RETAIL STUDY
FINAL PRESENTATION

April 11, 2012

Transforming Downtown Peekskill

LARISA ORTIZ ASSOCIATES
commercial district advisors

JGSC GROUP
Retail Market Makers

About Us

Larisa Ortiz, Principal of Larisa Ortiz Associates

- Over 15 years of national and international experience
- Designed and executed the City of New York's award-winning retail leasing program
- Former Director, Commercial Markets Advisory Service, LISC Metro Edge
- NYS Public Sector Co-Chair, International Council of Shopping Centers (ICSC),
- Graduate Degree in Urban Planning, Massachusetts Institute of Technology
- Visiting Professor, Pratt Institute

Mark Lohbauer, Principal of JGSC Group

- Experience in over 90 communities
- Former Director of Policy, NJ Economic Development Authority
- Assistant State Treasurer at Department of Treasury, State of New Jersey
- Rutgers University Law School

Peekskill Retail Study

PROJECT OVERVIEW

Project Goals

1. Inputs and Analysis
   - Zoning/Regulatory Policy
   - Business mix & vacancies
   - Stakeholders
   - Merchants
   - Consumers
   - Demographic & Market Data
2. Findings & Recommendations
3. Training/Prospect Leads

Today's Objectives

1. Project Findings
2. Project Recommendations

Peekskill Retail Study

PROJECT FINDINGS

LARISA ORTIZ ASSOCIATES
commercial district advisors

JGSC GROUP
Retail Market Makers

Inventory

Retail goods

- Eating & Drinking: 14% (29)
- Grocery Related: 6% (13)
- Arts-Related: 4% (8)
- Clothing: 3% (6)
- Florists & Gifts: 2% (4)

Retail services

- Personal Care: 11% (22)
- Gyms and Fitness Centers: 1% (3)

Non-Retail businesses

- General Offices Use: 14% (28)
- Professional Services: 11% (22)
- Medical Services: 5% (10)

* Residential and non-commercial properties not included

Vacancy

Vacant commercial properties (Summer 2011)

28 Total Vacancies

24 Retail Vacancies prop)

4 Non-retail Comm.

Business Mix

Summary of mix

- Restaurants
- Nail and Beauty Salons
- General and Discount Merchandise (Variety Stores)

Repetitive categories

- Immigrant Services/Multiservices
- Beauty Salons & Barber Shops
- Convenience stores

Physical conditions

Buildings & Facades

- Continued need for façade improvement
- Need for building maintenance

Signs & Window Displays

- Ineffective window displays
- Sign clutter is common
- Absence of blade signs
- Generally effective band signs

Community participation

Interviews

- 5 stakeholder interviews
- 20 merchant interviews

Consumers

- 1,711 surveys (2.4% ME)

Survey Distribution

- Media/PR
- 15 businesses
- 7 events
- 5 condos and senior apartments
- 5 schools
- Pastor's Association
- Announcements at four banner locations, library marquee
- Email list-serves

Stakeholder interviews

Relationships

- Existing administrative capacity
- Need for more collaboration
- Relationships improving, but improved coordination necessary

Vision

- Weekday/weekend destination
- Employment
- Balanced retail mix
- More residents

Resources and experience

- Street festivals work, but want to see more ‘everyday’ activities
- Improved permitting
- Improved security/lighting at parking garage
- Better coordination between Paramount and businesses

Stakeholder interviews

Strengths

- "Charm and beauty"
- "People feel safer"
- "Buzz that Peekskill is changing"
- "An emerging brand – affordable entertainment"

Weaknesses

- Retail selection and quality
- Coordination between downtown anchors
- Access and parking
- Marketing

Stakeholder interviews

Opportunities

- Public realm
- Marketing
- Access/Parking
- Retail

Threats

- Leadership and administrative capacity
- Parking experience (public lots)
- Media coverage

Merchant interviews

Retailer background

- Some retailers
- Some service and consulting businesses
- Most businesses have one location

Challenges and opportunities

- Foot traffic
- Recession
- Paramount
- Safety and security
- Inconsistent hours

Customer profile & sales trends

- Who shops here
- Turning the corner?
- Opportunity to brand

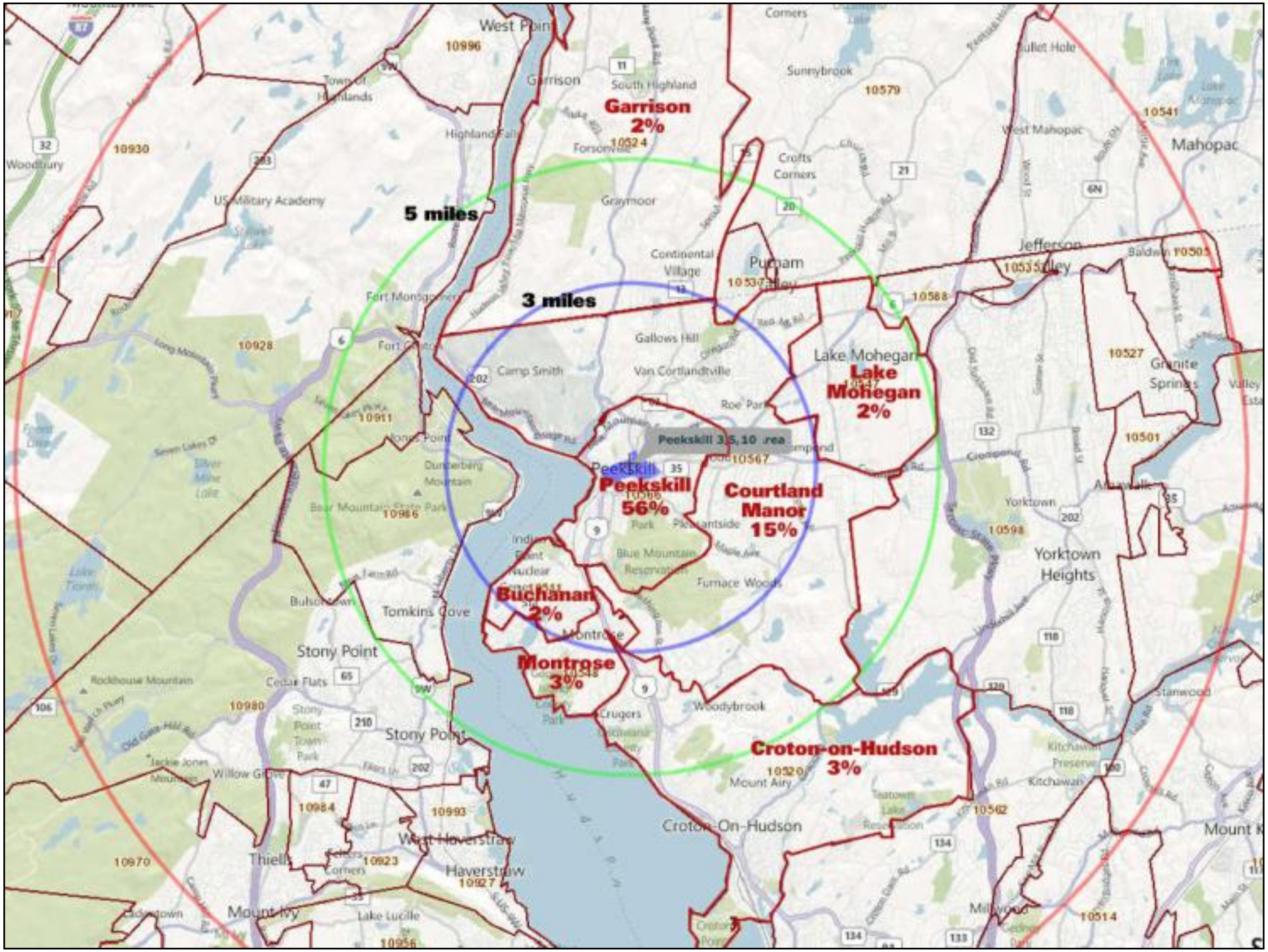
Marketing & BID participation

- View of the BID
- What merchants want from BID

Peekskill Retail Study

SURVEY RESULTS

Trade area



Garrison
2%
5 miles
3 miles
Lake Mohegan
2%
Peekskill 3,5,10 .rea
Peekskill
56%
Courtland Manor
15%
Buchanan
2%
Montrose
3%
Croton-on-Hudson
3%

