

Rodgers

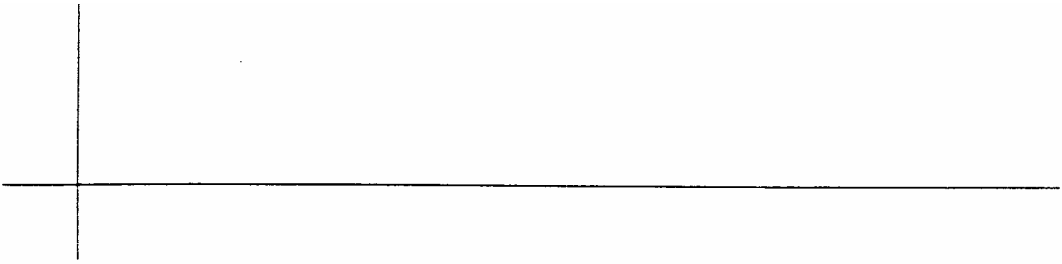
McCauley Inc

VILLAGE OF PELHAM

**Retail Inventory, Assessment and Recommendations
Wolf's Lane and Fifth Avenue**

June, 2004

Evaluation By: Rodgers & McCauley, Inc.



RETAIL INVENTORY AND ASSESSMENT

EXISTING RETAIL CONDITIONS

Retail Mix

In order to make recommendations for future marketing and tenanting of retail spaces, it is important to analyze the current mix of existing ground level retail uses, and the overall balance of the mix. In addition one must note not only the number of vacancies but also their location. The best retail streets usually have a broad and balanced mix of service, specialty retail, food, and restaurants with a minimum amount of duplication and a low percentage of vacancy. In addition, successful commercial streets often have other uses besides retail, such as civic and cultural institutions, recreational uses, schools, churches and parks; all of which attract people to the area.

Currently there are 206 street level spaces within the Wolf's Lane/Fifth Avenue study area. The commercial spaces are occupied by the following uses:

Categories	Wolf's Lane	Fifth Avenue	Total	Percent
Business and Company Offices (Law, accountants, insurance, contractors, etc.)	9	34	43	21.9%
Health Care (doctors, dentists, guidance, etc.)	6	3	9	4.4%
Real Estate	4	1	5	2.4%
Banks		3	3	1.6%
Post Office	1		1	.48%
Movie Theater	1		1	.48%
Beauty/Nails	4	13	17	9.2%
Fitness/Sports	3	2	5	2.4%
Restaurant/Bars (sit-down)	7	8	15	7.3%
Restaurant - take-out/fast food [(pizza (3), Chinese (1), ice cream (1), bagels (1)]	1	5	6	2.9%
Deli/Convenience	2	7	9	4.4%
Coffee Shops	1	1	2	1.0%
Bakery		1	1	.48%
Gourmet Market	1		1	.48%
Grocery Market/Produce		3	3	1.5%
Florist	2	3	5	2.4%
Wine/Liquors	1	1	2	1.0%
Cleaners/Laundry	1	5	6	2.9%
Shoe Repairs	1		1	.48%
Hardware		3	3	1.5%
Appliances/Electronics	1		1	.48%
Optical		1	1	.48%
Video		1	1	.48%
Phone Store		1	1	.48%
Photo		1	1	.48%
Drug/Pharmacy		1	1	.48%
Travel Agency		1	1	.48%
Stationery		1	1	.48%
Bicycle		3	3	1.5%
Gifts	1		1	.48%
Art Gallery/Framing	1	2	3	1.5%
Antiques		4	4	1.9%
Pet and Pet related	3	1	4	1.9%
Apparel		4	4	1.9%
Jewelry		1	1	.48%
Knit shop		1	1	.48%
Misc.		1	1	.48%
Automobile/auto related	4	6	10	4.9%
Vacancy	3	10	13	6.3%
	2	12	14	6.8%
	59	147	206	100%

Retail Balance

The following is a breakdown of the retail spaces by broader categories:

Categories	Number	Percent of Occupied space
<u>Companies, offices, business</u> (offices, health care, manufacturing, real estate, travel, etc.)	58	(30.2%)
<u>Service retail uses</u> (banks, cleaners, optical, video, post office, beauty, nails, fitness, shoe repair, florist hardware, drug, photo development, cell phones, groceries, pet care, deli's, etc.)	70	(36.5%)
<u>Automotive</u> (gas stations, auto parts, auto repairs)	13	(6.8%)
<u>Restaurant, bars, fast-food, coffee shops</u>	22	(11.5%)
<u>Specialty retail</u> (apparel, crafts, antiques, art galleries, jewelry, gifts, bicycle, stationery, specialty, etc.)	20	(10.4%)
<u>Vacancy</u>	12	(6.8%)

