvesant community

• BSDC will take the lead in framing an action plan to further the Tompkins trade area development in concert with their partners. This study is intended to inform stakeholders, profile the market, outline challenges and opportunities and then suggest possible starting points.
Tompkins Ave is centered in a increasingly diverse and vibrant residential community where retail attractive to the market has begun to emerge. The potential for retail development on Tompkins, especially retail that complements businesses on Fulton and vice versa, is both an opportunity and challenge for several tertiary streets.
Presentation Agenda

I. Convenience Trade Area
II. Core Market Assets and Characteristics
III. Challenges
IV. Implications, Suggested Strategies and Next Steps
Retail Scan Convenience Trade Area

Convenience Retail typically includes “Saturday morning” shopping needs such as pharmacies, groceries, dry cleaners, auto parts or hardware stores. Customers typically prefer to find these goods and services within walking or short driving distance of their home.
Core Market Assets and Characteristics
Core Market Assets

• ACCESS: A natural transit corridor on foot, by bus and by train to and from Fulton

• STRONG RESIDENTIAL PROFILE
  – Trends show steady increases in income coupled with new middle income families selecting the neighborhood
  – Housing stock includes concentration of attractive older greystones and brownstones, and historic churches

• EMERGING RETAIL SUCCESS
  – More than $27,000 of buying power per household
  – Recent businesses opening on the street reflective of the new markets

• COMMUNITY AND INSTITUTIONS: A track record of community and institutional leadership coupled with investment in both the retail and residential development of the community
Public Transit Brings People TO and THROUGH Bed-Stuy and Tompkins and Fulton Everyday – 24/7

Transit access yields proximity to Manhattan (20 minutes by train), which has helped drive household demographic and income changes from new workers moving in as well as long time residents.

Tompkins bus carries nearly 13,000 passengers everyday – an opportunity to capture customers from outside the neighborhood.
Strong Residential Profile
Population Trends

- The population of this trade area, 21,336, has grown at a rate faster than that in either Queens or Brooklyn in the last seven years.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Area</td>
<td>18,987</td>
<td>20,067</td>
<td>21,336</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>2,300,664</td>
<td>2,465,326</td>
<td>2,507,324</td>
</tr>
<tr>
<td>Queens</td>
<td>1,951,636</td>
<td>2,229,379</td>
<td>2,255,273</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Area</td>
<td>5.7%</td>
<td>6.3%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>7.2%</td>
<td>1.7%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Queens</td>
<td>14.2%</td>
<td>1.2%</td>
<td>15.6%</td>
</tr>
</tbody>
</table>
Household Median Income in the Trade Area

- Median Income, a common starting place for retailers in deciding to invest in a market, is $31,346, up 46% since 1990.

Source: Claritas 2007, LISC MetroEdge metrics
Middle Income Households

- Middle income households, those earning between $50k and $75k, have increased over 95% in the trade area since 1990 – almost triple the rate in Brooklyn and more than six times the rate in Queens.

<table>
<thead>
<tr>
<th></th>
<th>Middle Income HHs 1990</th>
<th>Middle Income HHs 2000</th>
<th>Middle Income HHs 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Area</td>
<td>652</td>
<td>1,003</td>
<td>1,273</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>106,815</td>
<td>136,962</td>
<td>141,852</td>
</tr>
<tr>
<td>Queens</td>
<td>130,715</td>
<td>155,763</td>
<td>149,584</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Area</td>
<td>54.0%</td>
<td>26.8%</td>
<td>95.3%</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>28.2%</td>
<td>3.6%</td>
<td>32.8%</td>
</tr>
<tr>
<td>Queens</td>
<td>19.2%</td>
<td>-4.0%</td>
<td>14.4%</td>
</tr>
</tbody>
</table>
Trade Area Household Income Diversity

- A third of households earn $50,000 per year or more – this is more than double the percentage of households that earned $50,000 or more in 1990.

Source: Claritas 2007, LISC MetroEdge metrics
Home Ownership

- Renters as well as homeowners with middle and upper incomes are choosing to live in the neighborhood. While incomes have increased, this neighborhood retains a substantial rental community.

