

Downtown Salem Retail Plan

Presentation to
Salem Redevelopment Authority
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Study Goals

- Understand downtown markets:
 - Residents, visitors, workers, students
- Analyze downtown business mix:
 - Strengths, clusters and gaps
- Inventory vacancies
- Formulate strategies and action plan
- Secure buy-in for implementation

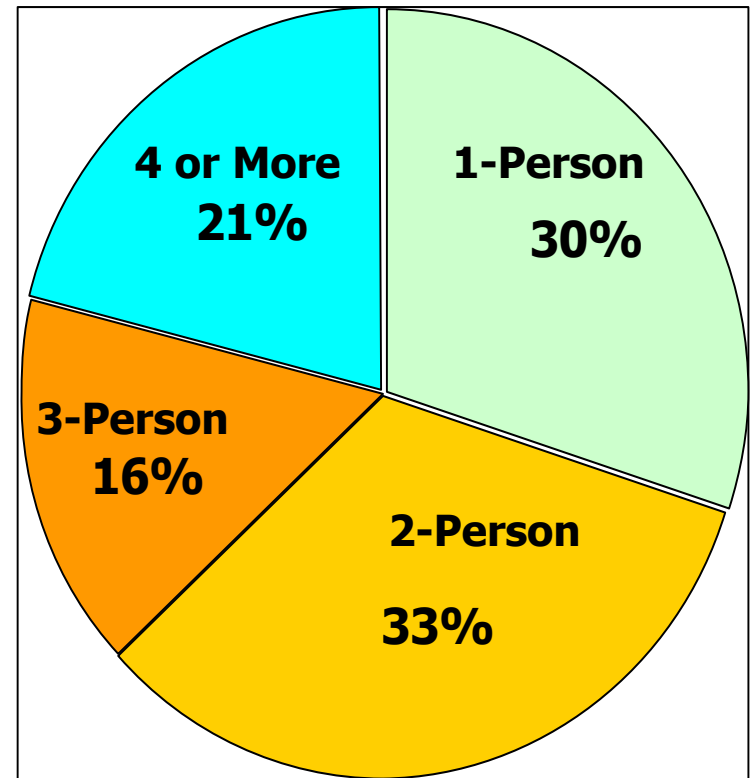


Study Components

- Consumer market segment analysis
- Downtown businesses inventory
- Telephone survey of 360 households
- Stakeholder focus groups
- Working Group meetings
- SRA presentation and public meeting
- Prepare Interim and Final Reports

Consumer Market Analysis: Trade Area Demographics

Trade Area Households by Size



- Trade area: Salem and 5 surrounding communities
- Population: 194,000 and 79,000 households
- Median age: 40.5—above Essex County or Boston region
- Higher income: 41% of households above \$75,000
- 63% of households are one or two people



Consumer Market Analysis: Spending by Segment

- \$1.45 billion in combined retail & restaurant spending by residents, visitors, downtown workers & students
- Residents are biggest market: \$1.3 billion (88%)
- Visitors are 2nd largest: \$124 million (9%)
- Salem State students spend \$36.5 million
- Downtown workers are an \$8 million market



Spending by Retail Category

- Largest consumer markets are:
 - Groceries (\$324 million)
 - Restaurants (\$264 million),
 - Entertainment (\$191 million)
 - Apparel & related services (\$157 million)



Consumer Market Analysis: Shopping Patterns

- Downtown Salem is a shopping & dining destination:
 - 61% of trade residents visit downtown to dine or shop
 - 59% come at several times per month
 - Downtown ranks first as the primary destination to dine (59%) and to shop for gifts & crafts (35%)
- North Shore/Liberty Tree Malls are key competition and primary shopping destination for most goods
- Saturdays & afternoons are the most common shopping times

Customer Evaluation of Downtown

- Customers rate downtown positively
- 60% rate it good or excellent for 9 of 15 items
- 80% cite restaurant quality & selection as good or excellent
- Physical attractiveness rated highly
- Traffic/parking received lowest marks: 30-32% rated them poor





