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# **Drivers of Commercial Corridor Success: Lessons for Increasing Retail Performance**

October 5, 2010

# Study Partners

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Local Initiative Support Corporation



William Penn Foundation



City of Philadelphia

# PURPOSE

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- Quantify corridor performance
- Explain what drives success
- Identify effective interventions
- Offer guidance to policy makers

# Diverse Commercial Corridors

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From  
deteriorated  
strips on the  
verge of  
extinction...



# Diverse Commercial Corridors

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... to vibrant  
Center City  
locations...



# Diverse Commercial Corridors

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... to historic  
pedestrian  
oriented  
areas...





# Diverse Commercial Corridors

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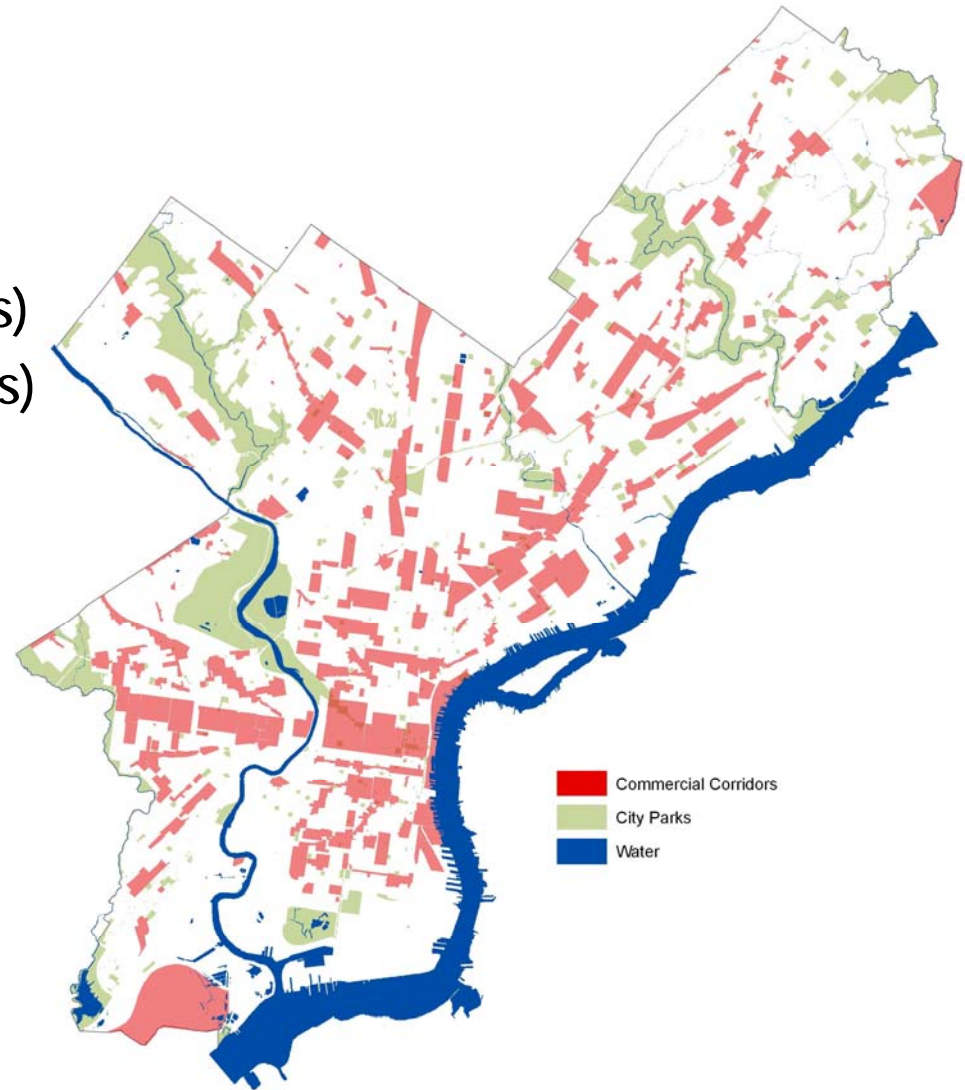
... to  
modern  
auto-  
oriented  
shopping  
plazas



# ANALYTICAL FRAMEWORK

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- Study Purpose
- Data Collection (Corridor Attributes)
- Data Collection (Corridor Outcomes)
- Econometric Analysis





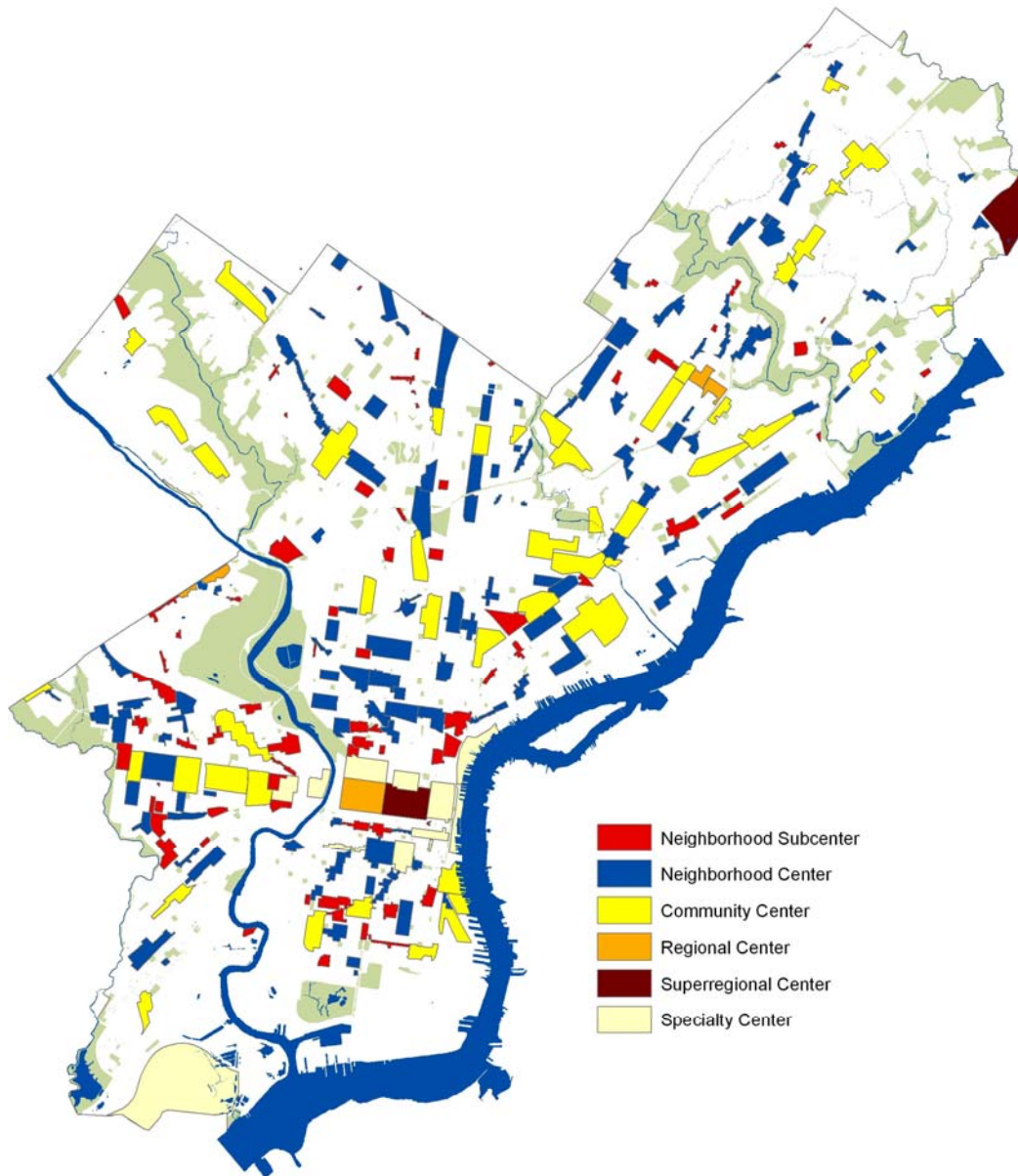
# DATA - CORRIDOR ATTRIBUTES

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- Corridor Types
- Corridor characteristics
- Neighborhood characteristics
- Corridor competition
- Corridor interventions

