

**GRAND CENTRAL BUSINESS DISTRICT  
ECONOMIC DEVELOPMENT TECHNICAL ASSISTANCE  
VISIT REPORT**



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# TECHNICAL ASSISTANCE VISIT REPORT

## I. BACKGROUND

Below is a series of recommendations for strengthening the Grand Central Business District (herein referred to as the District), a designated Florida Main Street Program. These recommendations are based on a one-day technical assistance visit in August 2015 conducted by Hilary Greenberg of Greenberg Development Services (GDS), Charlotte, North Carolina. The purpose of this technical assistance visit was to help the Main Street Program strengthen their business assistance and recruitment efforts. The visit was funded by Florida Main Street as part of the technical assistance services provided by the Florida Division of Historic Resources to participating Main Street communities. In preparation for the visit, the Consultant reviewed the organization's work plan and previous studies prepared by the City of St. Petersburg for the Central Ave. business corridor. The Consultant also purchased several customized demographic and retail sales reports from ESRI Business Solutions to clarify market demand for the defined trade area. During the site visit, the Consultant met with over twenty business and property owners to discuss specific issues relating to economic development within the corridor.

### 1. GRAND CENTRAL BUSINESS DISTRICT

The Main Street program primary focus is a sixteen-block area along Central Avenue from 16<sup>th</sup> Street to 32 Street and between 1<sup>st</sup> Avenues North and South. Within this area is a concentration of arts, antique and entertainment and restaurant uses as well as several medical offices, automotive, professional and service uses. A small neighborhood shopping center is located on the western edge of the district. The eastern edge of the District is anchored by the newly designated EDGE Main Street District. A historic residential neighborhood abuts the District to the north and is an important sources of sales for many businesses. The Kenwood neighborhood is known for its collection of bungalows many built in the 1920's that has attracted artists, gay couples and young professionals and is an important source of sales for businesses.

The District has many strong attributes that support continued reinvestment and development that include a residential neighborhood with rising property values that will provide increased sales support for local restaurants and stores, a desirable

location between downtown hotels and visitor attractions and the beach that will generate additional sales support, a concentration of smaller rental spaces, lower overhead and an attractive setting that is conducive to specialty retailers looking to differentiate themselves from mass merchandisers, a growing reputation for unique dining and drinking establishments and the presence of several long-time retailers that attract customers from the greater Tampa Bay region.

The GCB Main Street Program has a strong board of directors and knowledgeable staff that oversee a commercial revitalization effort that has helped to transform the corridor from an area with crime and disinvestment to a thriving arts and entertainment district that is home to an eclectic mix of arts, specialty retail and antique stores and locally-owned restaurants. Over the past fifteen years, the organization has spearheaded a multi-faceted revitalization effort that is anchored by a strong events and social media marketing program that has helped change the perception of the area and has attracted new jobs and investment. Popular events held in the District include an annual chili contest, a Pride parade and a monthly artist market. In the past three years, the rate of new investment has accelerated with new restaurants and microbreweries dominating the market. While there are still several large underutilized properties, the recent sale of a former charter school and theater on the eastern edge of the District will strengthen the corridor and reconnect the District to businesses along Central Avenue. Proposed sidewalk improvements also will enhance the District's overall ambiance.

The organization has four working committees that are responsible for implementing a wide array of projects ranging from clean-up days to special events that bring thousands of visitors into the area. The Economic Development Committee has several projects underway or in the planning stages that focus on business development. These projects include developing new workshops or training programs to assist business owners, compiling a more detailed inventory of available property and identifying new funding sources for property owners and businesses.

## **2. ISSUES AND CONCERNS**

Although investment within the District has increased dramatically since the 2007-12 recession, there are several issues that could undermine the organization's efforts to attract new businesses. While some of these issues are based on misperceptions, others may require a refocus of existing resources or stronger partnerships with the neighborhoods, the City and local property owners. Issues that were discussed during our interviews with local businesses and property owners were:

- The District is changing faster than the public's perception and it is difficult to get long-time residents to visit the area to see the exciting changes that have taken place.
- On-going problems with a local bar is undermining efforts to change perception.
- A concentration of vacant sites on the eastern edge of the district has created a "dead" zone that disrupts customer activity between the District and Downtown.

- Delays with the sidewalk project has created skepticism of the City’s support.
- Businesses feel that the City’s permit and inspection process is difficult to navigate and has resulted in lengthy delays that have driven up costs and delayed openings.
- There are no incentives to encourage strategic improvements in building facades or renovations that would accelerate the District’s transformation and new businesses say that they had troubles accessing capital for start-up or expansions.
- It is difficult to attract new retailers due to a lack of available rental space and rising rents that may outstrip tenant’s ability to pay.
- Several businesses no longer fit the District’s new business mix but are unlikely to relocate.
- Real estate prices may be rising faster than cash flow projections warrant. If the price differential between Downtown and the District narrow it could result in new businesses opening in other commercial areas further to the west.
- Uncertainty over the Ray’s stadium has created a “wait and see” attitude among property owners that hinders reinvestment.
- Dated or deferred maintenance is detracting from the overall appearance of area and the building’s functionality.
- Building signage is of poor quality and does not reflect the quality of merchandise in the businesses.
- Changing consumer taste could impact the antique and collectible market.

While many of these issues are not easily resolved, they should be considered as the four committees develop their annual work plans. We believe that the Main Street organization could play a stronger role in influencing real estate investment and supporting existing businesses through a more focused economic development effort. The recommendations outlined below are intended to help guide the Economic Development Committee’s efforts over the next three years.

### **3. MARKET NICHES**

Grand Central Business District is an eclectic commercial corridor dominated by two strong business clusters- a restaurant entertainment cluster and a collectibles and antique cluster. Other business clusters within the area include an arts-related, a furniture and home improvement and an aftermarket automotive parts and services cluster. The District is also home to several specialty retailers including a large independent bookstore, medical, legal, personal and business services that are scattered along the corridor. Several social service agencies that focus on the homeless or disabled also are located in the area.

Retail opportunity within the District is driven by three key market segments: residents living within the defined trade area, employees that work in surrounding businesses and the visitor market that includes seasonal residents, leisure and business travelers and residents living in the greater Tampa metro area. In addition to these larger market segments, there are several smaller more focused customer niches that also provide sales support to

businesses in the District. These other market segments include the LGBT community, college students, and persons coming to the area for baseball games or other special events. Several of these smaller markets are not easily documented through traditional demographic reports or sales leakage studies and will require additional analysis. While many businesses target customers from the adjacent neighborhoods, other businesses are clearly destination uses that are attracting customers from the greater Tampa/St. Petersburg metro area. A significant percentage of retailers appear to rely on sales from seasonal residents or tourists coming to the downtown or beaches. While the mix of businesses along Central Avenue will continue to change in response to increasing rents and competition within the marketplace, the District should be able to expand its dining and drinking cluster as well as attract new retailers that support residents' lifestyles and hobbies. Businesses should continue to benefit from the changing demographics within the City that are attracting younger retirees and millennials that prefer walkable, urban living, cultural opportunities and non-traditional work and living styles. New residential development being developed adjacent to the District and in upper-floors will generate additional support for local businesses.