Key Ways to Expand Resident Shopping Downtown

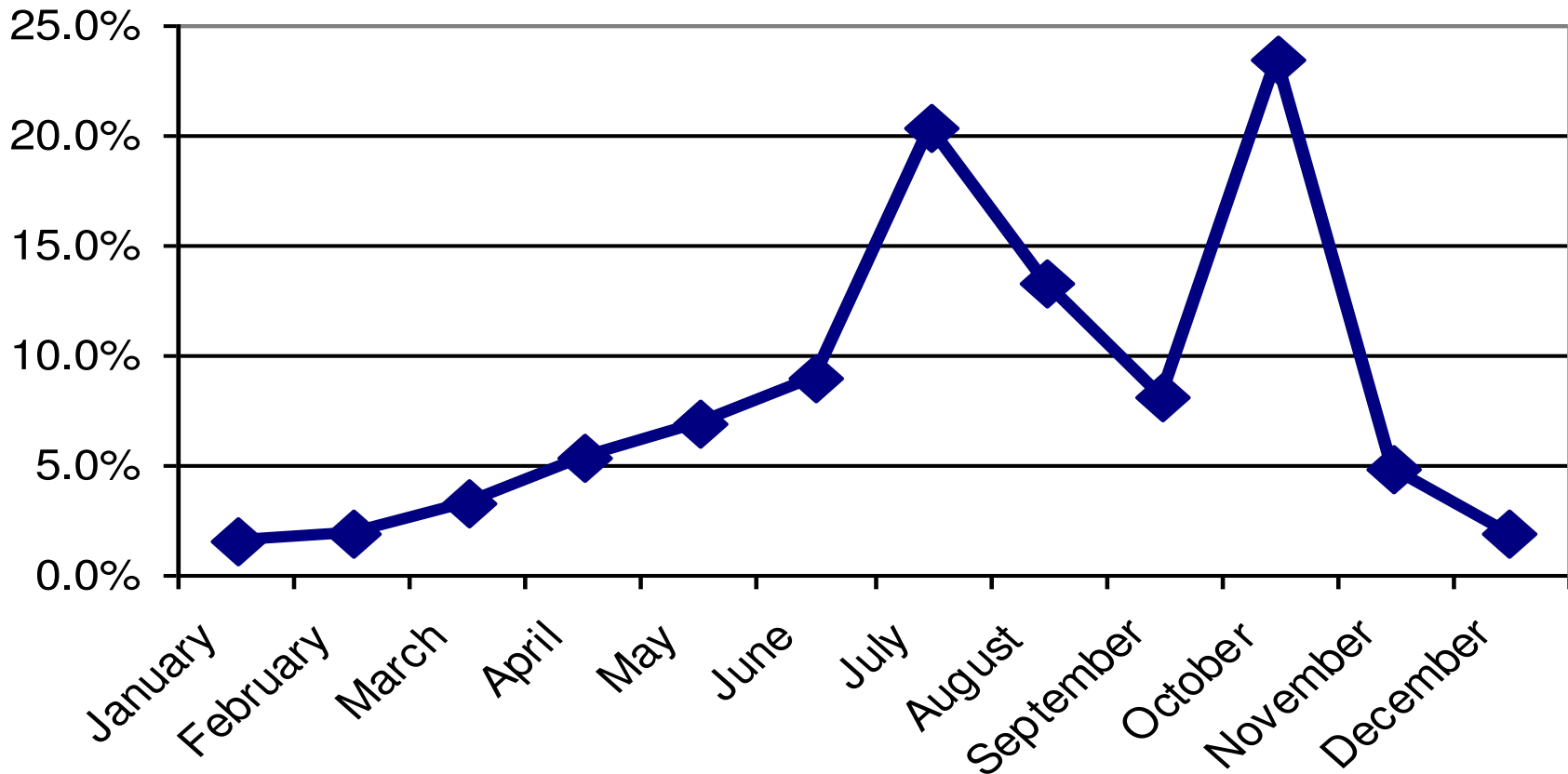
- More diverse shopping options
 - Clothing and gift/specialty stores are most likely to draw more shoppers
- Expanded arts and cultural offerings
 - Live music and performances are most popular
- Improved traffic and parking information



Visitor Trends

- Estimated 700,000 tourists annually--26% of tourists to Essex County
 - Salem Maritime Site draws 650,000 to 800,000 visitors annually
 - Salem Witch Museum draws 400,000 per year
- July, August, October are peak seasons
- Opportunity to increase shoulder season visitation, esp. in June and September