Non-retail businesses, automotive services and vacancies occupy forty-two (42%) percent of the street level spaces in the study area. In urban retail planning these are referred to as "passive" uses in that they generally do not add much retail vitality to the street and interrupt the retail flow. It becomes a particularly serious problem when these uses are occupying an overwhelming proportion of the prime retail spaces. A successful downtown might have a good representation of non-retail uses, but they generally will occupy secondary spaces or be slightly off the prime corridor. In Pelham many of these uses occupy the northern end of Fifth Avenue and the southern end of Wolf's Lane; however; there are still too many office and health uses in the prime blocks. In addition, set backs, vacant lots, parking lots, automotive uses, office buildings, blank walls and windows with drawn blinds or curtains detract from the retail activity of the street.

A successful commercial area in a town, village or neighborhood usually will have a good balance between service businesses (banks, cleaners, grocers, beauty parlors) eateries (restaurants, cafés, coffee shops, take-out food, and fast food, etc.) and specialty retail (apparel, jewelry, gifts, galleries, children's toys, etc.). It is often the specialty retail that gives the street its character and helps attract people from outside the immediate area. It is this category that is particularly weak in the Village study area with only twenty stores (10.4%) fitting into this category. It is somewhat surprising that there is only one apparel store and almost no shops

devoted to children's needs such as toys, clothes and shoes. It is also important to note that certain uses such as auto body shops, numerous gas stations, a lumber yard and discount stores are not the "highest and best" use for a village main street.

Categories with Sufficient Representation

As part of this analysis of the current retail market and its merchandising mix, it is also important to note those categories of stores that are sufficiently represented so that when filling vacancies, these categories are not duplicated. However, this may not hold true if the current retailer in a given category is doing a poor job at delivering a product or service to the customer. Also, in some cases, clustering one type of use, such as antiques shops or art galleries can create a strong retail attraction for an area and, therefore, this type of clustering would be encouraged. Based on the size and needs of the Pelham market, the following categories appear to be sufficiently represented. Additional stores in these categories should not be pursued.

- ◆ Bank and Automatic Teller Machine (ATM's)
- ◆ Liquor/wine
- ◆ Drug store
- ◆ Pizzerias
- ◆ Chinese take-out
- ◆ Bars
- ◆ Auto dealers/Service stations
- ◆ Supermarket
- ◆ Beauty parlors
- ◆ Florists
- ◆ Real Estate
- ◆ Cleaners
- ◆ Deli's/convenience
- ◆ Hardware
- ◆ Phone stores
- ◆ Pet stores
- ◆ Bicycle shops

Categories Missing or Underserved

Just as there are categories that are sufficiently represented, there are often categories that would be appropriate, but are underserved or missing in a given market. In the Village, the following categories would be appropriate and would fill a need not currently being met. These categories should be pursued for future retail tenants.

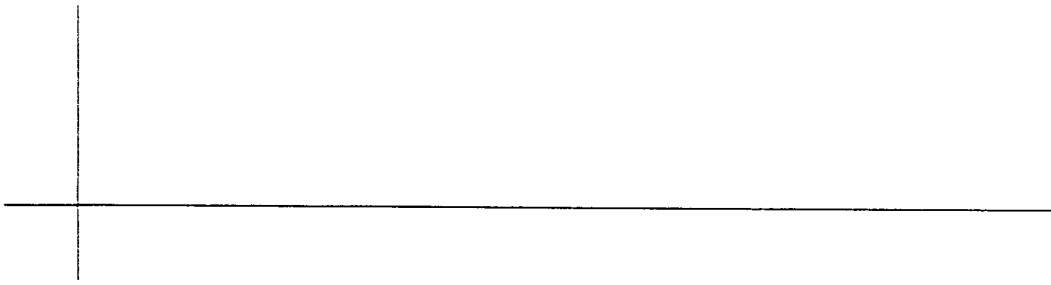
- ◆ Children's clothes
- ◆ Toys
- ◆ Housewares
- ◆ Kitchen wares
- ◆ Sporting goods

