

# Formulating A Retail Revitalization Strategy For Your Ethnic Downtown

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# Ethnic downtowns can be very successful!

- Queens Center has sales of over \$930/sf
- Modell's admits to sales of over \$1,300/sf in Fulton Mall (Bklyn)
- There are retail chains that specialize in ethnic downtowns
- Chinatowns are major destinations in NYC, SF, Philly, DC, Vancouver

# Major Strategic Questions

- Do you have market support? And what is it specifically –what are your niches?
- Who is your downtown competing with?
- What is your “unique marketing proposition? What could it be?
- What kind of space do you have? Do you need? That you can get built?
- How are you dealing with quality of life issues?
- What does your district look like? And what does it need to look like to achieve your objectives?
- Ethnic downtowns are often seen as risky places to invest in – what will your organization do to reduce the risk of investing in your district?

# Is Your Organization Prepared

- Do you know which types of retailers you have a realistic chance of recruiting?
- Do you effectively market your district as a retail location?
- Are you networked with “locators” working for the chains, retail brokers who work with the chains and real estate developers?
- Are your landlords willing to work with you?

# Ethnic markets are complex

- The Latino/Hispanic category contains many different cultures and an array of tastes
- First generation immigrants and those in second generation who want to participate in the larger culture differ in their shopping tastes
- Females often have a stronger identification with “Latinas” than their country of origin
- Age differences have a big impact on shopper behavior. Many downtowns are dominated by shops catering to the Gen Y hip-hoppers, while more middle-class shoppers want to go to regional malls
- Often, there are lots of middle-income households
- Incomes are often unreported and under-reported

# The Arc of Concern For Cultural Heritage

1. New immigrants must establish “beachhead:” food, clothing, shelter
2. Then as need to confirm self-worth emerges, they want to celebrate their cultural heritage
3. Then they or their children “go American” and with success go to live in more desirable neighborhoods
4. Then, again, the need for self-affirmation may kick in and they want to celebrate their cultural heritage, and if the housing stock is good, even return to live in the old neighborhood (e.g., El Barrio, Harlem).

# Ethnic does not always mean a lack of spending power

## Aggregate Spending Power

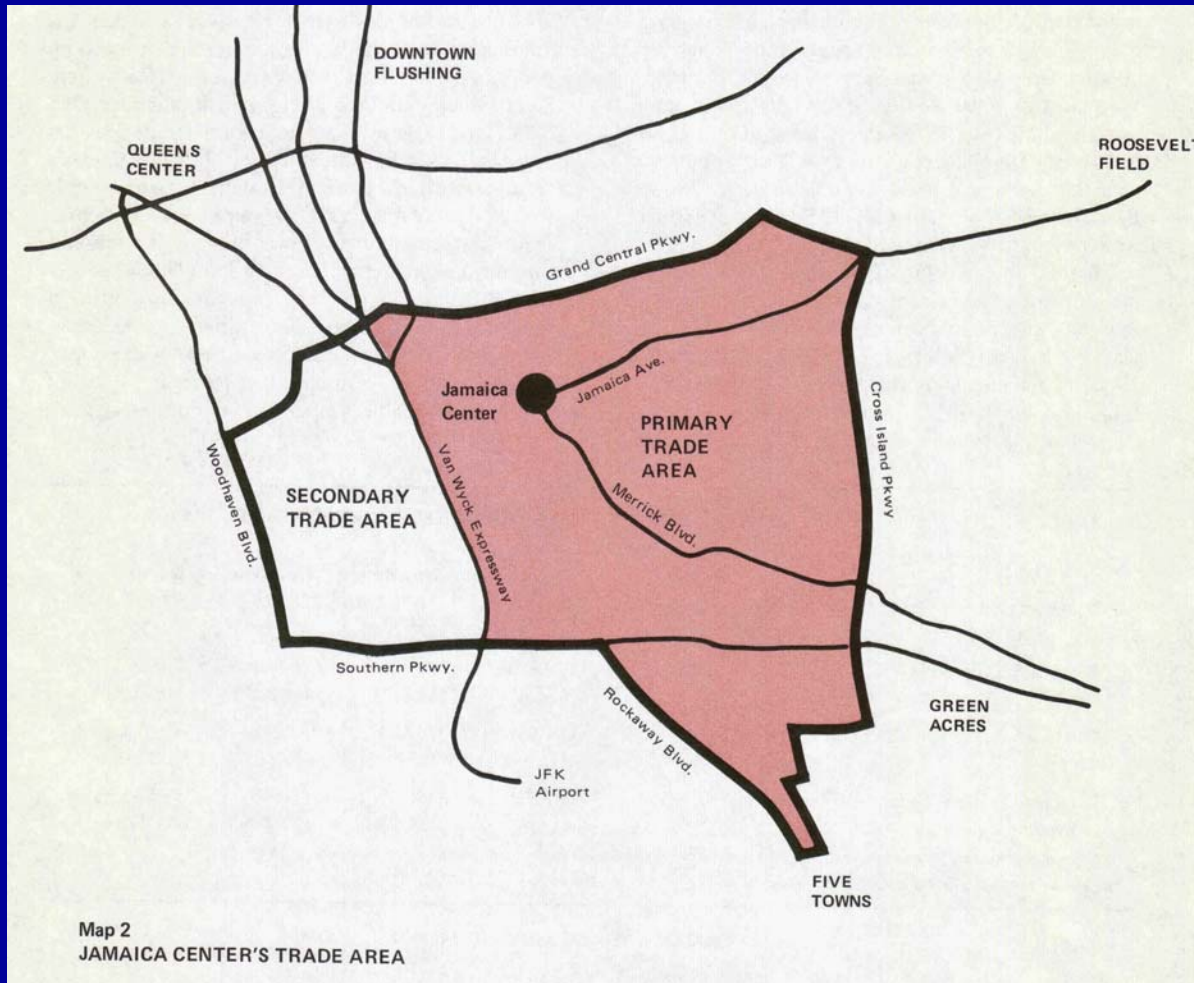
Within a 7-minute drive shed of Elizabeth Ave:

- 41,130 households with an average HH income of \$46,094 and a median income of \$36,934 – compared to \$78,218 and \$57,216 for NJ
- But an aggregate income of \$1,915,100,000, more than \$551,000,000 in shopping center inclined expenditures, and \$275,000,000 in GAFO expenditures

# Don't play the averages and medians stats game

	Red Bank		Bayonne
Total Households	31,439		51,045
Total Aggregate Income (\$Mil)	\$ 2,903.86		\$ 2,779.44
Total Per Capita Income	\$ 35,559.09		\$ 20,240
Aggregate HH Income (\$Mil)	\$ 2,888.81		\$ 2,770
Average HH Income	\$ 91,886.19		\$ 54,275
Median HH Income	\$ 72,953.47		\$ 43,868
Households \$50K Income	20,090		22,100
Households \$60K Income	17,574		17,507

# Trade areas should be carefully drawn and analyzed



# Solid middle income niches

Within a 10-minute walk of the Jerome Ave BID in the Bx:

- there are 14,625 households
- 4,918 make under \$25,000
- 4,525 earn between \$25,000 and \$49,999
- 5,182 have incomes of \$50,000+

Within a 7-minute drive of the heart of the EAP:

- there are 41,130 households
- 14,214 make under \$25,000
- 12,806 earn between \$25,000 and \$49,999
- 14,110 have incomes of \$50,000+

# Who are you going to target?

- Who lives close by?
- Who works in the district?
- Where are the junior and senior high schools and colleges?
- What other geographic areas are your trade area residents linked to?

# Some possible successful niches

- Gen Y Hip Hop in Jamaica, Midtown Elizabeth, Jerome Ave, Downtown Bklyn
- Children's goods in WNY
- Restaurants in Port Chester, Iron Bound; not as easy to do as you might think
- Food for the home: Yoa Ban, Mi Bandera
- Home and hearth: Elizabeth Ave, Eliz

# Marisol in WNY



# Gen Y in Jamaica, NY



# Do you know these brands?

- Rocawear
- Enyce
- Pepe Jeans
- Ecko Unltd
- Phat Pharm
- Sean John
- Cooghi

# A Japanese regional supermarket that was in Edgewater



# Some Other Large Ethnic Projects

- Plaza Mexico, a 36 acre shopping center in Lynnwood, CA, that tries to create a “Chinatown”- shopping environment for Mexican shoppers
- Pacific Plaza in Sacramento, CA, a 240,000 SF shopping center, with Chinese, Filipino and other Asian small merchants

# Quality of life matters: Drugs



# Prostitution



# Graffiti



# Homeless



# A Key: Who does business in downtowns like yours?

- Visit other business centers to find retail chains that will locate in ethnic districts
- Use these visits to find out which developers will come into ethnic districts
- Use the “store locator” functions on the websites of retail chains to find out where they locate – and where they don’t
- Go to ULI and ICSC meetings and get networked

The Product of One Visit:  
National & Regional Chains in Jamaica  
Center in Oct. 2002

- **Toys 'R Us**
- **Kids 'R Us**
- **Payless**
- **Parade of Shoes**
- **Gap**
- **Old Navy**
- **Jennifer Convertibles**
- **Footlocker**
- **Jimmy Jazz**
- **Porta Bella**
- **Athlete's Foot**
- **Rainbow**
- **Shoppers World**
- **Wertheimers**
- **Gothic Furniture**
- **Vim**
- **Modell's**
- **Dr. Jays**
- **Strawberry's**
- **Ashley Stewart**
- **Tick Tock**
- **Youngworld**

# Ethnic downtowns often have their own kind of look

- Heavy pedestrian traffic
- Cacophony of signage, storefronts and facades
- Very colorful
- Merchandise outside
- But some shops can be very attractive inside!

The look definitely reveals who the merchants think their customers are

# Signage

Some key

problems:

- Lack of design standards, or
- Enforcement
- Size
- Paper signs



# Paper signs, Iron Gates



# Design cacophony in one building



# Eyesores



# To change direction, you often need a big project

## City Place in Long Beach, CA:

Anchored by  
Wal-Mart, with a  
“sleeve” of  
smaller shops,  
e.g., Payless,  
Ashley Stewart,  
Ross’s



# Reducing Financial Risk

- Incentives to reduce costs
- Avoiding red tape problems that increase soft costs
- Having an area plan that makes approvals easy
- Stimulating a project big enough to turn the tide by itself
- A negotiated investment program to avoid being a Lone Ranger

# Financing tools

- Formal Tax Increment Financing (TIF)
- Informal TIF
- New Federal tax credits
- Land assembly
- NJ's redevelopment law
- UEZs and SIDs, Enterprise Zones and  
BIDs