Monthly Visitation to Salem Maritime Site





Downtown Business Mix

Category	Number of Firms	Square Feet
Retail	107	206,000
Accommodation & Food	61	133,000
Arts & Entertainment	15	105,000
Total	349	819,000



Downtown Business Concentrations

- 55 restaurants
- 15 attractions
- 45 gift/souvenirs stores
 - 60% are not witch-themed
- Shops exist in most retail categories
- Spatial clusters:
 - Attractions/souvenirs on Essex St. & Pickering Wharf
 - Clothing stores on Essex St. & Museum Place Mall
 - Front Street knitting/needle arts cluster



Downtown Vacancies

- 28 downtown vacancies, representing 63,000 square feet (SF)
- 13 vacancies are seasonal spaces or not available
- 16 spaces or 38,000 SF currently available
 - All are less than 5,000 SF
 - Most are under 2,000 SF



Sales Gap Analysis

- Compares sales to demand to identify store types where demand exceeds supply.
- Sales (supply) exceed demand in almost all retail categories
- Unmet demand for 6 store types that fit downtown:
 - **Specialty food, shoes, used goods, clothing accessories, sewing/needlework, jewelry/leather goods**
- Salem can add 63,000 SF in retail space by growing its market share and filling store gaps



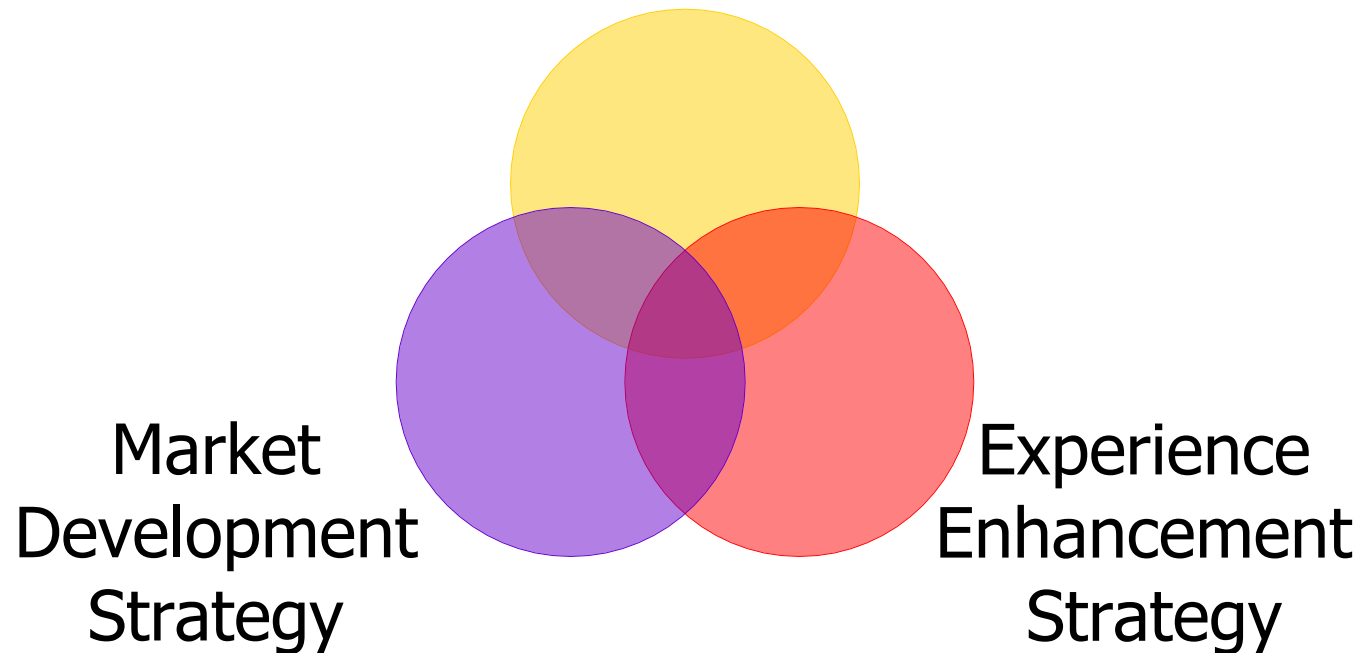
Key Issues and Opportunities

- Gain market share among trade area residents to expand downtown retail base
- Grow visitor market especially in May, June and September
- Downtown is best positioned to expand in **Specialty Retail** and **Dining/Entertainment** to create an unique shopping center
- Enhance the appeal of its historic character and buildings
- Grow downtown housing & resident market