Home Ownership Rate from 1990 to 2007 in Tompkins

Source: Claritas 2007
Increasing Youth Population

- Growth in youth and family-age population has attracted new retailer attention.

Age Distribution from 1990 to 2007

Source: Claritas 2007
Concentrated Buying Power

The Tompkins Trade Area has more than $27,000 of buying power per household, which is more than $600 million dollars per square mile, more than Brooklyn and Queens.

Source: Claritas 2007, LISC MetroEdge metrics

Definition: Potential dollars available to be spent by trade area residents per square mile.
Retail Float In Millions of Dollars

- Foodservice & Drinking Places (Restaurants, Bars): $11,300,000
- Food & Beverage Stores (Grocery Stores): $8,240,000
- Clothing & Clothing Accessories Stores: $3,500,000
- Furniture & Home Furnishings Stores:
- Sporting Goods, Hobby, Book, & Music Stores:
- Electronics & Appliance Stores:
- Miscellaneous Store Retailers: $3,500,000
- General Merchandise Stores:
- Building Material, Garden Equipment & Supply Dealers:
- Health & Personal Care Stores:
- Gasoline Stations:

Retail Float represents OPPORTUNITY going elsewhere!

Examples:
- Food & Beverage Stores: Grocery Stores, Bodegas, Produce Stores
- Foodservice & Drinking Places: Fast food, Sit-down restaurants
- Misc. Store Retailers: Florists, Stationery, Crafts, Boutiques
Adjusted Retail Float

- Adjusted retail float takes into account competing retail destinations within 1.5 miles, based on the size of the store and the distance of the store from the trade area.
When accounting for nearby competition, this trade area is underserved for restaurants, apparel stores, sporting goods and hobby stores and miscellaneous stores.

Adjusted Retail Float In Millions of Dollars

Adjusted Float is a measure that takes into account the competition around the trade area.
Retail Mix Appropriate for the Market

(primarily based on high adjusted retail float)

Tompkins
- Restaurants/Entertainment
- Family/Children’s retail
- Sports, Hobby, Book Stores
- Misc. Retail Niche

Bed-Stuy Gateway
- Restaurant/Entertainment
- Apparel (Fill Gaps)
- Grocery
- General merchandise
- Furniture
- Sports, Hobby, Book Stores

West Fulton
- Restaurants/Entertainment
- Grocery (niche)
- Furniture
- Niche Retail
Retail Float Is Opportunity

- Retail Float for restaurants and bars is $11 million dollars – suggesting opportunity for neighborhood scale restaurant businesses
  - Common Ground is an example of a business that has opened to capture this unmet demand focusing on families with children and singles alike
  - Additional restaurants could help fill the need for entertainment in the Tompkins area as well as the larger Fulton Ave Trade Area

- Retail Float for apparel stores ($8 million), sporting, hobby, book, music stores ($3 million combined) and miscellaneous stores ($3.5 million) suggest neighborhood-scale retail business to match spaces on Tompkins
  - Must be coordinated with overall neighborhood market and other tertiary street activity so as to not cannibalize other viable businesses
  - Niche retail stores with diverse merchandise mix that covers multiple categories may offer more potential for success
## Service Sector