Regardless of the types of uses that are attracted to the District, it is important that the district continue to support businesses that target a diverse mix of visitors and residents. While it is difficult to define on paper, local businesses seem to have a clear understanding of what makes the District unique from the other shopping areas along Central Avenue. Typical words used to describe the District during our interviews included word like *"eccentric", "eclectic", "free-spirited", "welcoming", "caring", "authentic", "locally owned" and "affordable"*.

While additional analysis is required to more fully define future market opportunities, likely areas for future expansion include:

- Additional restaurants that would help to solidify the District's reputation as a regional destination for dining and drinking
- Additional Health or Personal Care
- Forward fashion retail (shoes, jewelry, clothing)
- Lifestyle retailer that carry merchandise that appeals to the hobbies and lifestyles of residents
- Additional housing on edges and upper-floors
- Design uses (graphic design, print, architectural, showroom)

The following specific uses were identified during our interviews and could be investigated further:

- Co-share office buildings for start-up companies
- Gourmet food market or public market
- Radio station with glass window to allow visitors to watch DJ perform

## II. RECOMMENDATIONS

Recommendations have been made within the following three areas of work:

1. **Market Trends and Opportunities** – Priority would be given to helping local business owners and investors understand the rapidly changing marketplace.
2. **Business Retention Activities**- Priority would be given to helping existing businesses increase their sales, expand inventory and hire new employees.
3. **Financial Tools** – Priority would be given to helping local businesses access existing funding programs, developing new financial and technical programs to encourage greater building renovation or façade improvements.
4. **Development and Business Recruitment**– Priority would be given to helping property owners and their Brokers find ways to generate additional revenue by redeveloping vacant and underutilized space, finding appropriate tenants, selling their property to qualified developers that support the District’s vision for the area and maintain their building to the highest standards possible.

The following suggestions should be seen as a starting point for discussion and should be reviewed and expanded upon by the Main Street Board in collaboration with Committee volunteers and the District’s various stakeholders. In order to add additional work items, the Board may need to consider several organizational changes including a greater use of task groups or sub-committees that would allow for greater flexibility and continuity. It also may be necessary for the organization to partner with the other two Main Street programs to lobby for stronger public support or changes to the City’s permit, building code or signage ordinances.

## TALBE 1: SUMMARY OF RECOMMENDATIONS

E – Economic Development Committee P- Promotion D- Design C- City G-Greenhouse

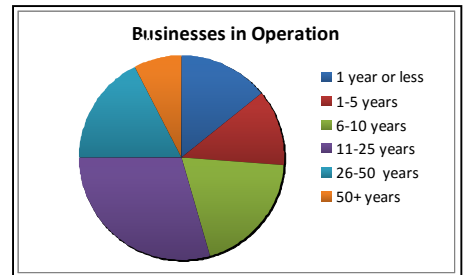
ACTIVITY	RESPONSIBILITY
<p><b>1. DATA COLLECTION AND DISSEMINATION</b></p> <ul style="list-style-type: none"> <li>• Zipcode survey</li> <li>• Business Survey – survey monkey</li> <li>• Business Interviews</li> <li>• Neighborhood survey and focus group</li> <li>• Property inventory, Real estate trends</li> <li>• Visitor market</li> <li>• Post on website</li> <li>• Distribute information in newsletters</li> </ul>	<p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p>
<p><b>2. FINANCIAL INCENTIVES</b></p> <ul style="list-style-type: none"> <li>• 10% Tax Credit for older properties</li> <li>• Florida Community Contribution Tax Donation</li> <li>• Enterprise Zone – tax credits</li> <li>• SBA (504, 7a and micro) Loans</li> <li>• FHLB edplus grant</li> <li>• Main Street Fund (Revolving Loan)</li> <li>• Façade Grant Program</li> <li>• Special Services District</li> <li>• CRA District</li> </ul>	<p>ED</p> <p>ED</p> <p>ED/C</p> <p>ED/G</p> <p>ED</p> <p>ED/C</p> <p>ED/C</p> <p>ED/C</p> <p>ED/C</p> <p>ED/C</p>
<p><b>3. BUSINESS ASSISTANCE PROGRAM</b></p> <ul style="list-style-type: none"> <li>• Highlight businesses</li> <li>• Revise Website</li> <li>• Target Marketing</li> <li>• Cross Promotions</li> <li>• Peer-Peer Assistance</li> <li>• Management of District</li> <li>• Entrepreneurial support</li> <li>• Green District</li> </ul>	<p>D</p> <p>STAFF</p> <p>P</p> <p>P</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p>
<p><b>4. TENANT OUTREACH AND REDEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Promote District Opportunities</li> <li>• Develop Leads</li> <li>• Redevelopment Opportunities</li> </ul>	<p>ED</p> <p>ED</p> <p>ED</p>



## 1. DATA COLLECTION

Barring any major changes in the economy, the District continue its evolution from a neighborhood commercial district into a regional destination for dining and retail. It is the ER Committee's responsibility to help businesses and property owners navigate an increasingly complex real estate market and understand changing demographics and employment that will create opportunities for investment. Below are several recommendations for data collection and distribution.

- **Business Input.** The committee should solicit input through a variety of mediums. Given the size and number of businesses in the District, it could take some time to survey all business owners. However, a formal business survey done annually, would help the organization develop a benchmark to measure changing attitudes and issues as well as provide guidance when developing specific projects or business assistance efforts.



- Develop and administer an on-line survey that include questions about parking, peak sales times and hours and input on previous sale or special events. Information should be summarized and distributed to participating businesses. A local college student could assist with this project.
  - Hold a series of block meetings to solicit input on issues, concerns, topics for future training and desired improvements or events.
  - Conduct one-on-one interviews with businesses that do not participate in either of the above two activities.
- **Zipcode Survey.** A zipcode survey would help clarify market support from the various market segments and help the Promotion Committee prioritize events and calendar.
    - Conduct this survey twice a year to include “winter snow birds” and summer beach and baseball fans.
    - To conduct this zipcode survey, ask a representative selection of businesses to keep a log book and record customer zipcodes over a two-week period.
    - Contact businesses that maintain this information on a daily basis, to compile a summary of where their customers are coming from.
    - Visitors should be asked where they were staying as this information could be used to develop relationships with area hotels.
    - Zipcode Surveys could be conducted at major events.
  - **Consumer Input.** Consumer Surveys would help the organization understand shopping behavior and attitudes about the District.