Downtown Retail Strategies

Retail Development Strategy





Retail Development Strategy

- Proactive recruitment to attract targeted businesses
 - Restaurants, specialty foods, clothing, gifts & crafts, entertainment
 - Attract new branches of successful regional stores
- Expand entertainment options and branding
- Improve permitting process for small businesses
- Support business growth and retention



Retail Development Action Plan

- Create downtown recruitment team & tools
- Contact target businesses to pitch downtown location
- Establish ombudsperson & permitting team for small projects
- Start one stop application for café permits and coordinated process for new liquor licenses
- Organize signature entertainment event
- Continue & expand workshops, expert counseling and loan programs for downtown businesses

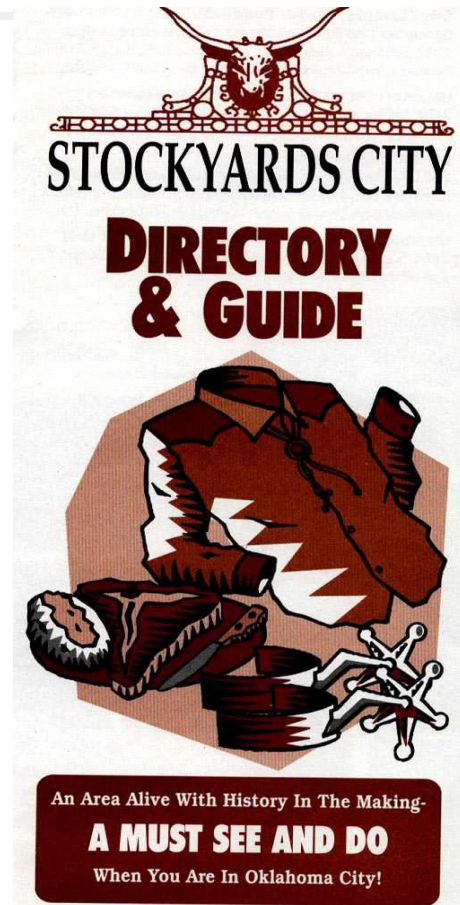


Market Development Strategy

- Unified comprehensive marketing campaign
- Targeted marketing to Salem State students & large employers
- Build retail market with downtown housing
- Expanded promotions to increase spending by trade area residents
- Year round events program to attract visitors in off-peak months and boost local shopping

Market Development Action Plan

- Create downtown marketing campaign:
 - Cooperative advertising
 - Single map, guide & web site
- Establish monthly night time promotions
- Organize loyalty shopping program
- Implement Chamber events calendar
- Incorporate downtown retail, dining and entertainment in visitor marketing
- Maintain zoning policies to encourage downtown housing development



Experience Enhancement Strategy

- Better signs and information to navigate downtown
- Revitalized Essex Street Mall
- Sustained façade, cleaning & beautification programs
- Guidance and information for downtown visitors



Experience Enhancement Action Plan

- Install kiosks at key locations
- Implement way finding system
- Create plaza & window displays on Essex Street Mall; formulate urban redesign plan
- Form & fund downtown clean-up squad & ambassador's program
- Continue design guidelines and façade improvement program





Implementation: Roles & Responsibilities

- Collaboration among city agencies, Main Street program, chamber, business & property owners
- Main Street Program: coordinate overall implementation and lead key initiatives
- City of Salem: leadership, funds and staff to implement, lead physical improvements & permitting
- Chamber of Commerce: support for events, promotion & marketing
- Business/property owners: use plan to guide their actions; fund & participate in Main Street program

Implementation: Resources

- A diverse & entrepreneurial approach to funding
- Strategic use & coordination of existing ad budgets
- State grants
- Foundation grants
- Corporate, utility and institution funding
- Donations and pro bono services





Conclusion

- Salem is well positioned to strengthen its downtown retail base and expand its market
- Downtown has solid cultural, economic physical and organization assets to leverage
- Retail Plan provides a shared strategy and blue print for action
- Three Cs are the key to implementation: Commitment, Coordination and Creativity