# Corridor Types

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# Corridor Characteristics

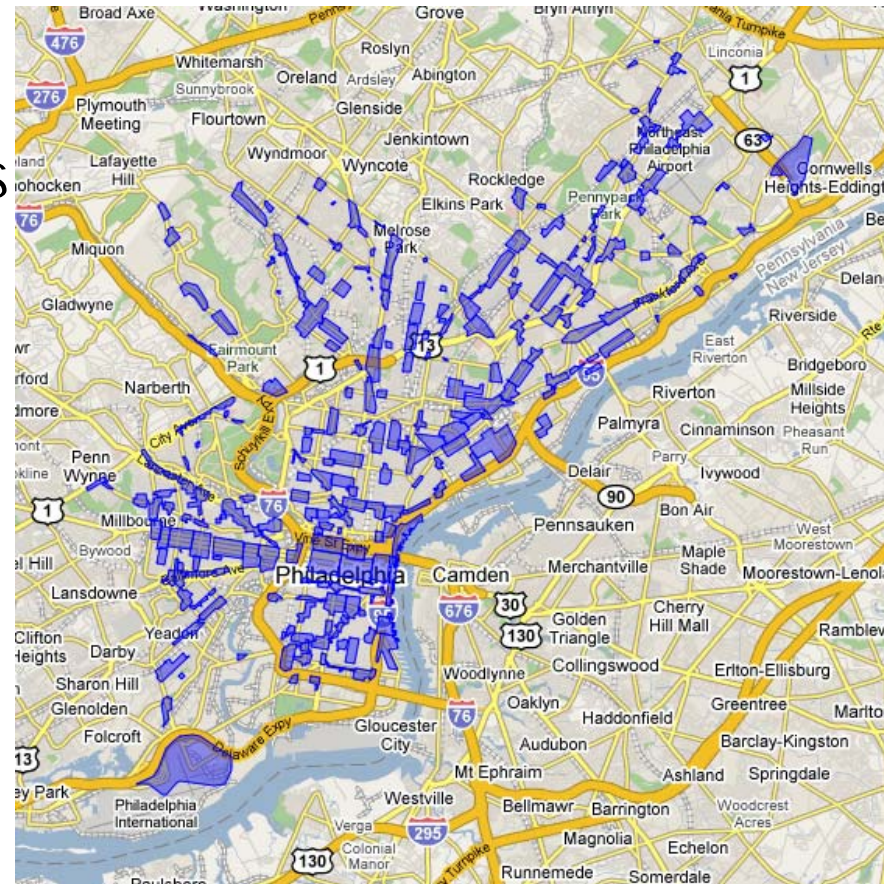
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Philadelphia City Planning  
Commission (2002) designations