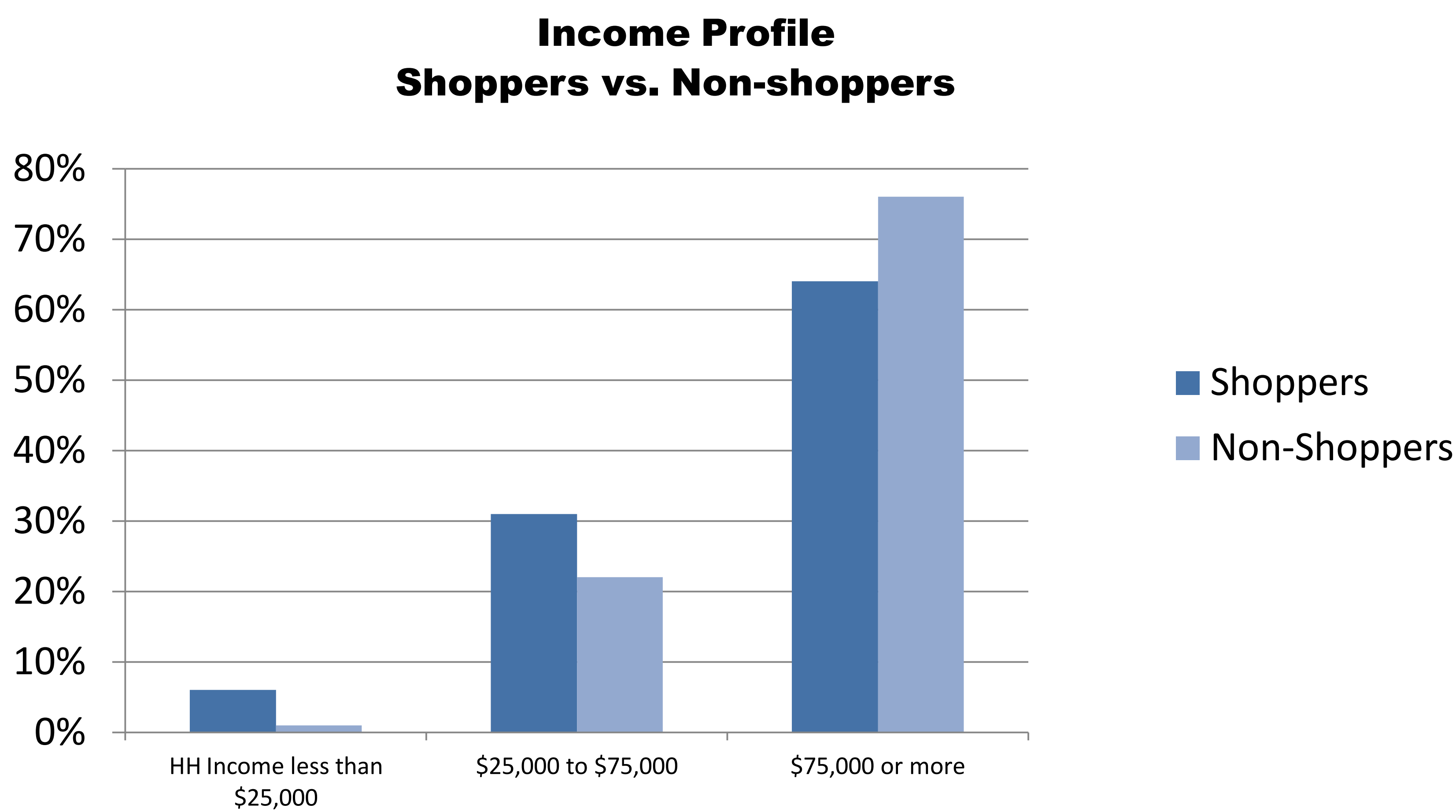
Shopper surveys

Shoppers and Non-shoppers

	Who shops here (593)	**Who doesn't** (522)
Shopping visits per month	3 or more	1 or less*
Average shopping visits per month	3.14	0.02
Average spending per shopping visit	$37.30	$1.34
Dining visits per month	3.16	1.72
Percent that never dine here	9%	28%
Dining visits / avg spent per monthly visit	$50.25	$48.27
Average dining spending elsewhere	$60.54	$70.19
Age 35 to 54	49%	47%
Age 55 or older	39%	38%
HH Income less than $25,000	6%	1%
$25,000 to $75,000	31%	22%
$75,000 or more	64%	76%