- Work with Palmetto Park and Kenwood HOA’s to conduct a short consumer survey. Information from this survey could help identify missing services or businesses as well as consumers’ attitudes regarding the District.
  - Contact tenants living in upstairs apartments to participate in a focus group session
  - Conduct mystery shopper surveys at selected restaurant and retailers using residents and regular customers to conduct surveys.
- **Real Estate Trends.** It is quite common for revitalizing commercial areas to experience fluctuations and volatility in rents and asking prices. However, when rents rise too fast and outstrip tenants’ ability to pay, it can result in business relocation or failure and discourage other businesses from relocating to the area. To better understand the current situation and put these trends into a larger context, the Committee should gather relevant real estate data and use this information to develop policies and programs. While staff have developed a solid business data base, additional research is needed to clarify property issues such as code constraints that limit upper-floor housing.
    - Working with City staff, local realtors and college interns, the Committee should prepare a database that includes rental rates for existing and available properties, recent sales, property values and current asking prices.  
The Committee should work with Realtors to determine prevailing rents and occupancy rates in surrounding business districts. This information could help Realtors or property owners determine a fair market rent or sale prices.
    - The Committee should interview property owners with vacant or underutilized space to clarify redevelopment plans, and financing needs to help with renovation and desired tenants.
- **Data Clearinghouse.** The organization should be known as place to go for information about the area. We recommend that the organization:
    - Summarize market and real estate data and distribute through the website and newsletters.
    - Summarize and distribute survey results to participating business and property owners.
    - Distribute information to Realtors on a regular basis.

## 2. TECHNICAL OR FINANCIAL INCENTIVES

Based on feedback from local realtors, property owners and new business owners, the timing is right for the organization to focus more attention on developing new incentives to support business expansion and encourage appropriate building renovation. The organization also should work with businesses or property owners to better understand and utilize existing programs that are available to support new investment. In some cases, the Committee will need to work with the City to extend program boundaries or create new designations so business can participate

in specialized credit or loan programs. Before designating new boundaries, the Committee should meet with property owners to get their support. Below is a summary of technical and financial incentives or programs that would benefit District business or property owners. The organization should prepare a list of list of available financing sources and post to their website. Possible incentives include:

- **10% Rehabilitation Tax Credit.** This credit is available to owners of non-certified historic buildings built before 1936. The building must be rehabilitated for non-residential use and renovation. In order to qualify for the tax credit, the rehabilitation must meet three criteria: at least 50% of the existing external walls must remain in place as external walls, at least 75% of the existing external walls must remain in place as either external or internal walls, and at least 75% of the internal structural framework must remain in place. There is no formal review process for rehabilitations of non-historic buildings. Learn more about this credit in [Historic Preservation Tax Incentives](#).
  
- **SBA Loans.** There are several SBA programs that could help local businesses finance the purchase of their building or expand their inventory. Programs to consider include: the 504 program, the 7-A and 7-A Express and the Micro-Enterprise loan program. The 504 program can provide funding for building acquisition as well as business expansion. The 7-a programs are loan guarantees that reduce lenders risk. The micro loan program is a program that is targeted towards minority or women-owned businesses
  - Work with Greenhouse staff to better market these programs to existing and potential businesses through the organization’s website and in meetings and workshops.
  - Identify a local business who has utilized one of these programs and ask them to discuss their experience at a breakfast meeting. Ask local SBA lender to host this event.
  
- **Federal Home Loan EDplus Grant** – Member banks can apply for a grant up to \$25,000 for a local business to use to purchase or expand a building, buy machinery or cover closing costs. To be eligible, business must contribute 5% of their own funds and take out an EDP advance. [FHLB EDPlus grant](#)
  
- **Façade Improvement Program.** A façade improvement loan or grant is critical financial incentive used by Main Street Programs across the country to improve the appearance of key buildings. Typical improvements include window, signage, painting or brick repair. Façade improvements not only spur additional investment, they also improve visitor and resident’s perceptions about the area. While the programs usually set up as a matching grant program, they can be done as a no interest loan.

- Typical sources of funding include General Revenue, Community Development Block Grant, community foundations or funding from City’s Economic Development Authority or CRA.
  - The Committee should meet with City staff to explore possible sources to help fund this program.
- **Revolving Loan Fund.** Many Main Street Programs have a revolving loan program to help property owners finance interior buildings improvements not funded through a façade program.
    - We recommend that the committee together with representatives from EDGE and Deuces Live meet with local lenders and the City to discuss how to capitalize a St. Petersburg Main Street Fund (See Staunton VA community fund). The fund would be a self- replenishing pool, using interest and principal on old loans to issue new ones. This loan programs can be used as a bridge between the amount the borrower can obtain and amount needed to renovate a building.
- **Florida’s Community Contribution Tax Credit Donation Program.** This program allows a property owner to sell their property to a non-profit organization at a reduced price in exchange for a tax credit. The organization can then sell the property to a qualified developer at a reduced price.
- **Enterprise Zone.** Business locating in an Ezone can qualify for a variety of tax credits or refunds including: 1) a tax credit against state sales tax or corporate income tax for employees residing within the Enterprise Zone, 2) a refund of sales tax of up to \$5,000 paid on certain business equipment used in the Enterprise Zone, 3) a refund of sales of up to \$10,000 tax paid on building materials used for property renovation in the Enterprise Zone and 4) a credit of up to \$50,000 of local property tax liability against state corporate income tax.
    - Staff should prepare a map showing the boundaries for this program on their website.
    - The Committee should make sure that new restaurants or bars are aware of this program as they would typically have high equipment costs and employ local residents.
- **Other programs.** Other programs that the Committee should talk with the City about include HUB zone, Energy Audits, Special Services District and the City’s tax credit program. Establish a small business finance task force to evaluate and make recommendations for ways to increase the effectiveness of available incentive programs that encourage business development.

### 3. BUSINESS RETENTION AND ASSISTANCE

Continuing shifts in marketplace demographics and changing consumer preferences and buying patterns will mean that businesses must be willing and able to adapt quickly. While the ER Committee should take the lead role in identifying key business retention projects, both the Promotion and Design Committees also will need to be involved with this effort. A Business Retention Program typical includes activities that 1) enhance the image of the business district within the region, 2) target key customer groups through selective events or retail sales promotions, 3) improve a business's viability through training, education or greater access to capital and 4) improve the overall cohesiveness of the District. Although the organization already does a good job providing a range of business assistance, we recommend the following additional activities.