- Type
- Character
- Store mix
- Vacancy rate

Perceptions

- Cleanliness/safety
- Corridor leadership
- Store mix

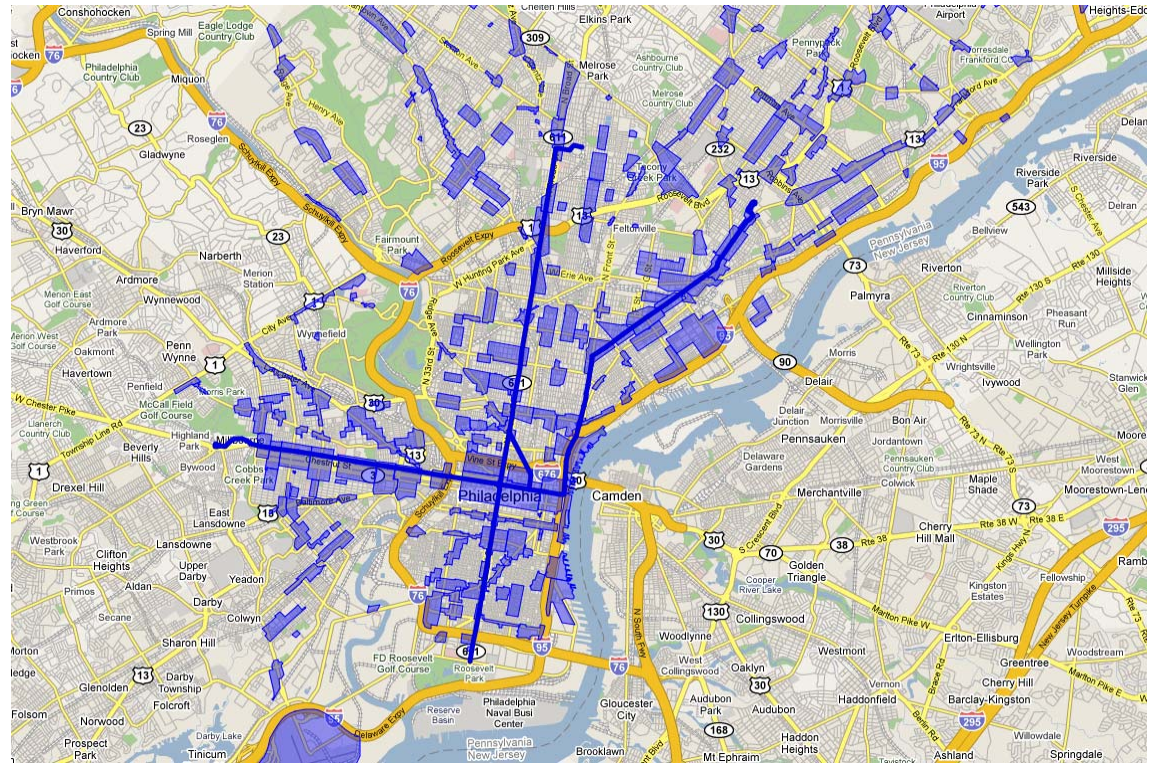




# Neighborhood Characteristics

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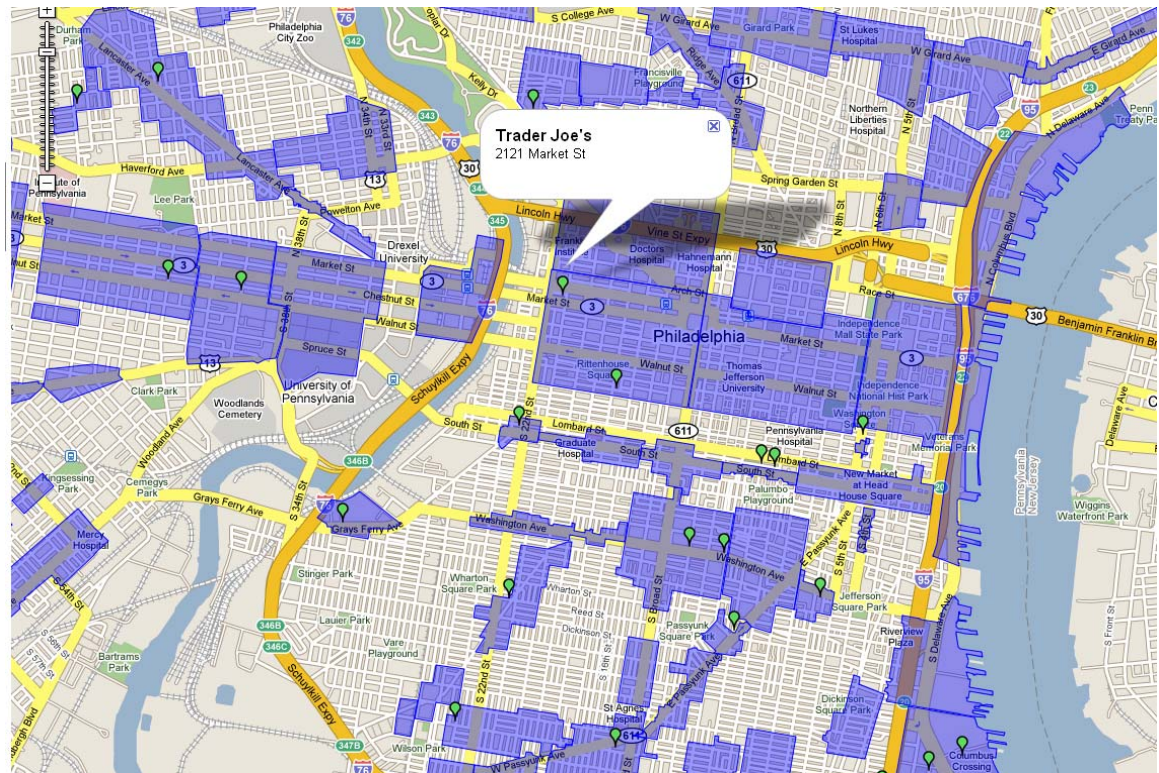
- Anchor institutions
- Transportation access
- Crime (Police Dept. Data)
- Demographics (US Census)
- Home lending patterns (HMDA)



# Corridor Competition

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- Large-scale chain retailers and big box stores
- Chain drug stores
- Chain grocery stores
- Other corridors

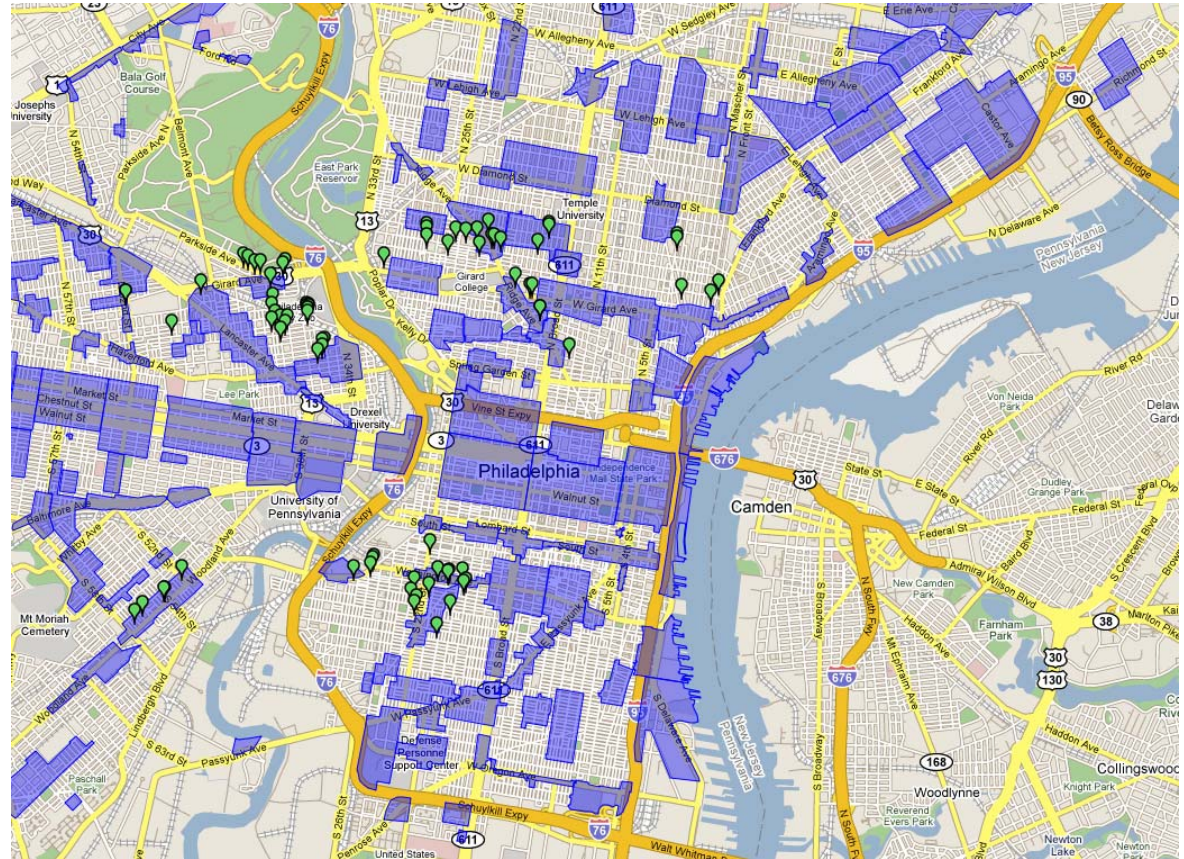




# Corridor Interventions

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- City interventions
- Other public sector interventions
- Private sector interventions



# DATA - PERFORMANCE MEASURES

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- Shopping trips
- Retail sales
- Real estate values
- Composite corridor ranking

# Shopper Choice Survey

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- 10,000 recorded, 6,500 usable observations, 3,000 surveys
- Origin, destination, purpose, travel mode, type of good
- However – VERY expensive

# Shopping Trips

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<i>Rank</i>	<i>Corridor Name</i>	<i>Market Share</i>	<i>Type</i>	<i>Character</i>
1	Market West - Center City	6.1%	Regional Center	Pedestrian/Transit
2	Aramingo Avenue	4.5%	Community Center	Mixed Character
3	Market East - Center City	4.1%	Superregional Center	Pedestrian/Transit
4	Castor and Cottman	4.0%	Community Center	Mixed Character
5	Snyder Plaza & Vicinity	3.0%	Community Center	Free-Standing Center
6	24th Street/Oregon-Passyunk	2.3%	Community Center	Mixed Character
7	Frankford Ave.-Lower Mayfair	2.3%	Community Center	Mixed Character
8	Grant and the Boulevard	2.1%	Community Center	Mixed Character
9	One and Olney Square	1.5%	Community Center	Free-Standing Center
10	Chelten Ave/Ogontz-Wister	1.4%	Neighborhood Subcenter	Pedestrian/Transit

# 2004 Retail Sales

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<i>Rank</i>	<i>Corridor Name</i>	<i>Sales in 2004 (\$M)</i>	<i>Type</i>	<i>Character</i>
1	Market West - Center City	\$991	Regional Center	Pedestrian/Transit
2	Market East - Center City	\$685	Superregional Center	Pedestrian/Transit
3	Frankford Ave.-Lower Mayfair	\$169	Community Center	Mixed
4	Pier 70 Plaza	\$167	Community Center	Free-standing
5	Franklin Mills	\$162	Superregional Center	Free-standing
6	Aramingo Avenue	\$158	Community Center	Mixed
7	42nd-49th/Market-Locust	\$129	Community Center	Mixed
8	Old City / the Bourse	\$123	Specialty Center	Pedestrian/Transit
9	Chestnut Hill	\$114	Community Center	Mixed
10	Boulevard Plaza	\$111	Community Center	Free-standing