* 96% never shop here

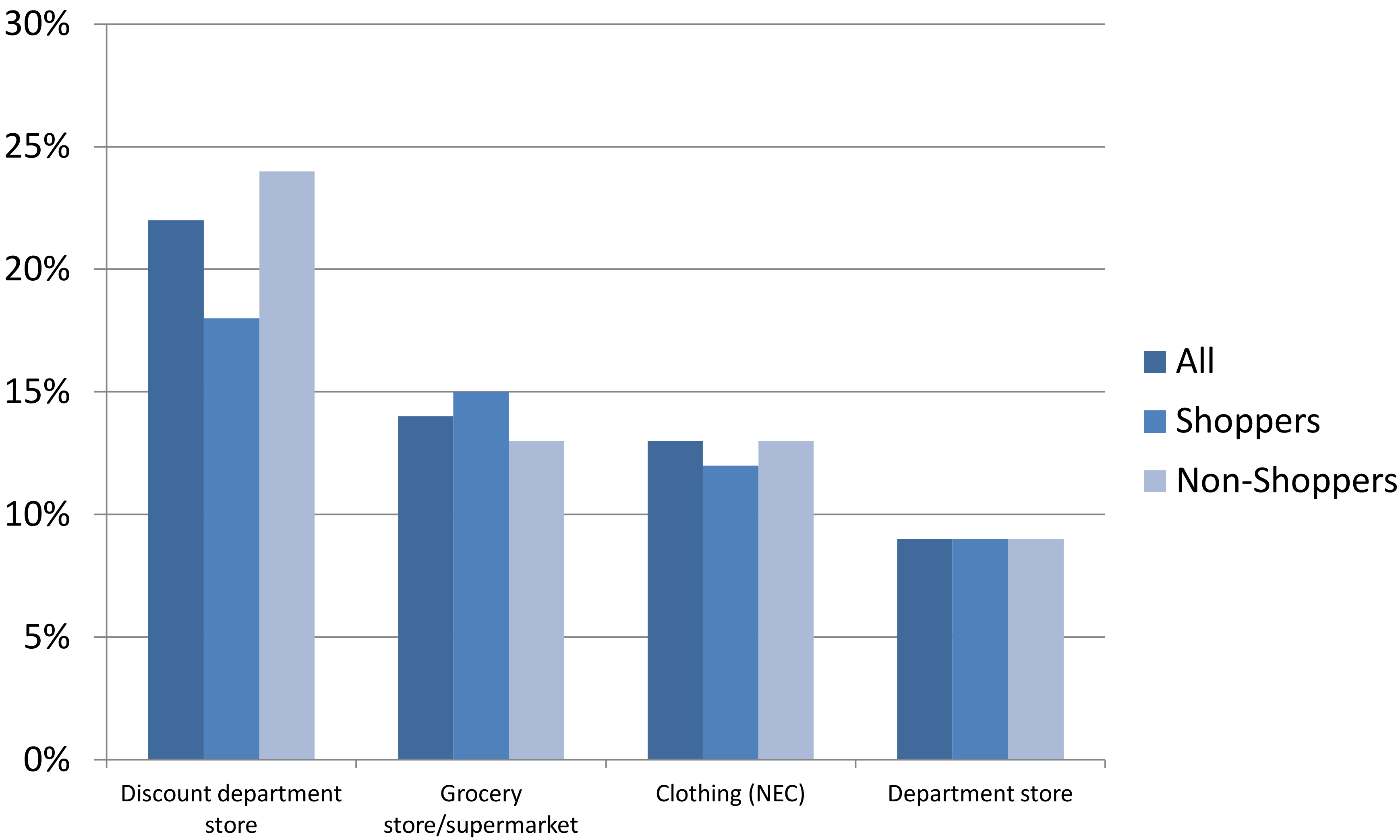
Shoppers and Non-Shoppers



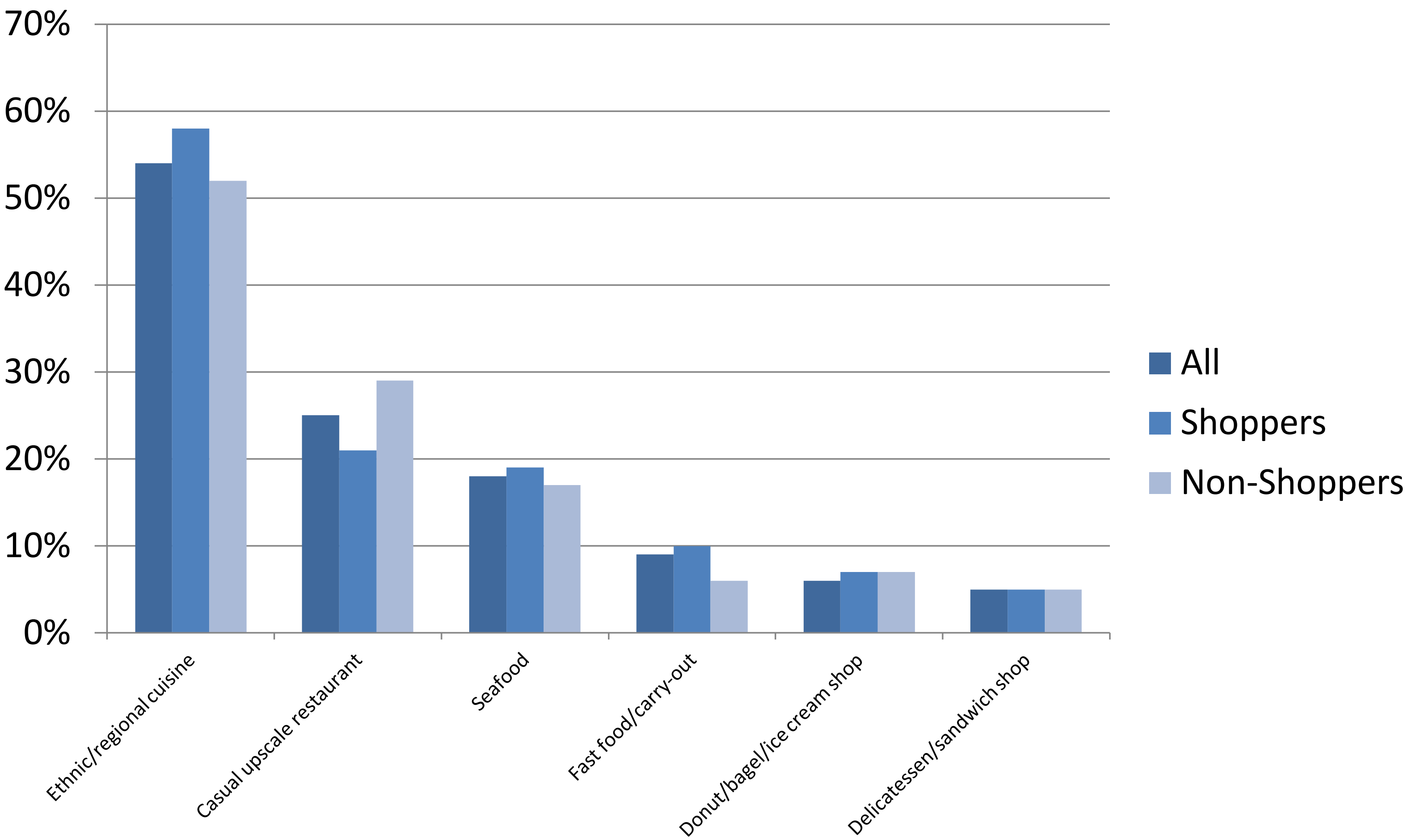
Retail/restaurants wanted

Percentage responses	All	Shoppers	Non-Shop
Retail stores			
Discount department store	22%	18%	24%
Grocery store/supermarket	14%	15%	13%
Clothing (NEC)	13%	12%	13%
Department store	9%	9%	9%
Restaurants			
Ethnic/regional cuisine	54%	58%	52%
Casual upscale restaurant	25%	21%	29%
Seafood	18%	19%	17%
Fast food/carry-out	9%	10%	6%
Donut/bagel/ice cream shop	6%	7%	7%
Delicatessen/sandwich shop	5%	5%	5%