- **Highlight Businesses.** The District's image has improved dramatically over the past ten years as new businesses have opened and buildings have undergone façade improvements. While it is the Promotion Committee's job to define and promote the District's evolving image/brand within the region, the ER Committee could support their efforts through the following actions:
  - Work with the Design Committee to find ways to highlight interior store windows at night and work with businesses to improve window displays.
  - Solicit funding to replace the colored lights placed around light poles with something more dramatic.
  - Encourage non-retail businesses to dress their windows with displays by local artists or through the use of vinyl window decals that can add color and personality.
  - Select a new business each month to receive a window dressing or merchandising makeover with volunteers.
  - Encourage local restaurants to use white lights to outline their buildings to make it easier for visitors to find at night.



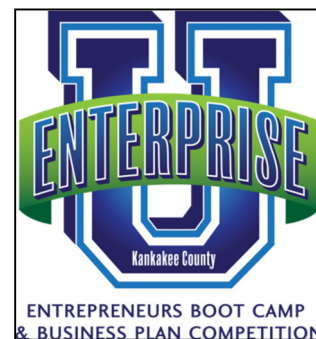
- **Website.** Grand Central Business District has a great website that is a valuable tool for attracting local and out of town visitors to the area. In addition to the website, the organization also maintains an active facebook site and uses other social media platforms to market the District and keep the community abreast of on-going activities. While the website should continue to be used as a marketing tool to attract customers, it also could be used to market the District to potential business owners and developers. We recommend the following changes to the site:



- Add a map showing the location of the District.

- Provide directions on how to get to District via walking, trolley, bus, hotel shuttle or car. Make sure that the City and Chamber’s websites also have clear directions and a map.
  - Add YouTube video or RSS feeds showing special events held during the year.
  - In addition to listing businesses, the website should have an interactive map showing business locations with links to individual store websites (this can be for members only).
  - Add an “Opportunity” page that would include an interactive map showing location of available rentals or buildings and links to information on market trends, financial incentives or realtor information, testimonials from new business owners on why they chose the District.
  - Add a “Business and Property Owners Resource” page that could be password protected and would include information that would be of interest to stakeholders including future business survey results, workshops available through the Greenhouse and other resources that are of interest to businesses and property owners.
- **Targeted Marketing.** The Committee should work with the Promotion Committee to develop new events or promotions that focus on key market segments or better support business niches. Key groups that should be included:
    - Retirees: “Financially fit” seminar with local financial services.
    - Neighborhood: Wellness event with medical providers or service directory on their website
    - Employees: Loyalty cards, “Bring your co-worker lunch and get a free dessert”.
    - Antique and Collectibles: Appraise your treasures day.
    - Professional Services: Directory, loyalty card, Welcome program with the neighborhood.
- 
- **Encourage cross promotions by similar businesses.** To better connect similar businesses that are located in different blocks from one another, we recommend the Committee work with the Design and Promotion Committee to:
    - Visual connect scattered retailers through the use of similar colored awnings, flower baskets or by exchanging merchandise for window displays.
    - Coordinate in-store activities to generate traffic if surrounding businesses do not complement business.
    - Encourage owners of vacant storefronts to participate in a rotating showcase to display merchandise from other businesses.
    - Encourage businesses to develop window displays that feature merchandise from business several blocks away.

- Place information in destination retailers about other businesses further down the street.
- **Promote District as “Environmentally Friendly”.** The District could differentiate itself from surrounding commercial districts by encouraging businesses to adopt more environmentally sustainable business practices. Activities that could be incorporated under this program include:
  - Work with local restaurants to recycle grease and coffee grounds.
  - Encourage customers to bring their own reusable water bottles or shopping bags.
  - Conduct energy audits to reduce electricity consumption.
  - Encourage businesses to recycle cardboard and paper.
  - Work with the City to start a bicycle lending program.
  - Work with the local medical providers to develop wellness programs for customers and employees.
- **Peer to Peer Assistance.** The Organization could utilize its strong group of businesses to develop informal programs to help new businesses and share lessons learned among themselves.
  - Hold breakfast workshops to discuss topics identified through business surveys and interviews. Possible topics include mobile payment apps and new improvements to social media platforms.
  - Establish a quarterly networking after hours to link office and service businesses with retailers.
  - Continue efforts to develop a block system where a “block captain” could meet one a month with neighbors to identify any issues and discuss new events or activities within their business.
  - Work with the St. Petersburg’s restaurant association to develop a restaurant workshop and counseling session for interested restaurants to fine tune review menu, seating turnover and cash flow management etc. Develop a mentor program that could help new businesses navigate the complexity of opening a business.
  - Work with the Greenhouse and interested businesses to develop workshops and customized training sessions to help businesses improve skills and cash flow. Training should be based on information gathered through business surveys and interviews.
  - The Committee should work with the Greenhouse to develop a “Boot Camp” that was geared for arts and collectible businesses.



- **Management of the District.** The organization does a good job managing and advocating the District. A few additional activities that could be considered include:
  - Develop a list of District policies that new businesses should be encouraged to follow including common hours and employee parking. These policies could be included in the lease agreement.
  - Work with Design committee to develop sign guidelines with goal being not uniform signs, but higher quality signs that promote quirky character.
  - Work with City staff to improve permit process.
  - Help similar businesses located in different blocks to coordinate through cross promotions and visual improvements that could link them together.
  - In addition to facebook and emails, the organization could send out text messages to remind businesses of upcoming meetings or important news.
  - Work with businesses to coordinate group windowing or sidewalk cleaning using local resident.
  - Evaluate feasibility of establishing a special service district to fund maintenance projects.
  
- **Support Entrepreneurial Businesses.** The District is a haven for locally-owned start-up businesses. To support these new uses, the Committee could:
  - Establish a mentor program where similar businesses can share challenges and lessons learned with prospective business owners.
  - Encourage property owners to allow local businesses to put pushcarts or pop-up buildings on vacant lots.
  - Encourage new businesses to use a pre-pay card program to help generate cash that can be used to purchase inventory. Customers pay in advance for products that they can redeem at a reduced rate.
  - Encourage businesses to use GoFundMe or other crowdfunding platforms to get community support for business expansion.