# Real Estate Values

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<i>Rank</i>	<i>Corridor Name</i>	<i>2007 Median Price</i>	<i>Type</i>	<i>Character</i>
1	Old City/The Bourse	\$750,000	Specialty Center	Pedestrian/Transit
2	5th and Delancey	\$649,950	Neighborhood Subctr	Pedestrian/Transit
3	Market East-Center City	\$510,000	Superregional Center	Pedestrian/Transit
4	Market West-Center City	\$496,000	Regional Center	Pedestrian/Transit
5	Central Waterfront	\$490,000	Specialty Center	Mixed
6	South Street/Front-8th	\$470,000	Specialty Center	Pedestrian/Transit
7	Rodin Place and Vicinity	\$469,950	Neighborhood Subctr	Pedestrian/Transit
8	South Fourth Street & Vicinity	\$427,500	Specialty Center	Pedestrian/Transit
9	30th Street and Vicinity	\$415,500	Specialty Center	Mixed
10	South Street/8th-12 <sup>th</sup>	\$415,000	Neighborhood Center	Pedestrian/Transit

# Composite Ranking

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<i>Rank</i>	<i>Corridor Name</i>	<i>Type</i>	<i>Character</i>
1	Market West - Center City	Regional Center	Pedestrian/Transit Corridor
2	Market East - Center City	Superregional Center	Pedestrian/Transit Corridor
3	Chestnut Hill	Community Center	Mixed Character
4	South Street/Front-8th	Specialty Center	Pedestrian/Transit Corridor
5	Boulevard Plaza	Community Center	Mixed Character
6	Ivy Ridge Center & Vicinity	Community Center	Mixed Character
7	Grant and the Boulevard	Community Center	Mixed Character
8	Frankford Ave.-Lower Mayfair	Community Center	Free-Standing
9	Franklin Mills	Community Center	Mixed Character
10	24 <sup>th</sup> Street/Oregon-Passyunk	Community Center	Mixed Character

# What We Learned (Data)

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- Report and Data
- Corridor Performance
- Citywide Characteristics

Top 10 Corridors	
<i>Rank</i>	<i>Corridor</i>
1	Market West - Center City
2	Market East - Center City
3	Chestnut Hill
4	South Street/Front-8th
5	Boulevard Plaza
6	Grant and the Boulevard (includes Whitman site)
7	Ivy Ridge Center & Vicinity
8	Frankford Ave.-Lower Mayfair
9	Northeast Shopping Center
10	South Street/8th-12th

# RELATIONSHIPS: BASIC POLICY GUIDANCE

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- How  $x$  affects  $y$
- Relationships for explanatory variables
  - Corridor and neighborhood characteristics
  - Chain competition
  - Corridor interventions
- Major finding: design matters (i.e. visual demonstrations of cleanliness, safety, aesthetics, and care)

# What We Learned (Relationships)

- What Matters, What Works
- Market Forces vs. Interventions

Explanatory Variable	Shopper Choice	Real Estate Values	Retail Sales Levels	Retail Sales Growth
<b>CORRIDOR</b>				
Leadership	++	++	.	.
Parking density	++	++	++	.
Store density		++	++	.
Store mix	++	++	++	++
<b>NEIGHBORHOOD</b>				
Crime - assaults		--	--	.
Hospitals	++	--	++	.
<b>COMPETITION</b>				
Chain groceries	++	--	+	.
Chain pharmacies	++	++	+	.
Big box stores	++	--	.	.



# What We Learned (Relationships)

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- What Matters, What Works
- Market Forces vs. Interventions

Explanatory Variable	Real Estate Values	Retail Sales Levels	Retail Sales Growth
STRONG EVIDENCE OF EFFECT			
Corridor in city BID/NID	++	+	++
PHS Land Stabilization	.	++	+
SOME EVIDENCE OF EFFECT			
Business Security Assistance	+	++	.
Mural Arts Projects	++	+	.
OTHER INTERVENTIONS			
Business Property Improvement	++	.	.
Community Design Collaborative	++	.	.
Corridor in PA Enterprise Zone	++	.	.
Number of city tax credit partners	++	.	.
PHS Landscaped Gateways	++	.	.

# Land Stabilization

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# Business Improvement Districts

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# Mural Arts

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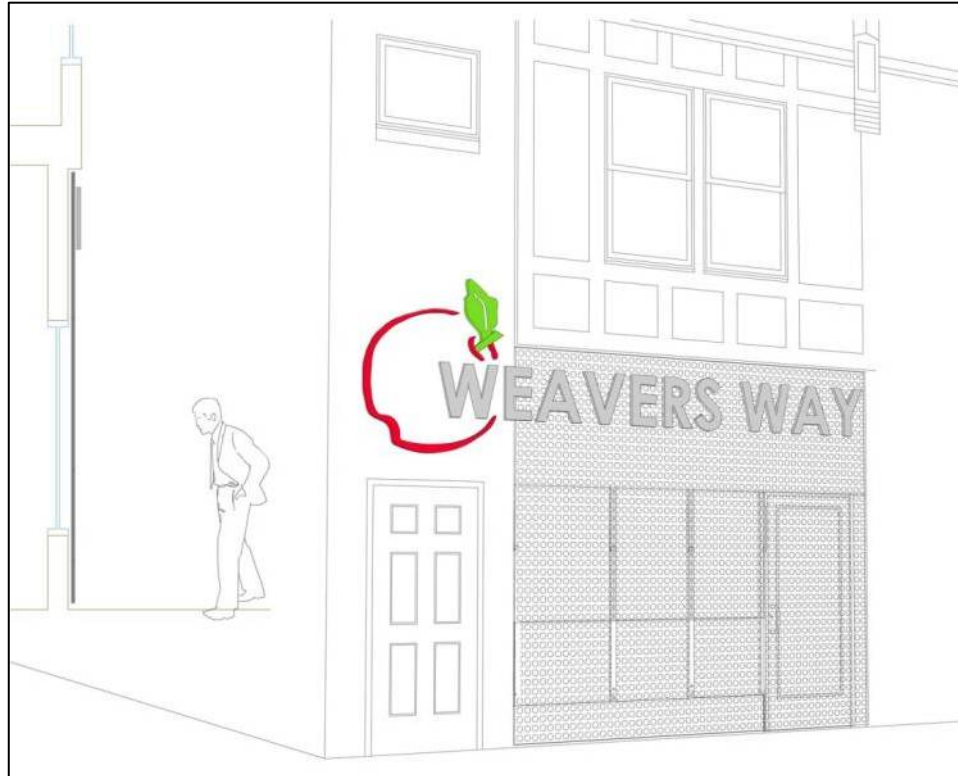
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# Security Improvement

