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: 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

Trade Area Households by Size

- 1-Person: 30%
- 2-Person: 33%
- 3-Person: 16%
- 4 or More: 21%
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

<table>
<thead>
<tr>
<th>Month</th>
<th>Visitation Rate</th>
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<tbody>
<tr>
<td>January</td>
<td>0.0%</td>
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<tr>
<td>February</td>
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<tr>
<td>March</td>
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<td>15.0%</td>
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<td>July</td>
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<td>September</td>
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<td>October</td>
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<tr>
<td>November</td>
<td>10.0%</td>
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<tr>
<td>December</td>
<td>5.0%</td>
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# Downtown Business Mix

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Firms</th>
<th>Square Feet</th>
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<tbody>
<tr>
<td>Retail</td>
<td>107</td>
<td>206,000</td>
</tr>
<tr>
<td>Accommodation &amp; Food</td>
<td>61</td>
<td>133,000</td>
</tr>
<tr>
<td>Arts &amp; Entertainment</td>
<td>15</td>
<td>105,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>349</strong></td>
<td><strong>819,000</strong></td>
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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

Market Development Strategy

Experience Enhancement 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 blueprint for action.
- Three Cs are the key to implementation: Commitment, Coordination and Creativity.