Retail wanted



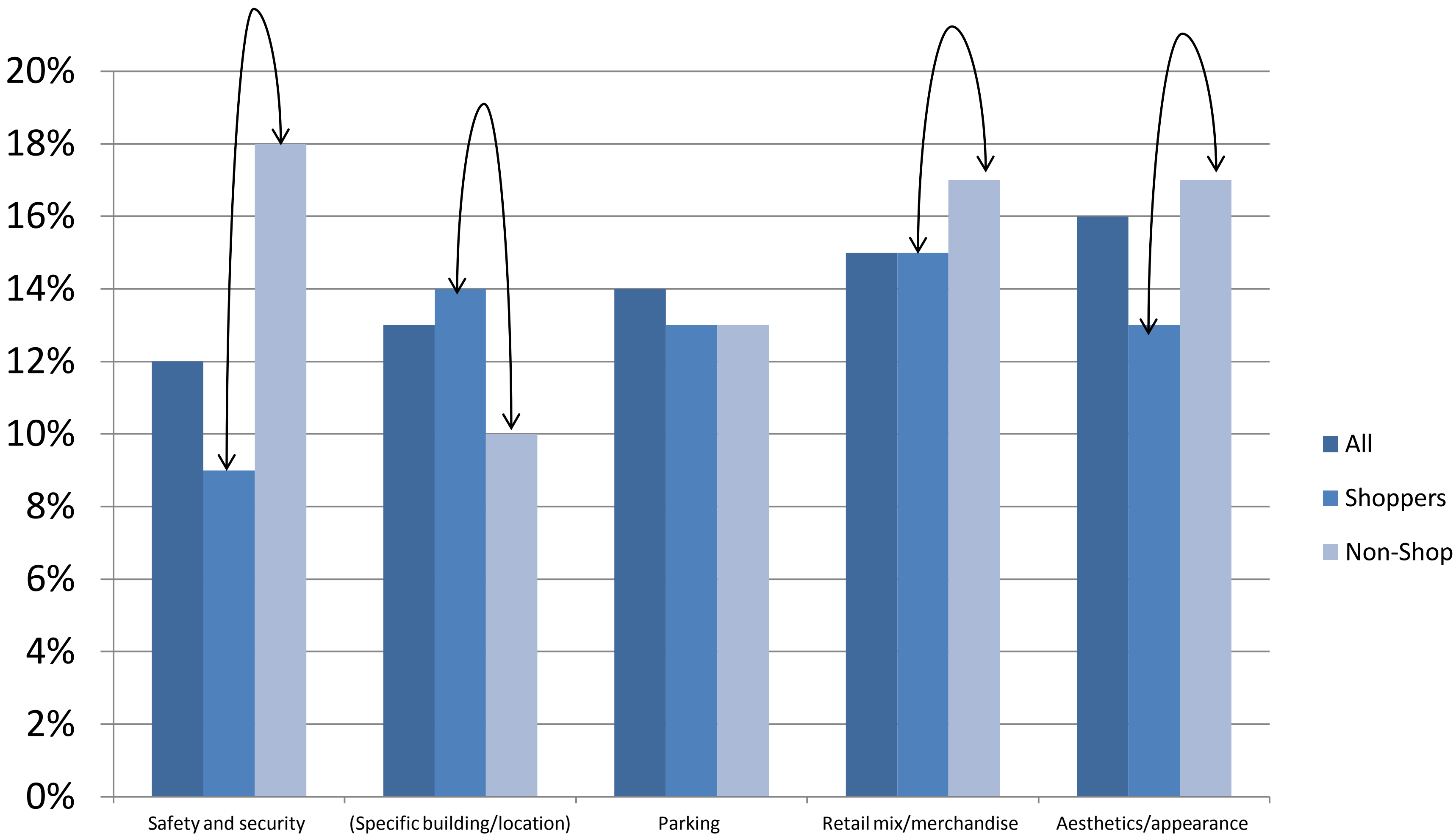
Restaurants wanted



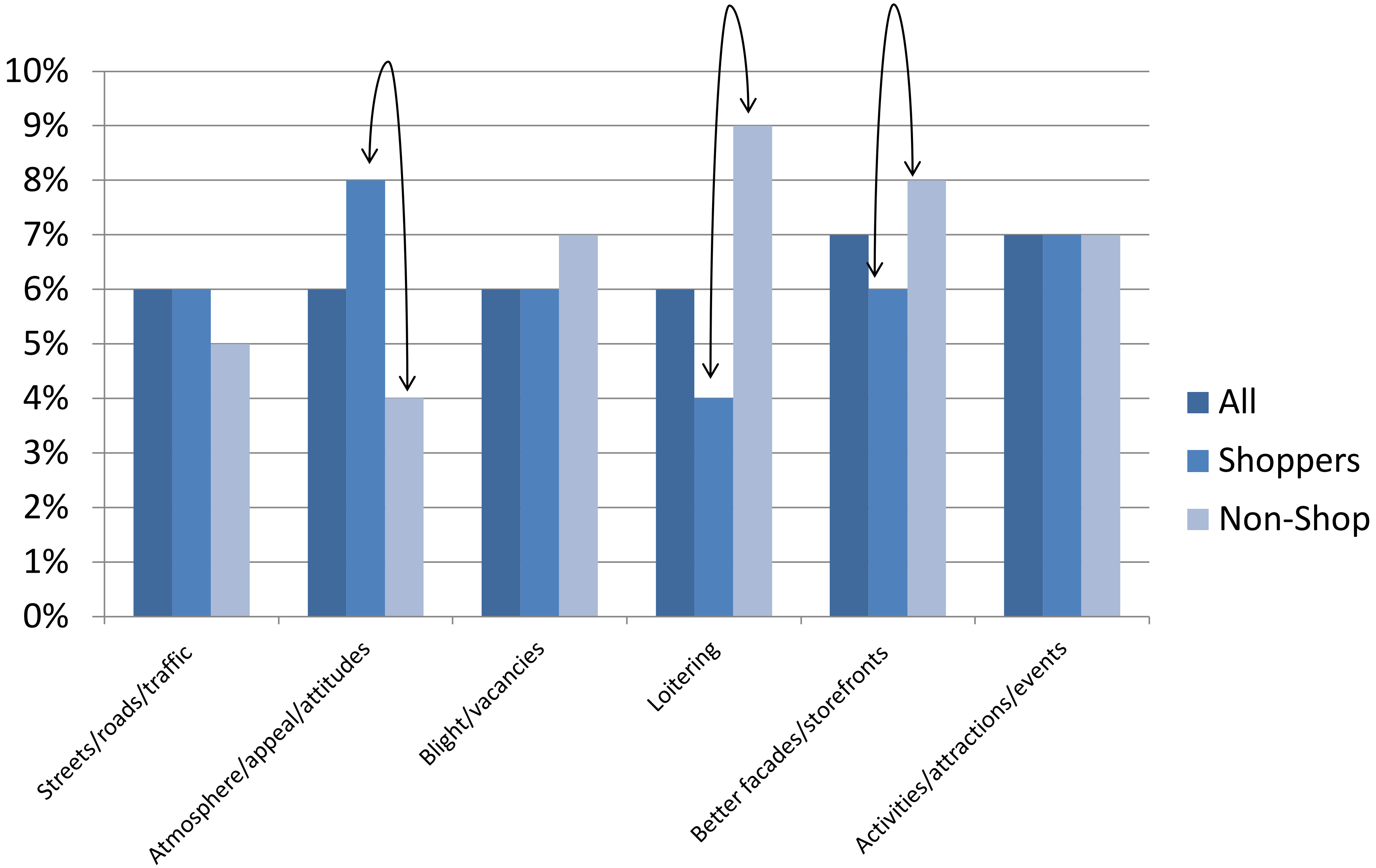
Other changes wanted

Percentage responses	All	Shoppers	Non-Shop
Aesthetics/appearance	16%	13%	17%
Retail mix/merchandise	15%	15%	17%
Parking	14%	13%	13%
(Specific building/location)	13%	14%	10%
Safety and security	12%	9%	18%
Better facades/storefronts	7%	6%	8%
Activities/attractions/events	7%	7%	7%
Streets/roads/traffic	6%	6%	5%
Atmosphere/appeal/attitudes	6%	8%	4%
Blight/vacancies	6%	6%	7%
Loitering	6%	4%	9%