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- ◆ Bookstore
 - ◆ Women's apparel
 - ◆ Shoe store (children and women)
 - ◆ "Funky" gifts
 - ◆ CD shop
 - ◆ Bed & Bath shop
 - ◆ Candy/fudge shop
 - ◆ "Fun" jewelry
 - ◆ Garden shop
 - ◆ Tabletop gifts
 - ◆ Athletic wear
 - ◆ Men and women's sportswear
 - ◆ More and better antique stores
 - ◆ More art galleries
 - ◆ Art/office supplies
 - ◆ Small business center

Some of these uses might be incorporated within existing stores or might be combined into one large shop. Several related uses such as art galleries or antique shops might form into cooperative stores which would provide a greater retail attraction.

Vacancy

A vacancy rate of 6.8% is quite low, but many of the current vacancies are in the prime retail area, which makes the issue appear more serious than it is. If these vacancies were filled with quality retailers from the desired list of categories, the Village would have a good start in improving its retail mix.



RETAIL RECOMMENDATIONS

RECOMMENDATIONS

Future Tenanting

Currently the retail mix of Fifth Avenue and Wolf's Lane does not meet the needs of its potential market. While it has a fair share of service businesses and some retail and restaurant successes, the Village needs more attractive one-of-a-kind specialty stores and shops that meet the needs of the growing population of young families. In addition, some existing stores are not developing their product lines or services to their fullest potential. The solution in many of these situations is for the Village to work harder at retaining and expanding those uses that are a positive addition to the current downtown's retail, cultural and civic mix, and to work to recruit new businesses that will add interest to the area and bring more people to the Village.

What the Village has and which can not be easily replicated, is an attractive downtown with a wonderful sense of community. The downtown should continue to provide necessary conveniences and services while working to keep and expand the cultural and institutional services. In addition, because retail rents are relatively low, the Village can provide an opportunity for "start-up" businesses such as specialty stores, family-style cafés/restaurants, and one-of-a-kind stores. In addition, the presence of other uses such as the museum, library, civic offices and the railroad station, all add another dimension to the downtown experience, something one cannot find in a shopping mall or strip center.

The following are basic recommendations for the future tenanting of Fifth Avenue and Wolf's Lane.

- **Fill vacancies with retail categories that are missing or under represented. Avoid categories that are inappropriate or already sufficiently represented in the market.**

Categories which would be appropriate and would fill a need not currently being met in the Village are listed in the first section of this report. These are the kinds of uses that will attract residents and bring visitors to the Village. However, it is not just the category of merchandise being offered that is important, but also the quality of the merchandise and the retail ability of the operator.

In addition, when filling vacancies, property owners should avoid any retail or commercial uses that create a negative image. Such uses as auto repair shops, x-rated video shops and discount stores do not reinforce the image of an attractive village.

- **Avoid leasing to those categories that are over-represented or do not add vitality to the area.**

Currently the Village has certain categories of retail that are sufficiently represented based on the size of the market. These include banks, florists, pizzerias, beauty parlors, cleaners and gas stations. Every effort should be made to encourage property owners to avoid filling vacancies with such uses.

It is also important to remember that a village's main retail corridor should be tenanted by active retail uses. Passive businesses, including those office uses which do not attract significant numbers of daily visitors and which have no goods or services to advertise attractively in their display windows, take away from the retail vitality and interest of the street, particularly when they occupy prime street level retail space. They do, however, serve an important role in a downtown, bringing in employees and visitors, and should be encouraged to occupy space on the edges of the prime retail core.

Observing the most successful retail venues, one would find almost no passive uses in the prime retail corridor. The City of Rye goes so far as to prohibit by law any "office for clerical, administrative, professional, or agency use" on the first floor of any building in the designated prime retail area. Whether through revisions to the Village's zoning, or by working with landlords and leasing agents, attempts should be made to reserve first floor space on Fifth Avenue from the railroad to Lincoln Avenue for retail and service uses will both benefit from this prime location and will add to the overall shopping environment.