<table>
<thead>
<tr>
<th>Service Sector</th>
<th>Establishments Per 1000 Households</th>
<th>Additional Potential for Establishments</th>
<th>Employee GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Brooklyn</td>
<td>Trade Area</td>
<td>GAP</td>
</tr>
<tr>
<td>Offices of Real Estate Agents and Brokers</td>
<td>2.17</td>
<td>2.06</td>
<td>0.11</td>
</tr>
<tr>
<td>Offices of Lawyers</td>
<td>1.61</td>
<td>0.77</td>
<td>0.83</td>
</tr>
<tr>
<td>Offices of Certified Public Accountants</td>
<td>0.27</td>
<td>0.13</td>
<td>0.14</td>
</tr>
<tr>
<td>Motion Picture Theaters (except Drive-Ins)</td>
<td>0.02</td>
<td>0.00</td>
<td>0.02</td>
</tr>
<tr>
<td>Musical Groups and Artists</td>
<td>0.02</td>
<td>0.00</td>
<td>0.02</td>
</tr>
<tr>
<td>Theater Companies and Dinner Theaters</td>
<td>0.02</td>
<td>0.00</td>
<td>0.02</td>
</tr>
<tr>
<td>Bowling Centers</td>
<td>0.01</td>
<td>0.00</td>
<td>0.01</td>
</tr>
<tr>
<td>Amusement Arcades</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Amusement and Theme Parks</td>
<td>0.02</td>
<td>0.00</td>
<td>0.02</td>
</tr>
<tr>
<td>Recreational Goods Rental</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Tour Operators</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Coin-Operated Laundries and Drycleaners</td>
<td>0.32</td>
<td>0.26</td>
<td>0.06</td>
</tr>
<tr>
<td>Drycleaning and Laundry Services (except Coin-Operated)</td>
<td>0.30</td>
<td>0.26</td>
<td>0.04</td>
</tr>
<tr>
<td>Landscape Architectural Services</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Home and Garden Equipment Repair and Maintenance</td>
<td>0.01</td>
<td>0.00</td>
<td>0.01</td>
</tr>
<tr>
<td>Landscaping Services</td>
<td>0.07</td>
<td>0.00</td>
<td>0.07</td>
</tr>
</tbody>
</table>

Many professional services such as real estate agents and brokers are underrepresented in Bed-Stuy.

Entertainment venues represent an opportunity for using spaces and meeting a community desire.

Dry cleaners are good foot-traffic drivers that bring customers to a location with repeat visits.

The market can support additional landscape, gardening services.

This analysis estimates the gap in the number of service sector establishments per 1,000 households in the study area as compared to Brooklyn.
Development Projects

- Active development projects in the Tompkins neighborhood and Bed-Stuy signal to existing and potential investors and retailers that the market is active. Recent financial events may slow the pace of these developments.

- Recent development projects such as Quincy Senior Residences support the neighborhood.
Investments Spread Throughout the Neighborhood

- Building Permits provide additional evidence that both commercial and residential investments are building the market in all corners of this trade area, another signal to investors that the overall market is emerging.
Community and Institutions
Bridge Street Development Corporation

• Bridge Street Development Corporation is a leader in housing development, homeownership preservation and financial literacy, and is the development arm of the Bridge Street AWME Church, one of the oldest African American churches in New York City

• Development track record throughout Bedford-Stuyvesant including award winning Quincy Senior Residences, and in total over 450 units residential units developed in the neighborhood
Economic Development Programs Support Businesses on Tompkins

• Economic development initiatives have supported the opening of successful business establishments, storefront improvements and creation of a merchant association
  – Conducted eight storefront renovations and opening events
  – Control three spaces on Tompkins
  – Recruited new furniture store Casa Bon to Tompkins

• BSDC facilitates the Tompkins Avenue Main Street Program, bringing $200,000 from the state for building renovations, façade renovations, and streetscape improvements.
Challenges
Urban Retail Challenges are not Unique to Tompkins Avenue

In 2004, the International Council of Shopping Centers asked retailers why they were not locating in urban markets.

Retailers Concerns – As Ranked by ICSC Survey

1. Crime/perceived crime
2. Weak market demand (perceived or real)
3. Theft or ‘shrinkage’
4. High rents
5. High build out/rehabilitation costs
6. Difficulty identifying sites
7. Inadequate parking
8. Higher operating costs
9. Higher construction and development costs
10. Lack of amenities to attract out-of-neighborhood employees

Overarching Challenges

• Community and Market
  – Maintaining population and income diversity with emphasis on diversity of ages
  – Actual and perceived changes in disposable income, potential for increased white collar unemployment and other impacts of recent Wall Street shake up
  – Foreclosure prevention strategy