Other changes wanted



Other changes wanted



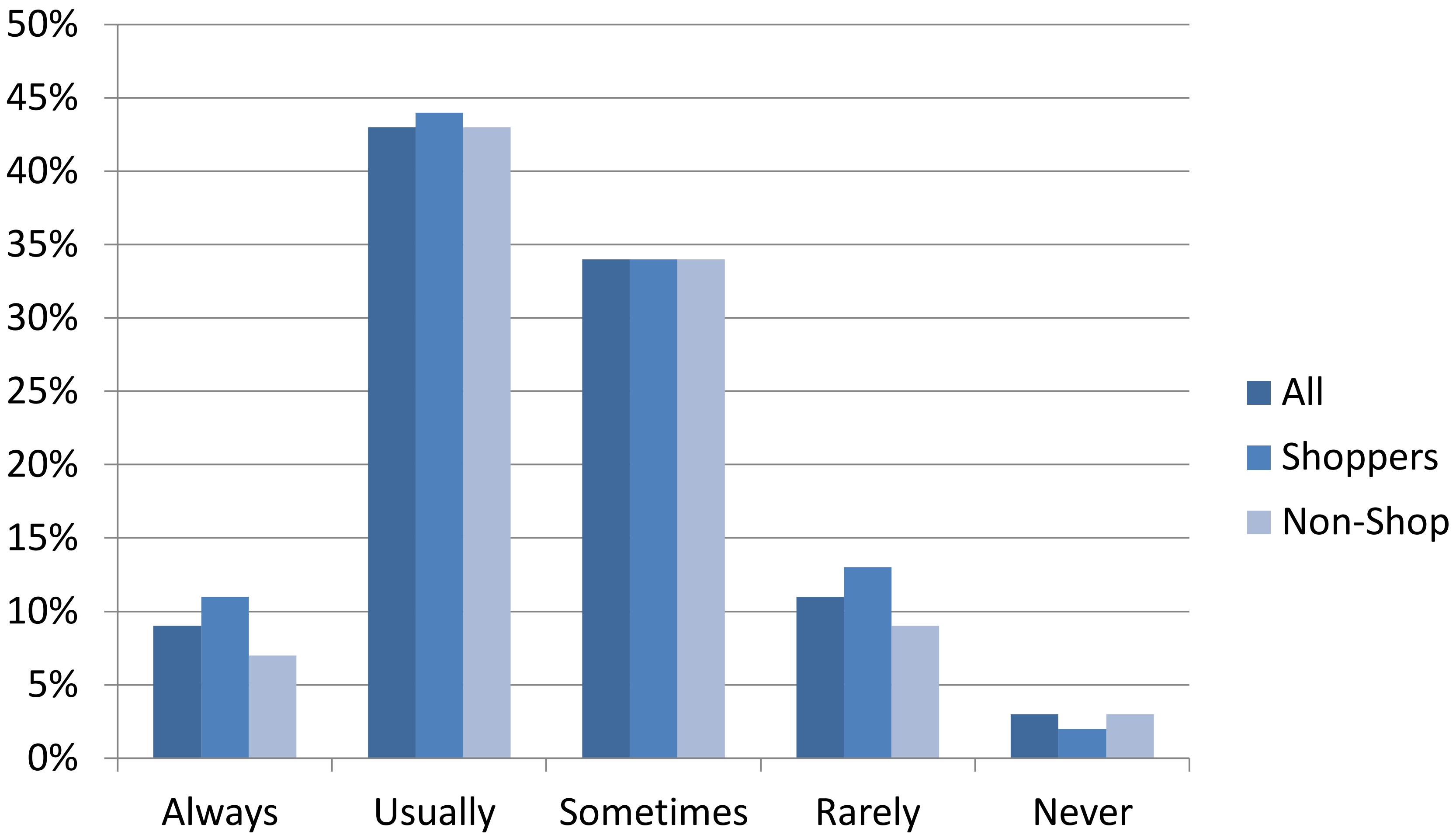
Parking Availability

Parking availability	All	Shoppers	Non-Shop
Always	9%	11%	7%
Usually	43%	44%	43%
Sometimes	34%	34%	34%
Rarely	11%	13%	9%
Never	3%	2%	3%

Observations

- More than half of all respondents can usually or always find parking, and more than 85% can at least sometimes find parking--a positive response. (Temper this with their understanding of "parking," may mean "adjacent to my store.")
- Respondents suggest that parking <u>availability</u> is not the primary problem that prevents non-shoppers from shopping here.

Parking Availability



Reasons why . . .

Primary reason for visit	All	Shoppers	Non-Shop
Go to eating / drinking places	59%	64%	60%
Use services (library, post office, etc.)	49%	53%	46%
Attend shows at Paramount	41%	40%	39%
Visit stores/shops/businesses	40%	58%	21%
I live there	25%	32%	18%
I work there	10%	9%	13%
Personal business/medical appt.	7%	7%	6%
Nightlife	6%	6%	4%

Reasons for not shopping	All	Shoppers	Non-Shop
Too few stores or places to shop	69%	67%	73%
Selection/quality of merchandise	54%	54%	60%
Parking	27%	27%	25%
Selection/quality of eating places	27%	27%	28%
Inconvenient/uncertain store hours	16%	19%	15%
My time/limited schedule	11%	13%	11%
Traffic congestion	9%	9%	8%

Safety & Security

Very or somewhat secure	All	Shoppers	Non-Shop
Home neighborhood	95%	96%	94%
Shopping/dining downtown	74%	82%	65%
At Beach Shopping Center	93%	95%	92%
At Cortlandt Town Center	95%	95%	95%
At Jefferson Valley Mall	96%	96%	96%
At nearby downtowns (Yorktown, Croton, Mt. Kisco)	98%	97%	97%

Very insecure	All	Shoppers	Non-Shop
Shopping/dining downtown	5%	2%	7%
At Beach Shopping Center	1%	1%	0%
At Cortlandt Town Center	1%	1%	0%
At Jefferson Valley Mall	1%	1%	0%
At nearby downtowns (Yorktown, Croton, Mt. Kisco)	0%	1%	0%
At downtown outdoor events	3%	1%	4%
At downtown public garage	16%	11%	22%
At downtown public parking lots	8%	6%	11%

Would visit more for . . .