#### 4. TENANT OUTREACH and PROPERTY REDEVELOPMENT

Although the District’s vacancy rates are low, there are several vacant or underutilized buildings scattered through the District. There also are several properties that have recently changed hands that if developed, could have a significant impact on surrounding businesses. To facilitate the leasing of businesses that will complement the District and facilitate major redevelopment, we recommend that the organization’s business outreach effort include the following areas:

- **Promote District Opportunities.** Marketing is all about awareness. The goal is to develop a message that could convey why a business should locate in the District. The



Committee can help realtors or property owners market their buildings through a variety of products and marketing campaigns including the following:

- Develop a “for sale” fact sheets that would highlight financing opportunities and cash flow opportunities.
- Add a new category to the website called “District opportunities” that would include information regarding the trade area, market potential and testimonials from new businesses on why they chose the District.
- Highlight available rental space or buildings for sale (especially buildings on U.S 1) with creative (See “Wish I Was” Storefront Campaign, Anderson, SC).
- Hold bi-annual tours for Tampa Bay Realtors so that they become more familiar with the District. Tours should include ours of renovated buildings, new businesses and available sites.
- Develop a presentation on District activities and opportunities for investors that could be given at various civic club’s meetings.
- Increase awareness regarding District opportunities through stories in regional newspapers and business web-sites.
- Prepare an on-line recruitment packet that includes general information about available properties, highlights key market facts and benefits for locating in the area as well as information about available space, financial incentives and testimonials from new businesses.



(See [www.andersonconnections.org](http://www.andersonconnections.org))

- **Develop Leads.** While property owners and their brokers have the greatest responsibility for leasing, their efforts are often directed towards short-term goals that do not always consider the impact on surrounding business or overall plans for the area. While it is important to involve local Brokers in the tenant solicitation process as they have the skills necessary to make deals happen, the Committee can help by providing leads and by establishing a referral network to generate leads from the community. Often the best leads are from other businesses, but leads also can be generated from local residents, accountants or lawyers or the City. To develop a list of possible prospects that can be contacted by Realtors or property owners, we suggest that the Committee:
  - Encourage property owners to list with commercial brokers who have a successful track record for recruiting quality tenants.
  - Develop a referral network to pass on leads that include Realtors, government agencies, lenders and business owners.
  - Conduct field trips to other shopping areas in the greater Tampa area to identify businesses that might be a good fit.

- Ask regular customers and residents to help identify possible businesses that they would like to see locate in the District. They should be asked to bring in a business card from their favorite out of district businesses.
  - Use Retail Lease Trac or Retail Tenant Directory for names of chain stores and contact information. ([www.retailleasetrac.com](http://www.retailleasetrac.com))
  - Attend trade shows and work with the Greenhouse to provide new business” boot camp graduates” information on sites in District.
- **Redevelopment Projects.** During our visit, several large projects were identified that if developed, would be major catalysts for the District. While some projects like the reuse of Tropicana Stadium, the Central Avenue light rail corridor or the realignment of US 1 would have a tremendous impact, these projects are long-term projects that are outside the scope of the Economic Development Committee. While the Board should be involved in these discussions, the Committee focus should be on increasing the pace of redevelopment of vacant buildings and sites scattered through the district. We recommend the Committee carry out the following activities to facilitate redevelopment:
    - The Committee should meet with property owners and their Realtors to clarify future ownership plans, desired tenants and the type of assistance they would like to receive.
    - Based on this discussion, the Committee should develop a memo of understanding that clarifies roles, responsibilities and a time line for action. Based on this input, the Committee should develop an agreement with the owner that outlines actions that the Committee and Property Owner together with the property owner’s realtor or broker can take to maximize investment and achieve common goals.
    - The Committee should assign a person act as a liaison between larger development projects and the Committee and report back progress and issues that the organization could assist with.