• Retail and Residential Environment
  – Substantial number of vacant and abandoned buildings scattered along the street
  – Crime and safety
  – Access to retail parking /bus stops
  – Lack of continuity – continuous retail
  – Some difficult spaces for retail

• Operations
  – Limited CDC capacity is opportunistic rather than strategic in it’s efforts
Overarching Challenges

• Basic business skills and supports
  – Affordable space/renovation funds near other businesses
  – Business visibility is poor
  – While improving, the business mix does not represent the changing market (e.g. prevalence of bodegas)
  – Some evidence of a need for basic business skills such as staffing and customer service, product mix and marketing

• Community and Institutional Support
  – Lack of a cohesive leasing strategy – response driven
  – Fragmented merchant groups, especially given the lack of scale on any one of the streets or blocks of interest
  – Good residential real estate skills; need help in transferring to commercial
Residential Foreclosures Impacting Bed-Stuy

- Bed-Stuy has experienced foreclosure filings at a rate higher than Brooklyn and city average.

- Bridge Street Development Corporation has partnered with Restoration, Pratt Area Community Council and others to create new outreach and counseling programs to assist homeowners impacted by foreclosure.

- Continuation of these strategies is the best solution for preserving homeowners, as well as affected renters, who are part of the retail marketplace in Bed-Stuy.

Source: NYU’s Furman Center for Real Estate and Urban Policy
Using NYC Department of Housing Preservation and Development’s Housing and Vacancy Survey, U.S. Census, Public Data Corporation
Crime has decreased but remains higher than city averages – negative perception lingers

- Existing programs and efforts to fight crime include the Crime and Safety Task Force
- Regular meetings with the Brooklyn Borough Police and 79th Precinct (monthly and bimonthly) have generated strategies to target known nuisances and bring foot patrols to Tompkins
Strategies and Next Steps
Immediate Next Steps

• Inventory the several illustrations of successful business efforts on Tompkins and prepare profiles illustrating how they responded to the challenges. These would include taking control of space, addressing the physical condition of a property, finding affordable space, changing the business mix to attract new customers and working with the neighboring businesses to increase customer traffic.

• Use these study findings coupled with the lessons learned from the successes to outline the specific agenda for the next 18 to 24 months.
Immediate Next Steps

• Who to help? What businesses does it make sense to support?
  – Define the market/leasing/strategic positioning approach.
  – A growing increase in middle-income families suggests focusing on retailers who fill growing demand.

• Where to help? What strategic locations would benefit from
  – Mapping a viable leasing strategy...it may not be Tompkins
  – Focus efforts geographically towards developing a critical, visible mass of activity at the right location

• How to help? Identify and develop the tools to retain and attract businesses
  – Direct business technical assistance for existing businesses
  – Market-making opportunities to create a more attractive retail environment
Strategies, Ingredients for Success of Retailers and Developers

Affordable Space

Capital/Expertise To Run The Business

Retail Mix Appropriate for the Market

Visibility and Brand
Affordable Space

Building on success at various nodes on Tompkins

• Target leasing support for property owners most ready (interest, capacity, location and viability of space)
  • Update the comprehensive building inventory
  • Identify subsidies and public funding sources to secure and improve identified space
  • Develop retail database and retail target list
• Identify the next opportunity sites
• Mobilize partner resources to support the development of a leasing/building improvement plan
• Mobilize the tools critical to retaining those business
• Consider hiring brokerage services to manage sale or leasing
Retail Mix Appropriate for the Market

- Evaluate the cluster concept (start with children/families for Tompkins) and businesses with linked merchandise/services (like the florist and the landscaper) - use to inform business recruitment
- Continue the proactively recruit businesses in the specific retail categories - avoid reacting to every opportunity; Profile the ideal retail mix, the successes, and go for it. Merchant/consumer surveys to identify retail prospects and further define strategy
- Engage leasing agent or take on strategic leasing agent role/build brokerage skill set at the CDC
Neighborhood Marketplace Initiative