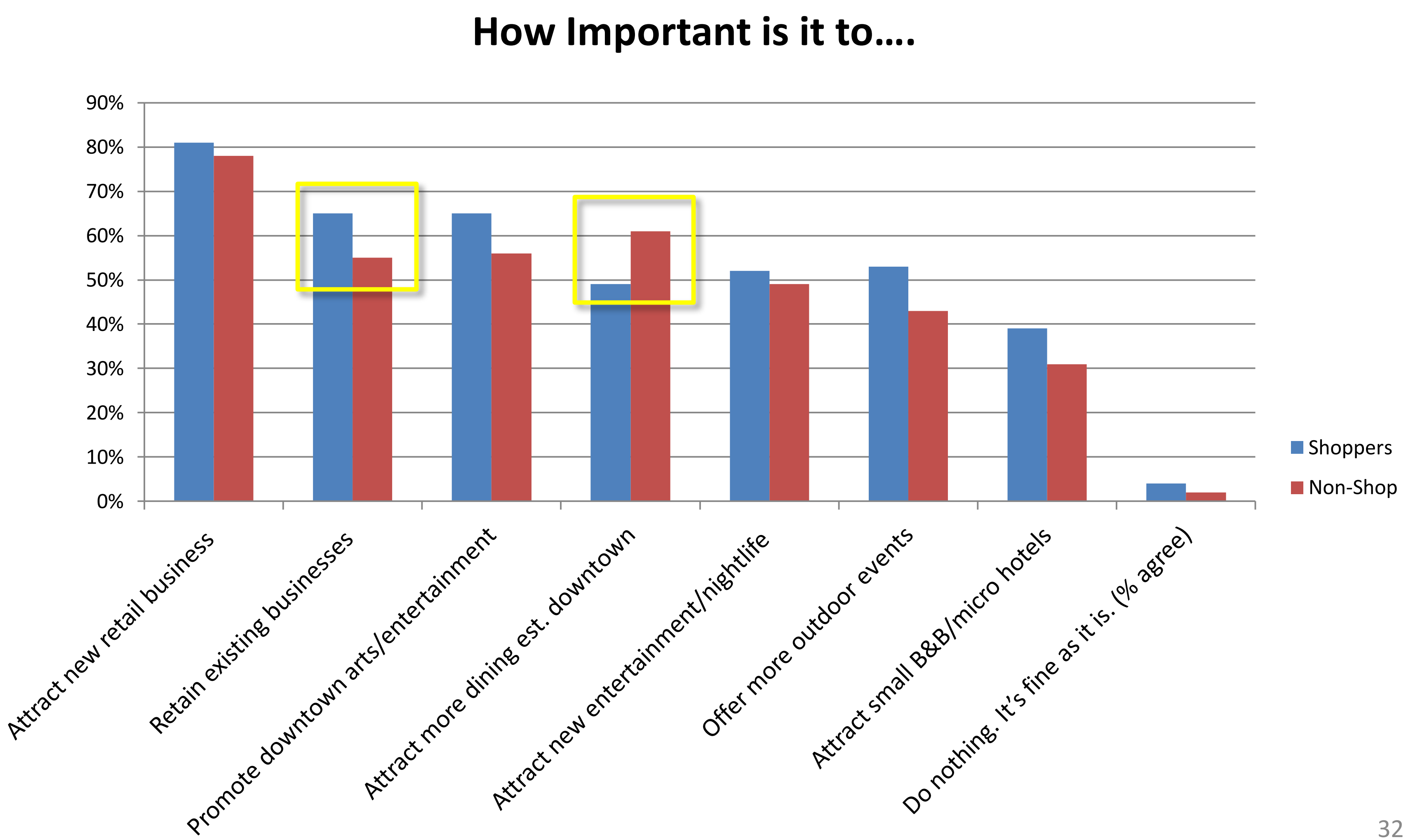
Percentage responses	All	Shoppers	Non-Shop
Full table service eating places	65%	64%	70%
Gourmet food store	57%	61%	58%
Nightlife/entertainment	55%	57%	58%
Community theater	54%	62%	48%
Health food store	50%	57%	46%
Small department store	49%	52%	46%
Footwear	49%	52%	47%
Ice cream shop	49%	52%	49%
Women’s clothing	47%	49%	44%
Home décor/household furnishings	39%	40%	40%
Gift and novelty items	37%	37%	39%
Men’s clothing	36%	38%	35%
Family clothing store	35%	37%	31%
Music store	31%	37%	28%
Art supply store	26%	36%	18%

Downtown draws

Events	All	Shoppers	Non-Shop
Jazz and Blues Festival	55%	60%	52%
Festa Italiana	53%	56%	52%
July 4th Parade	51%	54%	49%
St. Patrick's Day Parade	42%	45%	38%
Cinco de Mayo	33%	42%	27%
Juneteenth Celebration	15%	21%	10%

Visit several times/month	All	Shoppers	Non-Shop
Farmers' Market	21%	31%	12%
Field Library	13%	18%	7%
Socialize downtown	7%	10%	4%
Antiques Mall	4%	7%	1%
DMV/Social Security/Dept of Labor	2%	3%	2%

Consensus for action



Peekskill Retail Study

ECONOMIC ANALYSIS

Economic Analysis

Study Area

183 acre 'downtown'

Economic Comparison

3- and 5-mile radius

Regional Analysis

10-mile radius

Study Area

Regional Economic Comparison

	Study Area	0-3 Miles	3-5 Miles	0-10 Miles
Annual Retail Spending	$53.2 million	$692 million	$1.25 billion	$4.13 billion
Study Area Capture Rate	100%	7.69%	4.26%	1.29%

Categories with Retail Potential

134 retail categories
13 benchmarks

Apparel and Accessories
children's and infants' clothing
juniors, misses and women's clothing
family clothing
Footwear
jewelry and watches.

Arts, Entertainment and Amusement
books and magazines
musical instruments

Eating and Drinking Places
casual/family restaurants
casual/upscale restaurants
fast food and carry-out

Food and Beverages
grocery stores

Home Furnishings and Housewares
Furniture
housewares
home décor

Home Improvement and Lawn/Garden
hardware and tools

Recreation and Sports
sporting goods

Specialty Retail
florist, gift baskets and balloons
gifts and greeting cards
office supplies and stationery

Other Store Categories
department stores

Restaurants

Opportunity Gap

Eating and Drinking Places	Unmet Demand (Surplus Supply) 3 Miles	5 Miles	10 Miles
Full-service restaurants	$2,658,481	$12,949,383	$52,283,824
Limited-service restaurants	$4,378,413	$16,891,383	$76,006,387
Drinking places	$5,524,586	$3,066,551	$1,786,870

*black numbers represent unmet demand

- Substantial leakage in **Eating/Drinking** (full-service)
- Reinforce downtown dining destination
- Meets both daytime/nighttime node
- Build and reinforce strategic position

Arts, Entertainment and Amusement

Opportunity Gap

Arts, Entertainment and Amusement	Unmet Demand (Surplus Supply) 3 Miles	5 Miles	10 Miles
Book stores and news dealers	($3,346,989)	($2,629,725)	$6,825,231
Musical instruments	($190,425)	$615,613	$3720,370

*black numbers represent unmet demand

- Only two categories demonstrated both consumer demand *and* untapped consumer spending
- Leakage is minimal, bookstore industry is moving on-line
- Focus on existing bookstores
- Music store to further compliment existing retailers and entertainment-district brand

□ = strong positive indicator

Grocery

Opportunity Gap

Food and Beverages	Unmet Demand (Surplus Supply) 3 Miles	5 Miles	10 Miles
Grocery stores / supermarkets	($32,101,427)	$11,811,503	($33,077,951)
Specialty food stores	($462,423)	($865,893)	($1,729,155)

*black numbers represent unmet demand

- Limited leakage in **Grocery**
- Relocation strategy recommended

Apparel & Clothing

Opportunity Gap

Apparel & Clothing Accessories	Unmet Demand (Surplus Supply) 3 Miles	5 Miles	10 Miles
Children's and infants' clothing	$999,676	$1,296,898	($7,774,454)
Family clothing	$10,342,552	$20,670,589	($16,188,690)
Men's and boys' clothing	($490,570)	$873,105	($32,446)
Women's clothing	$6,689,042	$11,946,817	$5,358,333
Clothing accessories	$528,155	$722,885	($476,967)
Shoes	$4,255,316	$7,800,089	(12,648,661)

*black numbers represent unmet demand

- Don't compete with malls
- Multiple stores required to encourage comparison shopping
- Specialty apparel typically once district is more established
- Locate within Night time Node

Home Furnishings & Housewares

Opportunity Gap

Home Furnishings & Housewares	Unmet Demand (Surplus Supply) 3 Miles	5 Miles	10 Miles
Furniture stores	$3,154,794	$8,531,492	$36,800,185
Home furnishings stores	($4,017,018)	($333,795)	$11,369,769
Appliance/electronics store	$5,153,761	$4,112,335	$13,689,474

*black numbers represent unmet demand

- One large store could eradicate demand
- Limited opportunity, but potential niche/destination appliances and small furniture stores (i.e. antiques)

Specialty Retail

Opportunity Gap

Specialty Retail	Unmet Demand (Surplus Supply) 3 Miles	5 Miles	10 Miles
Florists	$446,307	$669,907	$5,096,257
Gift and novelty stores	$2,365,310	$3,508,257	$12,008,845
Office supplies and stationery	$65,931	$611,996	$15,422,406
Luggage and leather goods	$398,437	$723,360	($5,484,837)
Hobby, toys and game stores	($1,598,814)	($7,597,699)	($13,650,711)