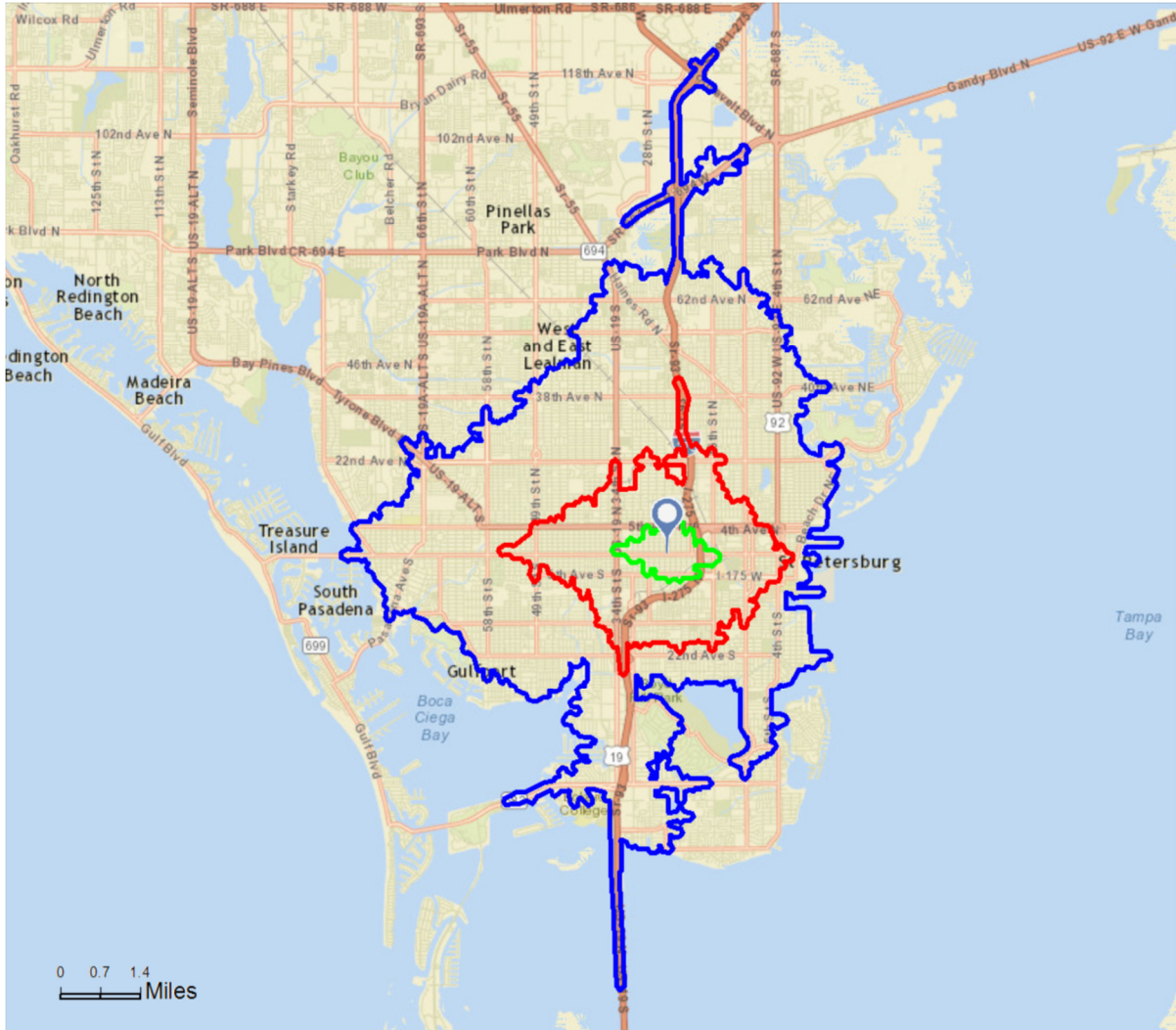
### III. BACKGROUND MARKET INFORMATION

#### 1. TRADE AREA BOUNDARIES

For this study, we have summarized information for three trade areas; a Primary, a Secondary and a Tertiary Trade Area. The Primary Trade Area is the geographic area for most basic goods and services and typically represents 80% of an individual business's market support. The Secondary Trade Area is a larger geographic area that typically provides an additional customer support of between 20-30% of total sales. The Tertiary Trade Area is a larger area that provides the majority of sales for specialty items and services. In addition to sales generated from residential markets, the Grand Central Business District also captures a significant percentage of sales from day visitors from the greater Tampa Bay area, seasonal residents and tourist staying at the beach. Below is a description of these three areas.

- **Primary Trade Area (0-2-minute drive-time).** This area profiles a "captive" resident and convenience-oriented market for GCB and includes portions of the Historic Kenwood and neighborhoods.
- **Secondary Trade Area (0-5-minute drive-time).** This area includes the majority of residents living in the surrounding neighborhoods
- **Tertiary Trade Area (0-10-minute drive-time).** This area includes the majority of St. Petersburg residents.

# GRAND CENTRAL BUSINESS DISTRICT TRADE AREA MAP



## 2. DEMOGRAPHIC PROFILE

There is approximately 3,572 persons living in the Primary or 2-minute trade area compared to 35,751 and 174,517 persons living in the Secondary and Tertiary Trade Areas. Between 2000 and 2010, the Primary Trade Area saw the greatest percentage decline in population and households, but had the largest annual rate of growth between 2010 and 2015. Between 2000 and 2010, the primary trade area declined by an annual rate of 2.5% compared to an annual rate of growth between 2010 and 2015 of 1.9%. Although the population and household growth rate is expected to continue for the three areas, the annual rate of growth is estimated to be less than 1% per year.

**TABLE 2: TRADE AREA SUMMARY SNAPSHOT: 2015**

CHARACTERISTIC	PRIMARY TRADE AREA	SECONDARY TRADE AREA	TERTIARY TRADE AREA
<b>Population</b>			
2010	3,237	34,176	173,486
2015	3,572	35,751	174,517
Annual rate	1.9%	.86%	.11%
<b>Households</b>			
2010	1,467	14,610	173,486
2015	1,587	15,380	174,517
Annual rate	1.5%	.98%	.15%
<b>Non Family HH</b>			
2010	16%	11.5%	10.2%
<b>Median HH Income</b>			
2015	\$37,920	\$31,476	\$38,509
<b>2015 Racial Composition</b>			
White	58%	47%	65%
Black	35%	46%	27%
Hispanic	7%	6%	6.6%
<b>Md. Age</b>			
2010	38.8	38.3	41.6
2015	39.8	39.4	43.0
<b>Owner Occ. Housing</b>			
	40%	48%	60%
<b>% College or higher</b>			
	25%	19%	24%
<b>Employment</b>			
White collar	50%	54%	58%
Service	30%	27%	22%

Source: ESRI 2015

In terms of racial and ethnic composition, the Primary Trade Area had a larger percentage of Caucasian persons living in the area compared to the Secondary Trade Area, but both areas had a smaller percentage than the Tertiary Trade Area. The percentage of Hispanic persons was between 6 and 7% for the three trade areas; similar to the City of St. Petersburg percentage.

Median ages for both the Primary and Secondary Trade Areas were lower than the Tertiary Trade area. Of the three areas, the Primary Trade Area had the lowest percentage of persons over 65 years.

**TABLE 3: TRADE AREA AGE COHORTS**

TRADE AREAS	2010 POPULATION			2015 POPULATION		
	UNDER 25	OVER 65	MEDIAN AGE	UNDER 25	OVER 65	MEDIAN AGE
PRIMARY AREA (5 MILE)	26.9%	8.0%	38.8	27.0%	8.9%	39.8
SECONDARY AREA (10 MILE)	31.4%	11.9%	38.3	30.8%	13.8%	39.4
TERTIARY AREA (20 MILE)	28.8%	14.9%	41.6	29.9%	17.1%	43.0

Source: ESRI 2015

The 2015 estimated median household incomes for the Primary and Tertiary Trade Areas (\$37,920 and \$38,500 respectively) were higher than the Secondary Trade Area’s, but all three were below the State’s median of \$45,600. Of the three areas, the Primary Trade Area had a slightly greater concentration of households with incomes under \$35,000. While incomes in all three areas are projected to increase slightly over the next five years, incomes are expected to continue to be below state and national medians.

**TABLE 4: TRADE AREA HOUSEHOLDS BY INCOME**

TRADE AREAS	2015			2020		
	Under \$35,000	\$35,00-\$74,999	Over \$75,000	Under \$35,000	\$35,00-\$74,999	Over \$75,000
PRIMARY TRADE AREA (5 MILE)	52.7%	35.6%	11.0%	44.6%	37.3%	18.3%
SECONDARY AREA (10 MILE)	50.3%	39.2%	10.5%	41.4%	40.2%	18.4%
TERTIARY AREA (20 MILE)	46.9%	39.1%	14.2%	37.6%	39.6%	22.9%