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# Greening

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# Greening

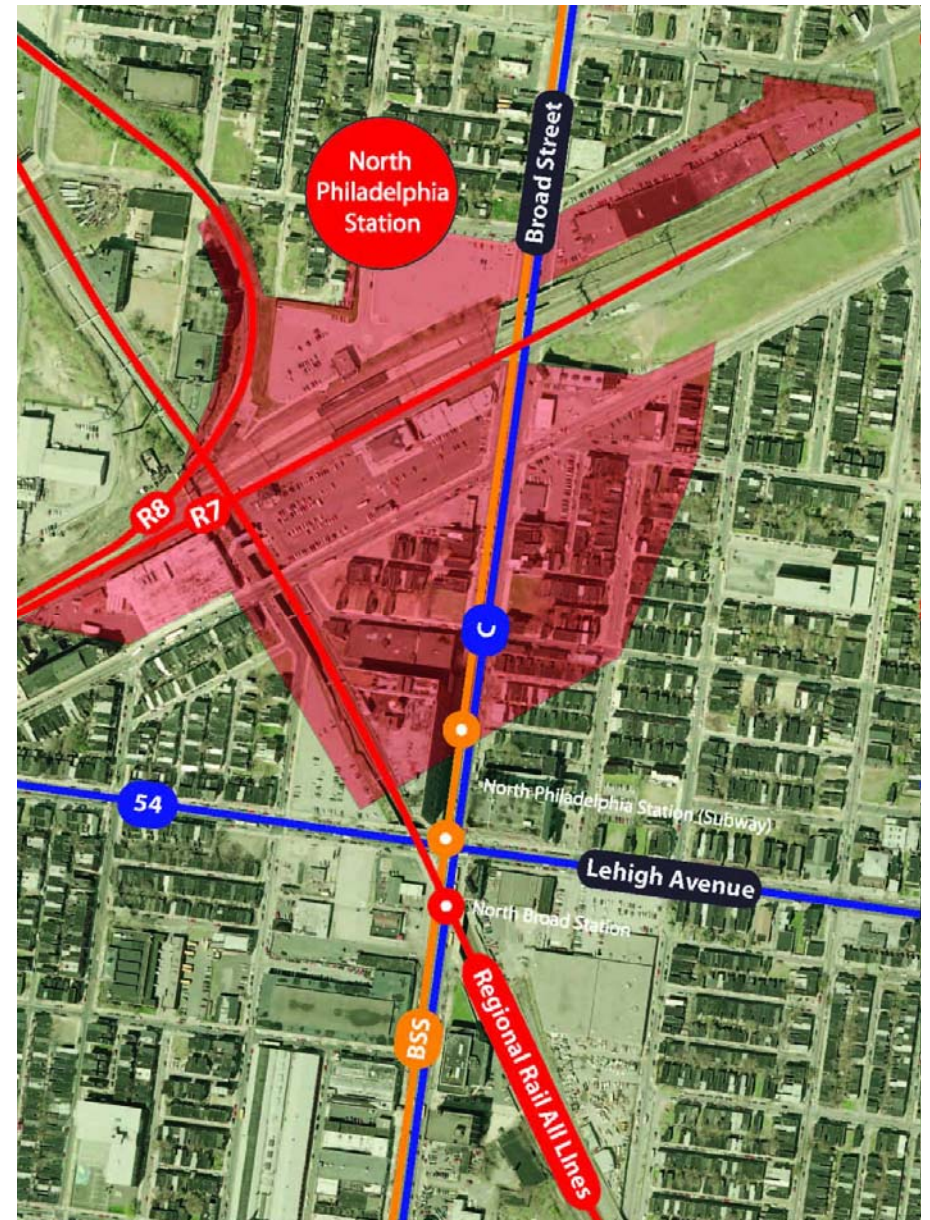
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# Public Transportation

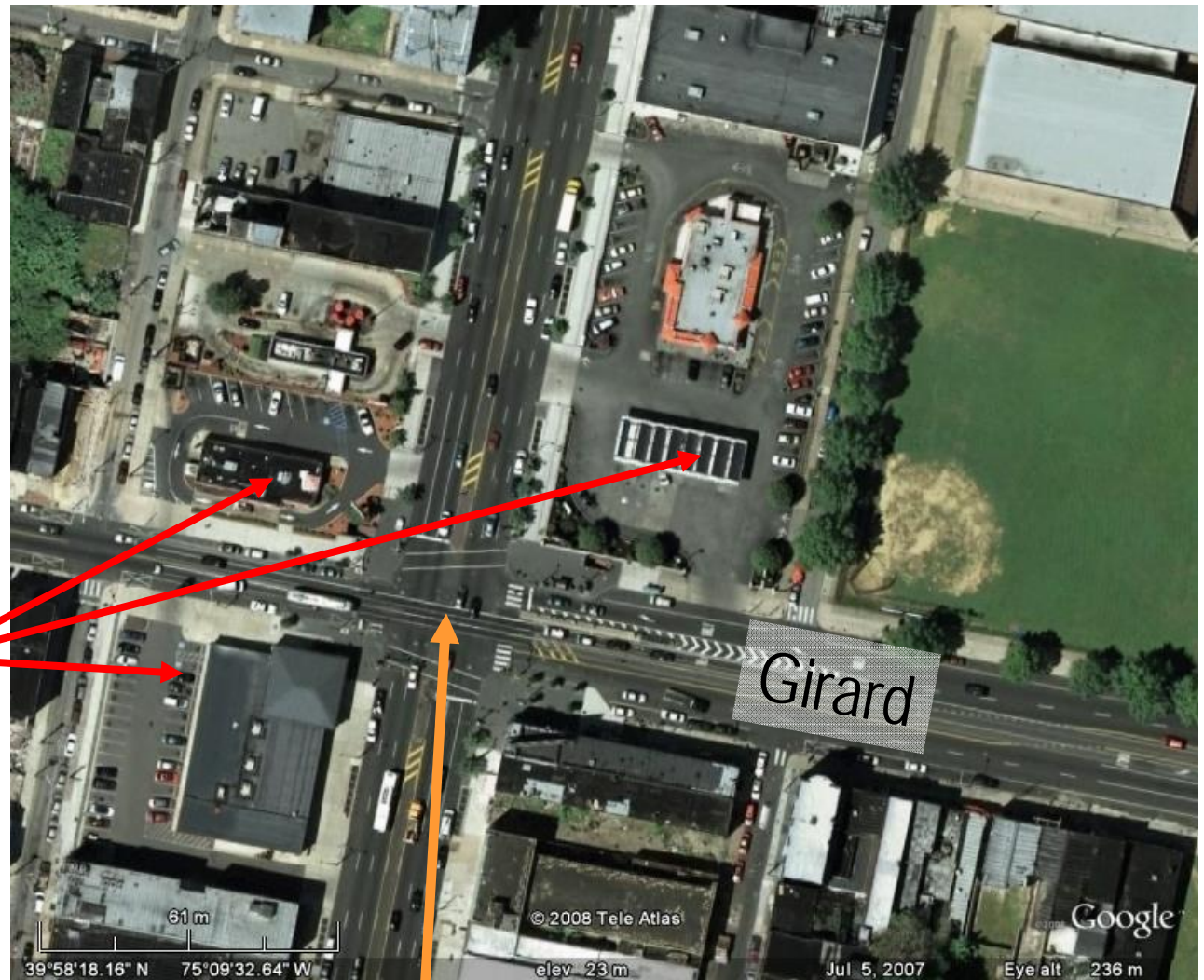
- Rapid Transit, Regional Rail
  - Positive in mixed corridors
- Bus Trips
  - Positive but weak
- City is not fully leveraging transit



# Corridors and Stimulus

- Corridor Targeting
- TOD

Auto Oriented Retail



Broad Street Subway

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# Mode for Trips ¼ Mile or Less

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Mode	Auto	Mixed	Total
Drive	70%	18%	40%
Public Transit	4%	10%	7%
Walk or Bike	26%	72%	53%
Total	100%	100%	100%