*black numbers represent unmet demand

- 5 categories demonstrate both consumer preference and excess consumer demand
- Two additional categories demonstrate above-average consumer spending and appear under-served
- Limited leakage, relocation strategy recommended

Peekskill Retail Study

RECOMMENDATIONS

Establishing Principles

Objectives

Differentiate, don't compete with mall

Reinforce brand recognition, defined by your existing anchors

Improve on your brand promise

In everything you do, cater to the pedestrian

- Make walking enjoyable and preferable
- Safety first
- Retail nodes and co-tenancies
- Park once, shop twice - assure ease and comfort of arrival by car

Support the success of existing businesses as a lure for new ones

Comprehensive Retail Strategy

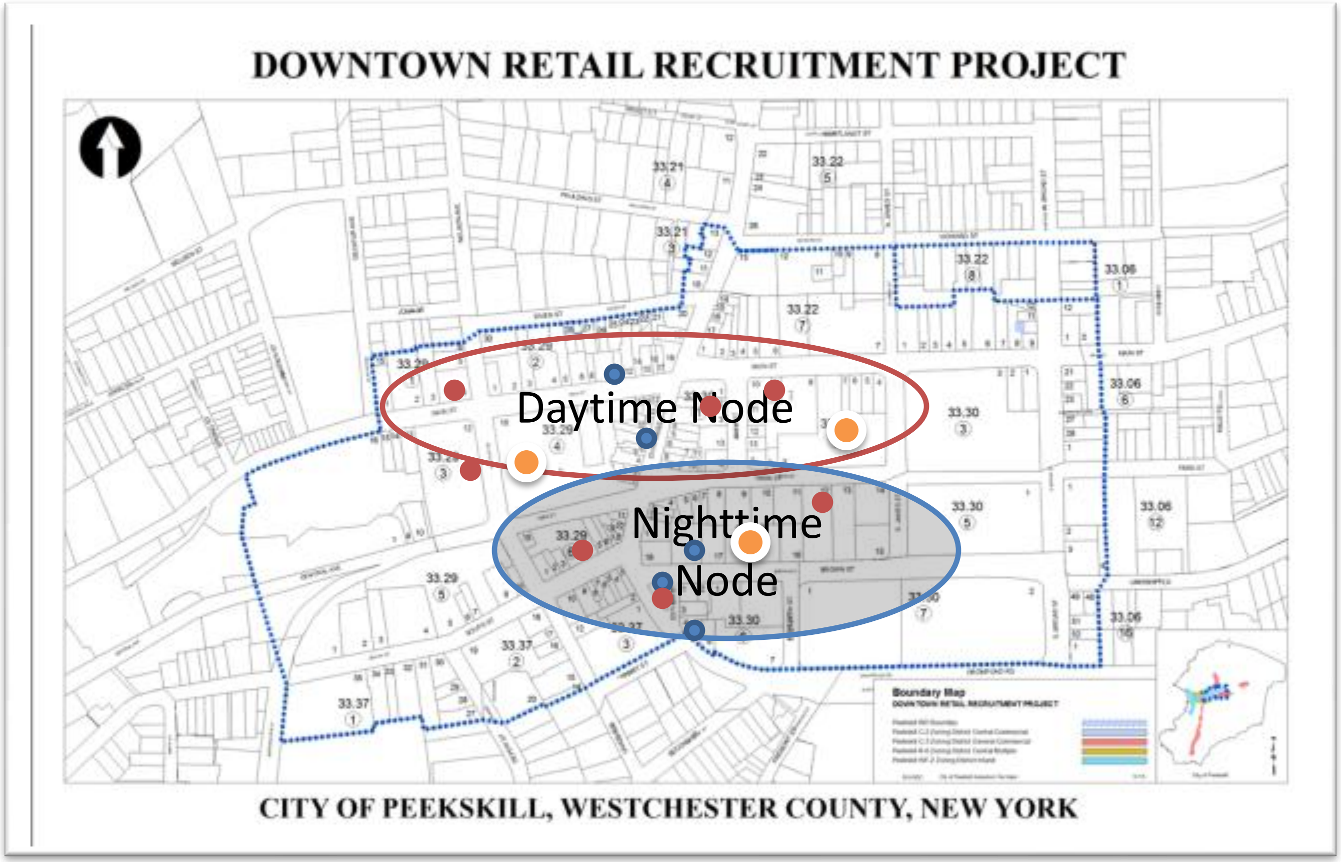
Strategic Position

Nighttime vs. Daytime Anchors

Arts/Culture/Entertainment

Civic/Educational/Services

Strategic Position



Parking Structure

Nighttime Anchors/Retail/Restaurant Clusters

Daytime Anchors/Retail/Restaurant Clusters

Retail Category Recommendations

Retail Category Recommendations

Nighttime Node Retail Categories

- Restaurants
  - Seafood
  - Ethnic/regional
  - Casual/upscale
- Art-related Retail
  - First floor galleries
  - Music store
  - Book store
- Specialty Apparel / Accessories
  - Specialty clothing
  - Shoes
- Specialty Retail
  - Gifts/novelty
  - Florists
  - Luggage/leather goods

Daytime Node Retail Categories

- Restaurants
  - Ethnic/regional
  - Casual/upscale
- Art-related Retail
- Specialty Foods
- Specialty Retail
  - Gifts/novelty
  - Office supplies/stationery

Aesthetics/ Safety

Structured Parking Lots

Downtown Parking Taskforce

To address:

Safety

Access

Lighting

Directional signage

Management

Aesthetics/ Safety

Continue Façade Improvement efforts

Window-Displays

- Improve displays of existing retailers
- Camouflage vacancies or inactive retail space
- Facilitate nighttime browsing

Aesthetics/ Safety

Window-Displays

Encourage window shopping

Improve aesthetics and appeal of merchandise

A Brooklyn, NY BID hired a visual merchandising consultant to assist existing merchants improve their displays.

Before

After

Visual Merchandise Consultant
Brooklyn, NY

Before

After

Visual Merchandise Consultant
Brooklyn, NY

Before

After

Aesthetics/ Safety

Window-Displays

Camouflage vacancies

Enhance visibility of artist community

Facilitate window shopping

A Downtown Brooklyn, NY program focuses on filling vacant spaces with temporary art installations.

Windows on Willoughby
Brooklyn, NY

Aesthetics/Safety

Window-Displays

- Regular, periodic nighttime shopping in coordination with Paramount and other entertainment venues
- Encourage nighttime strolling and window-shopping
- Ambient lighting enhances sense of safety