- **Fill vacancies with quality retailers that are appropriate and offer uses needed in the market.**

It is important to avoid filling vacancies with the first person willing to pay the rent. Leasing to tenants with little or no retail experience and little sense of merchandising and presentation is risky and can often lead to a quick turnover of tenants which can have a negative impact on the Village as a whole. Lease to qualified and experienced retailers who will fill categories that are missing or underserved in the market. Also clustering of related uses is a good retail practice. If you have a children's toy store, then one might consider a children's clothing or shoe store as a complementary tenant. If you have a few antique stores, additional antiques stores will strengthen the Village as a destination for antique shopping.

- **Make leasing proactive.**

Often the best way to find good retailers in desired categories is to seek out existing successful retailers in nearby towns and villages. Such towns and cities as Rye, Larchmont and Katonah in Westchester and Westport and Greenwich in Connecticut are just a few examples of retail areas providing excellent retail prospects. Another possible source is residents in the area who might wish to open a retail store. Pelham offers an excellent opportunity for start-up retail stores due to the relatively low rents and a need for several retail categories missing in the market. Many of the most successful villages in terms of their retail are almost exclusively tenanted by small "mom and pop" stores. These stores are often unique and can help give a shopping street its character and individuality.

It is also important to realize that the most successful leasing does not occur by merely putting a sign in the window. To find the "highest and best" use for a space may require many phone calls and a lot of "beating the bushes". In many ways, village recruitment tactics are similar to those used by larger retail developers. In order to secure the best tenants, owners sometimes offer incentive in the form of improvements or construction allowances, free rent, low interest

loans, or percentage rent for the first year. In competing to attract quality retailers, property owners must be ready to offer similar incentives.

- **Hire a part-time retail leasing person who would seek out prospects, help fill vacancies and work on all retail related issues.**

Towns and Villages that have had the greatest success in improving their retail mix, often have hired a person to seek out qualified tenants.

A good retail leasing person should be an excellent promoter of Pelham and have a good eye for quality retailers that would be appropriate for the Village. This person could also assist with improving the quality and appearance of existing retail stores and help to develop and enforce storefront guidelines for facades and signs.

Physical Appearance

Before the downtown can be successfully marketed to new tenants and visitors, the general appearance of many existing storefronts must be improved and mechanisms to provide guidance to future merchants and property owners should be established.

- **Enforce the current zoning codes and establish design guidelines for facades and signs.**

The current sign code for the Village is quite comprehensive, but it appears that in several instances it is not being enforced. Enforcement is absolutely necessary if the codes are to be taken seriously. The Village might start the process by offering educational seminars and having one-on-one meetings with individual owners, making suggestions for improvements and/or providing incentives as a means of encouraging support. This might be in the form of matching grants for storefront and sign improvements.

In addition, design guidelines should be developed by the Village and presented in a easy-to-read brochure so that retailers and property owners clearly understand the desired goals of the Village.

- **Encourage merchants to improve existing storefronts conditions.**

A shop's appearance should make a good first impression. Storefront design often affects a customer's decision to enter a store. If a storefront is uninviting, it may turn a potential customer away. Storefront windows should be transparent and utilized for store merchandising only, not for storage or temporary signs. Windows should not be blocked by curtains or blinds of any kind, and should be of clear, not tinted glass.

Window Display – Window displays are one of a retailer's most important advertising tools and, therefore, must be interesting and attractive. The display provides an indication of what a customer will find inside and often determines if a store is entered or bypassed. Although they may be very simple, they must be neat and creative. Window displays should be changed often to feature new and different merchandise.

Generally, signs in the window are not necessary; the merchandise should speak for itself. A store owner that is not adept at window design should seek professional assistance.

Lighting – Good storefront and window lighting create an inviting mood. Harsh light, exposed bulbs or lighting that projects into nearby windows or the eyes of pedestrians should be avoided. Storefront windows should remain lit until at least 11:00pm. This allows merchandise to be advertised after store hours, helps to illuminate the street, and contributes to a sense of security in the downtown.

Street Amenities – Where appropriate, street amenities such as cafés and planters add vitality to the streetscape and should be encouraged. Flowers in planters, window boxes and flower baskets are an easy and inexpensive way to add color and interest to a storefront. Street amenities should not block pedestrian circulation and must be well maintained.

Maintenance – Good maintenance is good business. If a store is dirty or poorly maintained, it sends a negative message to customers. Good maintenance suggests stability and permanence. Windows should be washed regularly, sidewalks swept as needed, breakage repaired immediately and all trash and storage should be kept out of view both inside and outside of a shop.