# **RELATIONSHIPS: DYNAMIC POLICY GUIDANCE**

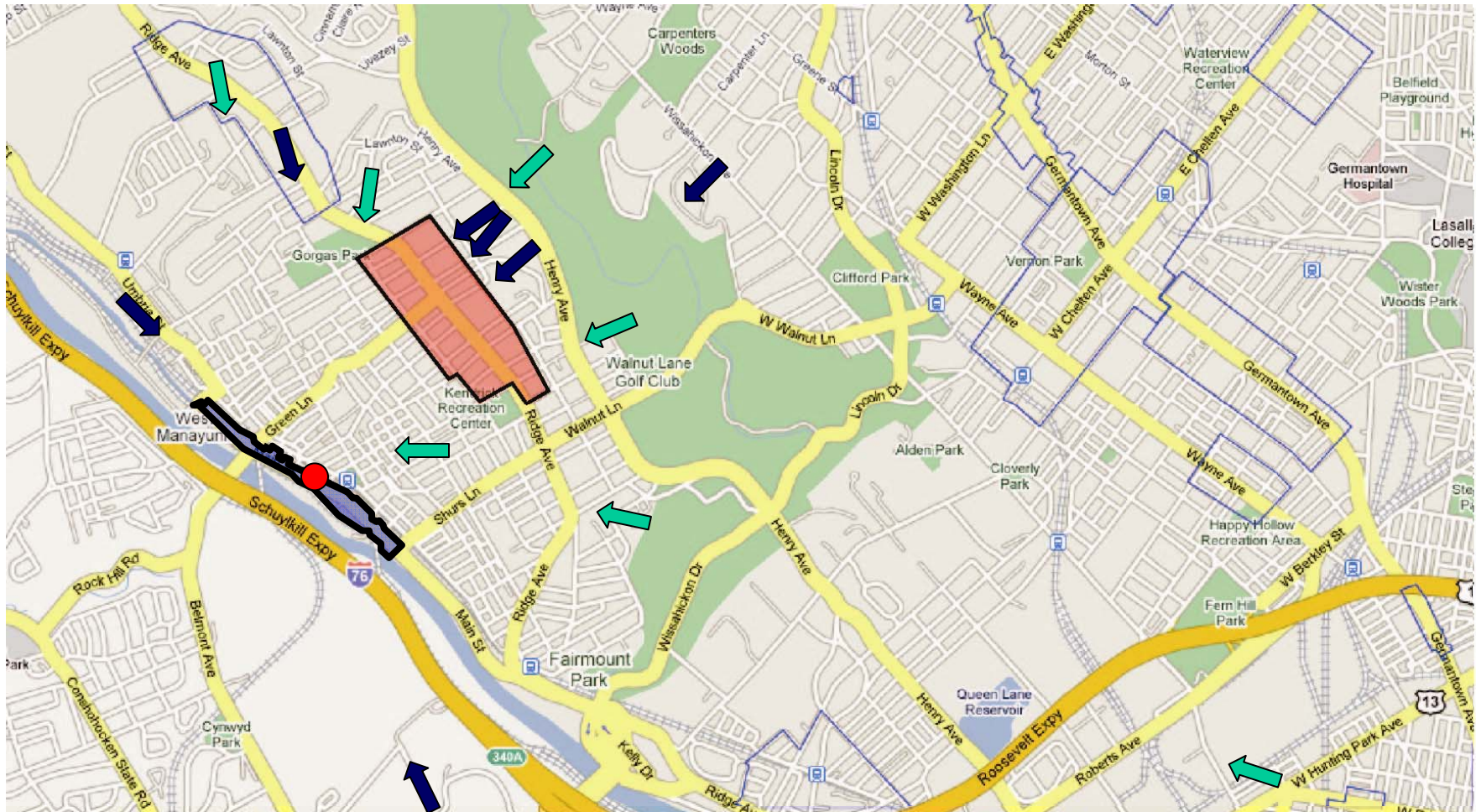
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- Main – interactive, multilayered citywide maps
- Corridor Analyst - interactive, multilayered corridor maps/data
- Siting Analyst – information on potential corridor locations
- Shopper Simulation – predicted change in shopper behavior based on change in shopping locations