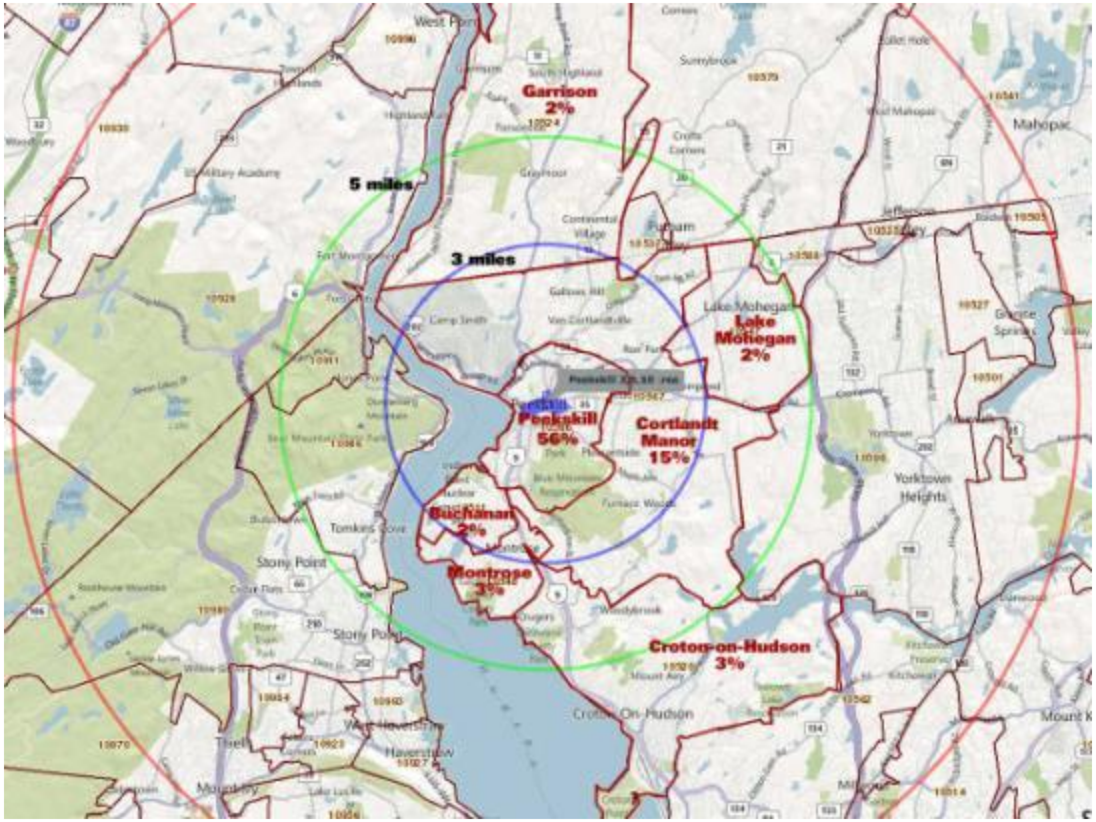
The Downtown Providence, RI BID promotes a weekly late-night Thursdays shopping event

Marketing/Promotion

Targeted geographic advertising

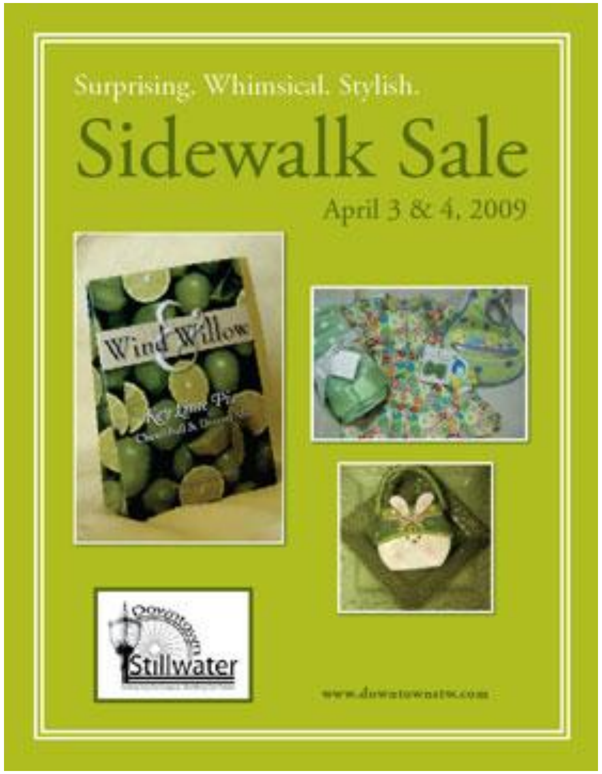
Sales vs. Event Marketing

Impulse and Ambient Entertainment



Marketing/ Promotion

Sales vs. Event Marketing



Marketing/ Promotion

Ambient and Impulse Entertainment

Marketing/ Promotion

Combined Event and Sales Marketing

Regulatory Environment

Live/work housing

Continue to allow and encourage:

- Sidewalk signs/blade signs
- Outdoor dining

Regulatory Environment

Live/Work Housing

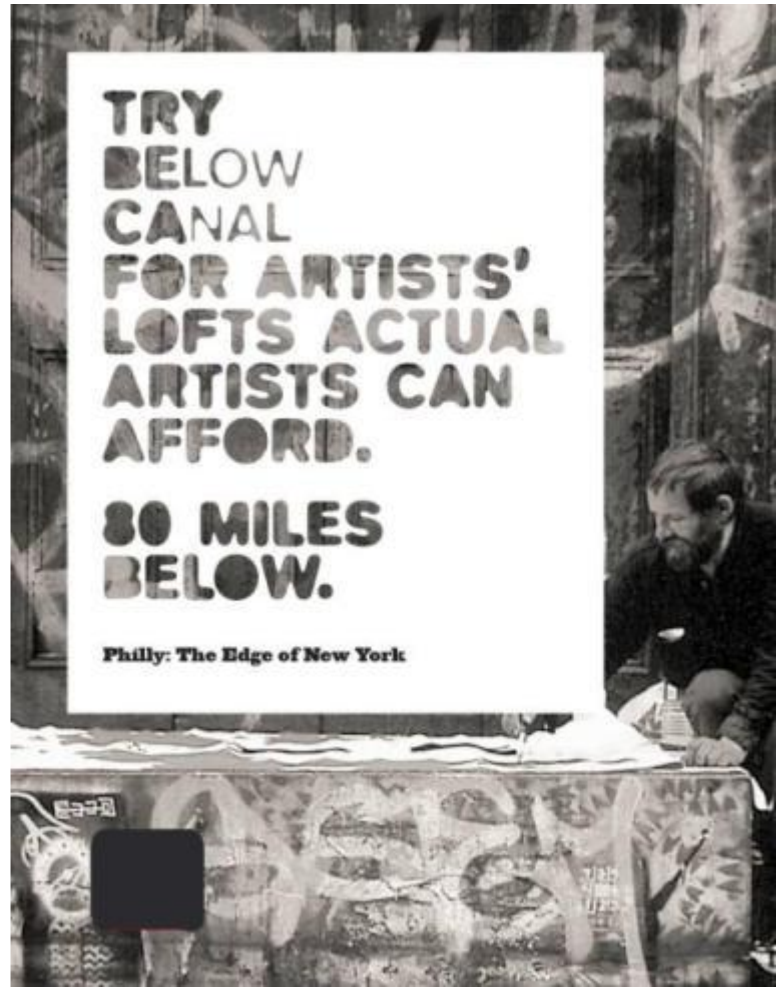
Increasing captive demand is the most effective "recession proof" strategy

Build off the growing "freelance" movement

Market Peekskill as an ideal location for "freelancers" using testimonials

"Freelancer" Eligibility might include:

- Industry categories (arts, design, media, advertising, nonprofit, financial services, technology, etc.)
- Freelance status (1099 vs. W2)
- Freelance income (example: at least $10k over 6 number of months)



"Move to Philly" Campaign
Greater Philadelphia Marketing Committee

Regulatory Environment

Downtown Signage

Blade signs encourage strolling

Non-profit grant program: The Atlantic Avenue Betterment Association contributed $2,500 - $5,000 per custom designed blade sign.

Funding came from an earmark secured by the local State Assembly person

Administrative Management

New BID Director

New Paramount Director

Leadership/Coordination

- Arts/Cultural Calendar
- Nighttime hours
- Theatre menus
- Adequate staffing on Paramount nights
- Etc.

Influence decision making and use of available resources available for downtown

Comprehensive Retail Strategy

Peekskill Retail Study

THANK YOU.