Source: ESRI 2015

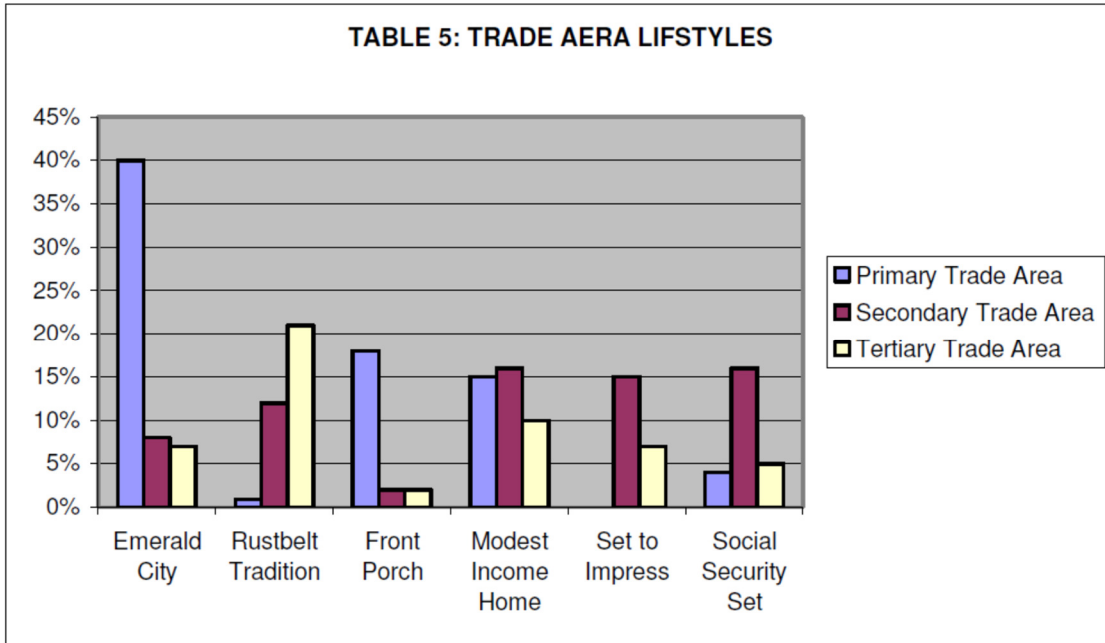
In terms of occupations, 50% of all residents were employed in white-collar jobs within the three trade areas compared to % for the national average. Of the three areas, the Primary Trade Area had the greatest percentage of persons employed in the Service Sector, but had a slightly greater percentage of persons with college degrees.

**3. ESRI LIFESTYLE MARKET SEGMENTS**

Recognizing that people who share the same demographic characteristics may have widely divergent interests and shopping preferences, Community Tapestry Data Reports (developed by ESRI Business Information Solutions) categorizes neighborhoods throughout the nation into 65 consumer groups or market segments. Neighborhoods are geographically defined by census blocks, which are analyzed and

sorted by a variety of demographic and socioeconomic characteristics as well as other determinants of consumer behavior.

Based on this analysis, the top lifestyle categories for each of the three trade areas are shown below. Of the three, the Primary Trade Area is the most homogeneous with 92% of all households found within six lifestyle categories and 40% within one Category-Emerald City. The other major lifestyle groups within the Primary Trade Area Are Front Porch, Modest Income, Parks and Rec and City Commons. The Secondary Trade area is more diverse with 87% of households found within nine lifestyle groups with four categories containing over 10% of all households. The top lifestyle segments for the Secondary Trade Area include Modest Income Homes, Social Security, Set to Impress, Rustbelt Traditions and Emerald City. The Tertiary Trade Area was the most diverse in terms of lifestyles attributes with 65% of households found within nine categories. The largest categories are Rustbelt Traditions, Modest Income Homes, Traditional Living, Set to Impress and Emerald City.



Source: ESRI Tapestry Report 2015

**TABLE 6: LIFESTYLE SEGMENTS BY TRADE AREA**

	PRIMARY TRADE AREA		SECONDARY TRADE AREA		TERTIARY TRADE AREA	
	% of HH	# of HH	% of HH	# of HH	% of HH	# of HH
<b>Emerald City</b>	40%	636	8.4%	1,296	6.9%	5,309
<b>Front Porch</b>	18%	242	2%	295	2%	1,481
<b>Modest Income Homes</b>	15%	245	16.4%	2,521	10.5%	8,000
<b>Parks and Rec</b>	8%	126	1.4%	300	-----	-----
<b>City Commons</b>	7%	117	8.1%	1,239	2.5%	1,937
<b>Social Security</b>	4.2%	67	15.7%	2,413	4.9%	3,743
<b>Set to Impress</b>	-----	-----	14.6%	2,243	6.8%	5,235
<b>Rustbelt Traditions</b>	-----	-----	11.8%	1,814	21.9%	16,818
<b>Traditional Living</b>	-----	-----	8.4%	1,296	9.5%	7,282
<b>TOTAL</b>	92%		87%		65%	

Source: ESRI Tapestry Report 2015

Below is a brief description of the major lifestyle categories that can be found in the three trade areas. A more complete description can be found in the appendix or at the following link [sir tapestry descriptions handbook](#)

- **Emerald City** - Primarily younger, mobile, well educated, renters who are well educated, internet savvy, into music, food, health, and art. This group likes to travel, eat out and shop at farmers’ markets.
- **Front Porch** - Primarily renters or owners of older homes, these moderate income blue-collar households are price conscious that rarely eat out.
- **Modest Income Homes** – Primarily black budget shoppers who own moderate income homes or rent. Many work in blue collar jobs or are retired and live off of social security or public assistance.
- **Parks and Rec**- Many of these households are homeowners living in established neighborhoods. Many households are married with older children. Households are financially shrewd who research big ticket items.
- **Set to Impress** – Typically younger households who live in moderate priced apartments. Many work in the food service while attending college. Very conscious of their image, this group likes to wear the latest fashions and listen to popular music. This group is always looking for a deal.
- **City Commons** - Primarily young, single-parent families many households are multigenerational. These households purchase food and children clothing. They enjoy eating at fast-food restaurants and use playgrounds.
- **Rustbelt Traditions** – Primarily white homeowners, these households live and work in areas they grew up in. Financial conservative, these households spend money or care repair and home improvements. They prefer outdoor activities such as hunting or fishing and attend car races.
- **Social Security** – Households with limited resources that shop at neighborhood budget stores and grocery stores. Many depend on Medicare or Medicaid.



**TABLE 7: TRADE AREA PSYCHOGRAPIC CHARACTERISTICS**

PRIMARY TRADE AREA	SECONDARY TRADE AREA	TERTIARY TRADE AREA
Purchase quality over price	Buy items on credit	Buying American is important
Price is more important than brand	Price more important than brand	Buy on Credit
Support environmental efforts	Use coupons for brand I buy often	Buy quality over price
Will pay more for environ safe products	Will pay more for environ safe products	Support environmental efforts
Value green products over convenience	Value green products over convenience	Will pay more for environ safe products
Purchase brands that support a charity	Purchase brands that support a charity	Value green products over convenience

Source: ESRI tapestry report 2015

#### 4. RETAIL SALES LEAKAGE/SURPLUS

A retail sales leakage analysis can help businesses determine whether their sales projections reflect a realistic capture rate given the market’s size and strength of the competition. An analysis of retail sales leakage and surplus also helps a community understand what merchandise is meeting local demand, what items are missing from the market resulting in customers shopping elsewhere and the extent to which the business district is capturing the retail spending potential of households living in the defined trade area.