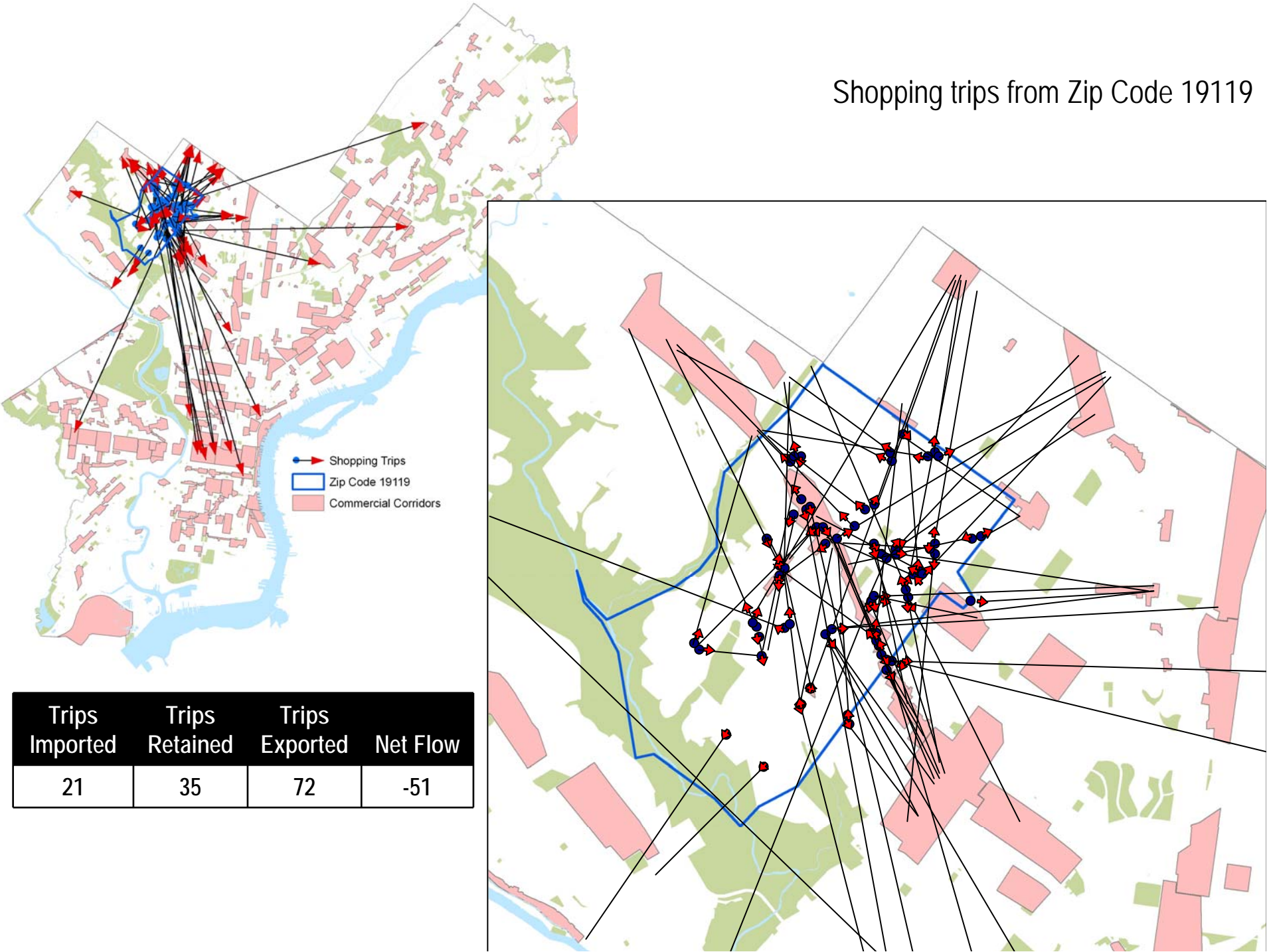


# Grocery Store opens in Manayunk Corridor

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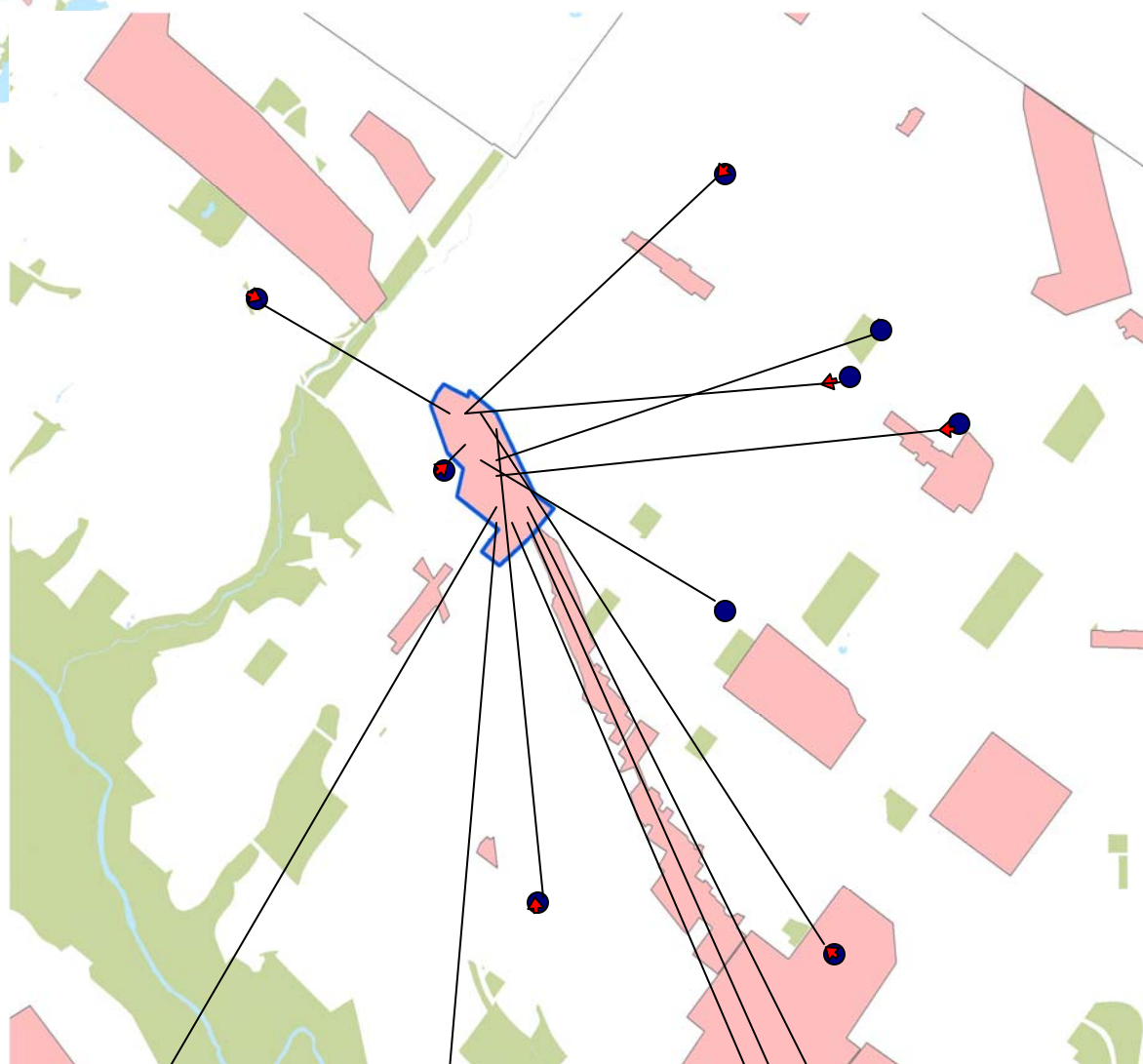
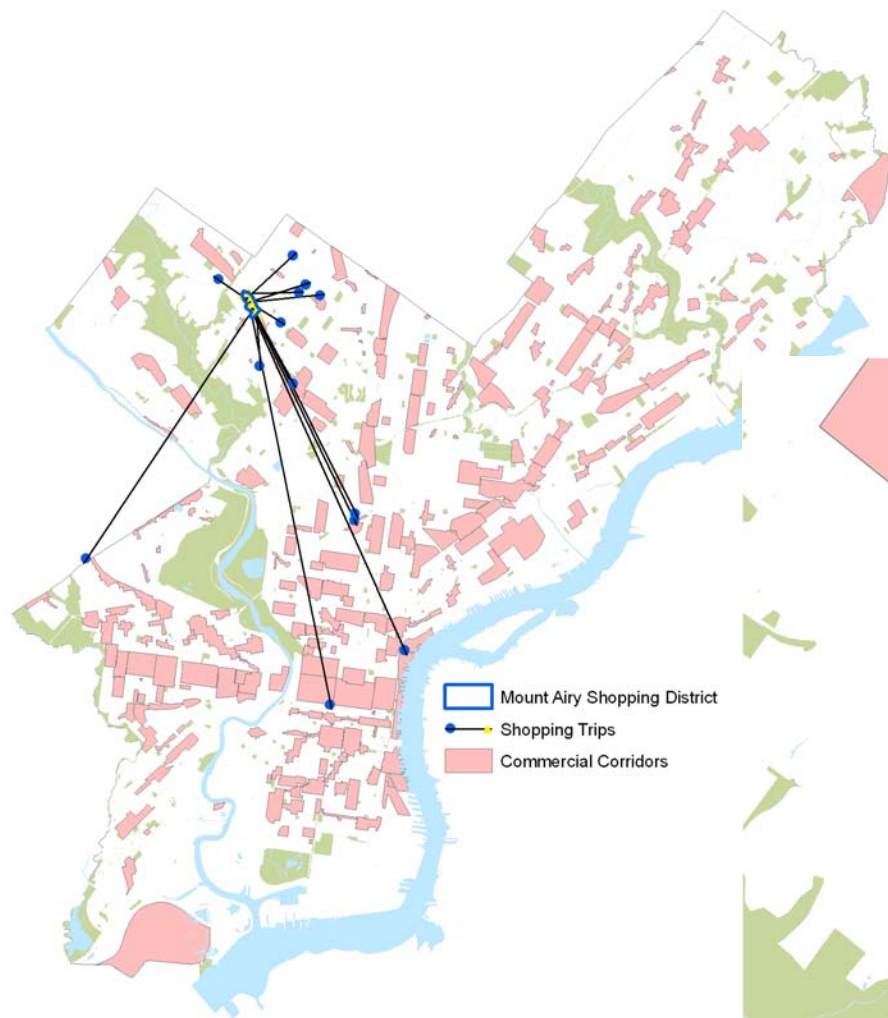