• Partners: Urban Solutions, San Francisco, CA and Bay Area LISC

• Program Overview
  – Technical and design assistance to businesses and owners
  – Financial resources and forgivable loans for facades and interiors
  – Commercial leasing support for property owners
    • Compile comprehensive list of vacancies
    • Track down landlords, determine why spaces are vacant
    • Convince landlords to let you help lease the space
    • Market spaces, conduct space showings and facilitate lease signing
Neighborhood Marketplace Initiative

- Upgrading the quality of existing vacant space

First impressions matter

Vanilla-shell space sells
Capital/Expertise To Run The Business In This Environment

• Possible Strategic Action Items for existing business where retention is critical to supporting business recruitment
  – Develop and administer a voluntary retailer evaluation program (aka “secret shopper survey”) to define areas for improvement and make concrete recommendations
  – Engage a business consultant to provide technical assistance to select businesses
  – Develop a revolving loan fund or recoverable grant program to provide tenants with low/no-cost funds for tenant improvements
  – Develop staff capacity – if strategic plan is identified
Retailer Audit Program

- Retailer Audits typically include the following:

<table>
<thead>
<tr>
<th>Visual Clues</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Outdated design</td>
<td>• Standards of discipline for staff</td>
</tr>
<tr>
<td>• Messy store</td>
<td>• Too many part-time staff</td>
</tr>
<tr>
<td>• Perpetual ‘on-sale’ signs</td>
<td>• Signs restricting returns</td>
</tr>
<tr>
<td>• Poor aisle and traffic flow</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Merchandising Clues</th>
<th>Management/Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Out of stock, broken stock, poor stock</td>
<td>• High turnover</td>
</tr>
<tr>
<td>• Last year’s inventory</td>
<td>• Permanent help-wanted signs</td>
</tr>
<tr>
<td>• No new merchandise</td>
<td>• Slow rent payment</td>
</tr>
<tr>
<td></td>
<td>• Old technology at point of sale</td>
</tr>
</tbody>
</table>

Source: *Getting Retail Right*, John C. Williams
Merchant Safety Audit Program

- Merchant Safety Audits typically include the following:

<table>
<thead>
<tr>
<th>Exterior</th>
<th>Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Lighting</td>
<td>• Community policing officer assigned?</td>
</tr>
<tr>
<td>• Parking access/visibility</td>
<td>• History of violence in area?</td>
</tr>
<tr>
<td>• Property clean? Trash free?</td>
<td>• Nearby crime hotspots?</td>
</tr>
<tr>
<td>• Secure exterior openings</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interior</th>
<th>Business Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>• ATM’s working/visible</td>
<td>• Previous robbery response training?</td>
</tr>
<tr>
<td>• Clear line of sight throughout store</td>
<td>• Established robbery policy?</td>
</tr>
<tr>
<td>• Alarm system present?</td>
<td>• Money counting policy?</td>
</tr>
<tr>
<td>• At least two means of egress?</td>
<td>• Frequent cash deposits?</td>
</tr>
<tr>
<td></td>
<td>• Insurance?</td>
</tr>
</tbody>
</table>
Visibility and Brand

Possible Strategic Action Items

- Market making activities – formulate and test reasons to come to the focal area on Tompkins consistently
  - Consistent shopping opportunities
  - Daytime- activities for children/farmers market/regular events like Saturday events for young families could be explored.
  - Evenings - facilitate husband/wives/partners going out at night
- Marketing/Promotions
  - Affinity marketing or other virtual or cluster profiling
  - Events that support retail - combined street or store events
- Aesthetic Improvements
  - Physical improvements to street, façade improvements, façade guidelines
  - Environmental Design (aka “broken windows theory), support implementing CPTED theory
Strategies, Ingredients for Success of Retailers and Developers

- Retail Mix Appropriate for the Market
- Affordable Space
- Capital/Expertise To Run The Business
- Visibility and Brand
For More Information

Helen Dunlap
Jake Cowan
LISC MetroEdge
1-866-828-1599
metroedge@lisc.org
http://metroedge.lisc.org/

Larisa Ortiz
Larisa Ortiz Associates
lortizpufolkes@gmail.com
917-696-1374