- **Work to improve the appearance of off-street parking lots.**

Currently many of the off-street parking lots, both public and private, are unattractive and in disrepair. Surface parking lots should be camouflaged with shrubbery, hedges or attractive fencing (not chain link). Parking surfaces should be properly maintained and repaved as needed. Public parking should be clearly identified with appropriately signage.

Marketing and Promotions

- **Develop a professionally designed marketing and recruitment package.**

General recruitment for Pelham should not only be directed at potential commercial uses, but also cultural, civic, recreational and residential uses. Marketing of Pelham at the present time should capitalize on the existing positive features such as its location to New York City, small-town character, quality of life, beauty of its natural setting, its residential area, recreational and educational attributes and the relatively low cost for commercial space.

A marketing/recruitment package could be developed to be used by any group marketing Pelham such as brokers, owners, civic groups and institutions and could be used in conjunction with more specific information which is tailored to a specific building or potential market. The marketing/recruitment package should be a well designed folder that has several inserts which can easily be changed and updated. The recruitment package should be designed so there are pockets for the inserts and other timely as well as pertinent information.

An informative brochure should include the following inserts:

- *Introduction and History* – This piece should offer a brief introduction to Pelham and its history. In addition, the piece should discuss Pelham’s character and positive attributes i.e., location, small-town character, housing stock, schools, etc. Some four color photographs of the Village would be an excellent addition to this piece.
- *Location Map* – Two location maps should be included: one indicating Pelham’s location relative to the greater New York/Connecticut area, indicating major urban centers, road, and highways; the other, which could be on the same piece as the area map, would be a more specific site map of Pelham indicating its commercial area major access and points of interest.
- *Fact Sheet* – This piece should include highlights of basic demographic information, as well as housing costs, transportation information, recreational assets, schools, special attractions and historically significant buildings. Often town and villages will include a complete set of demographics for one, five and ten mile radii which can be purchased from a variety of demographic marketing companies. In the case of Pelham, it is important to discuss its small, hometown character while stressing the more significant demographic numbers of the surrounding area.
- *Additional Information* – In the marketing package, a pocket should be designed to hold timely and pertinent information and handouts. This might include the following:
 - Current newspaper articles
 - Design guidelines
 - Village directories

Full-scale marketing of Pelham’s commercial district should not, however, occur until there have been major changes in the physical appearance of the street and the tenanting of the vacant retail spaces. After making major improvements in the overall appearances of the existing stores and with a handful of new, exciting shops, then is the time to market the shopping area.

▪ **Continue and expand promotional events.**

Promotions can be extremely important not only in bringing residents and visitors to the area, but can help invigorate the retail stores and restaurants. Throughout the country, festivals, outdoor markets and arts and crafts shows are bringing vitality and excitement to towns and villages. Promotions should, however, not compete with, but be supportive of the local retailers and will be most successful if retailers participate in some way or are involved in the planning.

Retention and Incentives

Not only is it important to attract new retailers, but it is equally important to retain good existing retailers and assist them to improve their business. Apart from basic business decisions, a retailer needs the support and cooperation of the property owners and the Village as well as other civic organizations and residents.

The Village, property and business owners should consider the feasibility of providing certain services or direct incentives to help retailers, such as:

- The use of a design consultant who would work with retailers and owners on storefronts and retail signs. Possibly a Village architect or designer would be willing to volunteer his or her services to review and assist retailers on storefront and sign designs.
- The hiring of a merchandise consultant to advise retailers on window display, lighting, interior merchandising, etc. This might be a resident of the Village who has particular talent in this area.
- The reworking of Village codes to keep them flexible enough to provide for changes in retailers needs and direction, but specific enough to encourage good design uses.

In addition, retailers themselves must make an extra effort for their own benefit and for the benefit of the Village to keep existing customers coming back and to attract new customers. If they have not already done so, store owners should implement the improvements suggested in this report. Retailers must be competitive or they will lose customers. Stores must not only look up-to-date, but merchandise and presentation must be fresh and meet the needs of the customers. Currently, too many stores look shabby and dated. Also store owners must understand their customers and be willing to change their merchandise to meet changing market demands. Too many retailers do what they have always done and fail to change. Such retailers will be out done by those retailers who are more flexible. Stores must be new and exciting to attract customers. Visual displays must be changed frequently. Shelves must be clean and well stocked. Service should be informed and helpful. All in all, the shopping experience should be a positive one in order to bring customers back over and over.