Shopping trips from Zip Code 19119





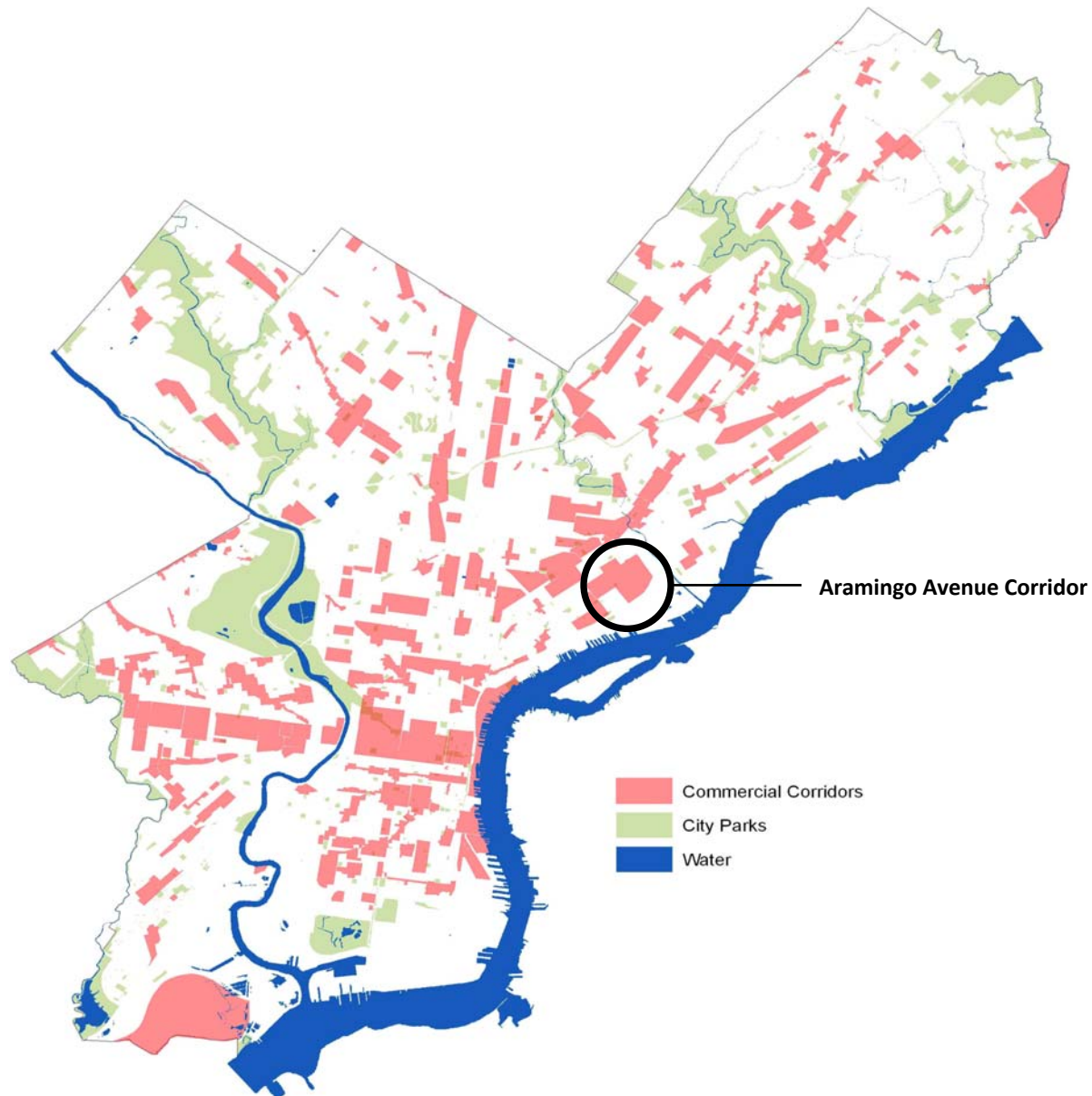
## Shopping trips to the Mount Airy Shopping District

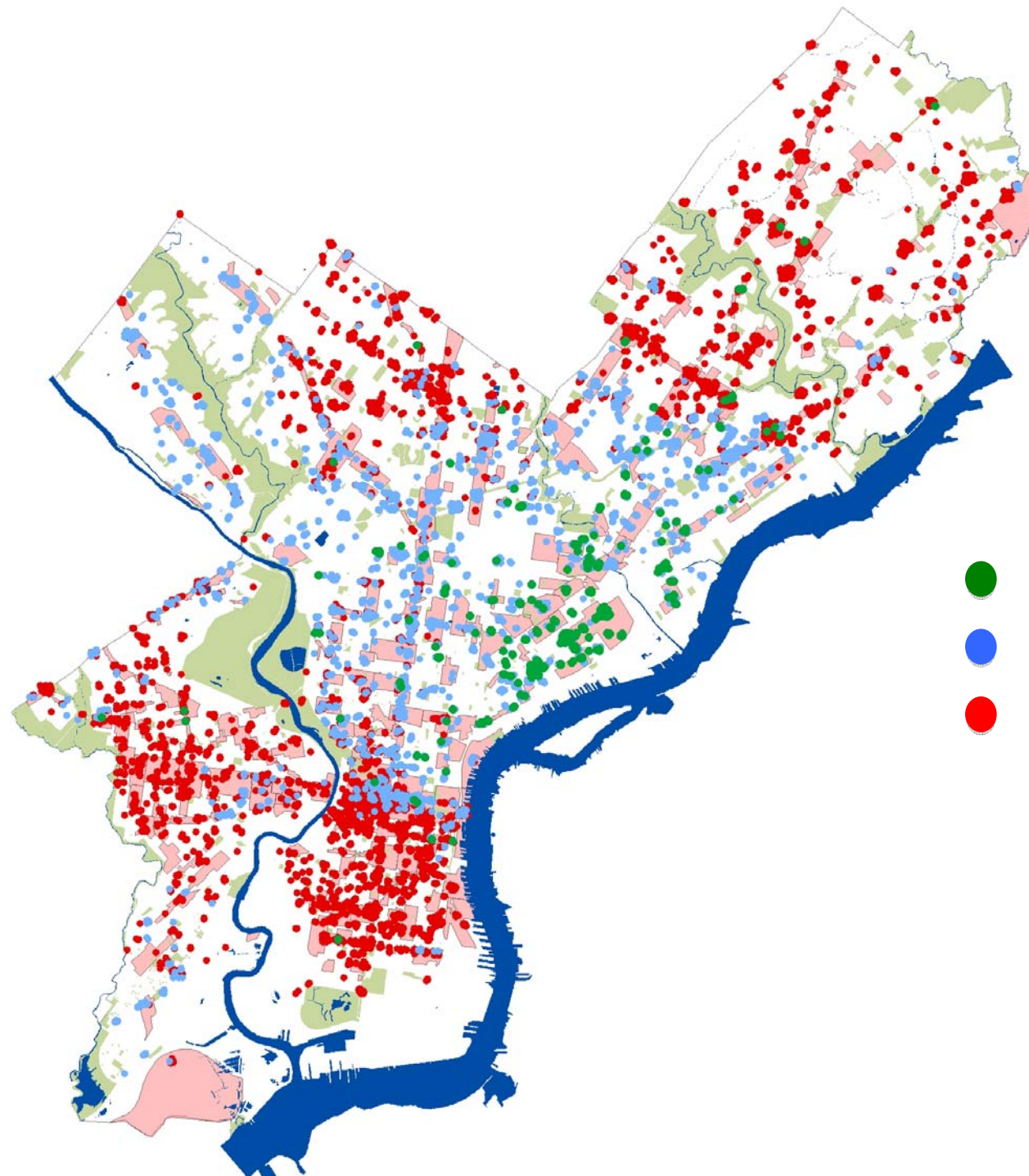




# Corridor Reports

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- Actual Aramingo shoppers
- Ranked the corridor 2-10
- Ranked the corridor 11-260

# End Users

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- Local Initiatives Support Corporation
- The City of Philadelphia, DVRPC, and other policy-makers
- Neighborhood groups, CDCs, and BIDs
- Non-profit resource providers (PHS, Mural Arts)
- Foundations and other corridor investors
- Private Developers

# THANK YOU

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Data and report @ [www.econsult.com/e\\_phila.htm](http://www.econsult.com/e_phila.htm)

## Questions?

Peter Angelides, PhD, AICP  
Lee Huang, MGA  
Econsult Corporation  
3600 Market Street  
Philadelphia, PA 19104  
215-382-1894  
[www.econsult.com](http://www.econsult.com)

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