In a sales leakage analysis, **Demand** refers to the potential sales that could be spent by residents in the trade area, based on average household expenditures. Demand is calculated by multiplying an average spending estimate (based on the Bureau of Labor’s Consumer Expenditure Survey that considers household size, income and regional spending patterns) by the total households living within the defined trade area. Demand calculations do not include potential sales from seasonal households. **Supply** refers to the total sales actually spent in stores within the trade area. To determine “retail sales leakage or sales surplus,” actual sales are compared to potential sales. **Sale leakage** occurs when potential sales are greater than actual sales (positive number). This can occur if desired products are not available or if existing stores are not competitive in terms of convenience, price or quality to stores outside the trade area. These “lost dollars” or sales leakage represent sales that could support additional stores in the trade area. A **Sales Surplus** occurs when actual sales are greater than potential sales estimates for area (negative number). A large surplus might indicate that the area is saturated with that kind of retail, or that consumers are being attracted from outside of the study area. It also can occur in areas with large numbers of seasonal residents or students who are not counted in the residential based analysis that only calculates demand for residents.

The tables below are based on estimates of demand and supply for retail trade (including food and drink) developed by ESRI Business Solutions. ESRI uses their own methodology to estimate demand and supply data. Supply (retail sales) estimates sales to consumers by establishments – sales directly to other businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. The analysis develops a predicted amount of spending in a given study area based on the population and typical per capita spending in each retail category. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges for +100 (total leakage) to -100 (total surplus).

**TABLE 8. TRADE AREA SALES SURPLUS**

TRADE AREA	SALES SURPLUS	FACTOR	# of BUSINESSES
<b>Primary Trade Area</b>			
Total Retail Sales and Food and Drink	\$16.0 million	20.4	74
Total Retail Sales	\$11.6 million	17.0	61
Total Food and Drink	\$ 4.3 million	40.0	13
<b>Secondary Trade Area</b>			
Total Retail Sales and Food and Drink	\$126 million	19.6	448
Total Retail Sales	\$ 96 million	17.2	371
Total Food and Drink	\$ 29 million	36.0	78
<b>Tertiary Trade Area</b>			
Total Retail Sales and Food and Drink	\$493 million	13	1,728
Total Retail Sales	\$446 million	13	1,454
Total Food and Drink	\$ 47 million	12.6	271

Source: ESRI Market Report and Dunn and Bradstreet.

As shown on the table above, there is a significant sales surplus in all three trade areas, with factor indices of 13-40. Keep in mind that these figures reflect only the difference in estimated demand and sales for the **resident** market area and do not include demand generated by area employees, passers-by and visitors. The large surpluses shown above indicate that the three areas capture a considerable percentage of sales from persons living outside the area.

While we know that residents are shopping outside the trade area, it is difficult to calculate due to the presence of visitor sales. Within five miles of the District, there is over 1.7 million square feet of major shopping space in addition to thousands of square feet of free-standing retail. To determine the amount of sales leakage that is occurring in the area, the organization will need to conduct the surveys discussed earlier.

**TABLE 9: MAJOR SHOPPING CENTERS**

CENTERS	GLA	Year built
Tryone Square	1,000,000	1972
BayWalk Midcore	150,000	2000
Pier	53,000	1973
Tryone Garden	209,000	1958
Crossroads	376,000	1981

Source: ESRI 2015

Capturing a greater share of this local market would provide additional support for existing and new businesses. Factors that can influence future demand for new uses include changes to population or income levels or changes in competition within the region. The development of additional residential projects in or around the district as well as rising neighborhood income levels will provide important support for new development in the District.

As shown below, the only categories of goods to show a sales leakage for the Primary Trade Area was in grocery and other general merchandise categories.

**TABLE 10: PRIMARY TRADE AREA: SALES LEAKAGE**

INDUSTRY GROUP	SALES LEAKAGE	FACTOR	# BUSINESSES
Grocery	3.9 million	77	2
Other General Merchandise	2.9 million	94	1

Source: ESRI Retail MarketPlace Profile 2015

The Secondary Trade Area also had strong sales surplus in most categories of goods. The only categories to show a sales leakage were the categories of Furniture, Clothing, Shoes and Grocery.

**TABLE 11: SECONDARY TRADE AREA: SALES LEAKAGE**

INDUSTRY GROUP	SALES LEAKAGE	FACTOR	# BUSINESSES
Furniture	1.7 million	41	6
Grocery	3.0 million	4.6	45
Clothing	.5 million	2.5	44
Shoe	1.5 million	54	2

Source: ESRI Retail MarketPlace Profile 2015

The Tertiary Trade Area had sales leakage in the categories Electronics, Clothing and Shoes.

**TABLE 12: TERTIARY TRADE AREA: SALES LEAKAGE**

INDUSTRY GROUP	SALES LEAKAGE	FACTOR	# BUSINESSES
Electronics	21 million	36	63
Clothing	29 million	24	128
Shoe	9 million	60	12

Source: ESRI Retail MarketPlace Profile 2015

## 5. MARKET POTENTIAL INDICATOR

Market Potential Indicators (MPI) is another way to measure market demand. MPI compares market area demand for a specific product or service to the average national demand for that product or service. ESRI Business Information Solutions calculates market potential based on consumer references and behavior by Community Tapestry market

segments. An MPI of 100 indicates that individual and/or households in the market area consume a particular product or service at the same level as the national average. An MPI over 100 represents demand above the national average, and an MPI below 100 indicates lower than average demand.

Among the 95 different purchasing categories listed on the Retail Market Potential, the households in the Primary and Tertiary Trade Areas had a slightly stronger propensity to purchase at or above the national average for the majority of categories than the Secondary Trade Area. The categories with the highest numbers within the Primary Trade Area included: take-out restaurants, organic food and fresh seafood, bars and clubs, movies and purchase furniture, computers and cell phones

**TABLE 13: MARKET POTENTIAL INDEX**

INDUSTRY	PRIMARY TRADE AREA	SECONDARY TRADE AREA	TERTIARY TRADE AREA
Purchase Apparel	90	94	99
Purchase Jewelry	107	107	102
Purchase Computers	100	97	99
Purchase Cellphone	102	91	94
Went to movie theater	105	93	98
Went to bar or Club	110	94	103
Went to exercise club	91	86	93
Purchase organic food	120	94	94
Purchase fresh fish	140	98	98
Purchased furniture	100	85	92
Eat at family style rest.	94	91	97
Purchase take-out food	122	110	110

Source: ESRI Business solutions based on national propensities to use various products, applied to local demographic composition.

## 6. BUSINESS OPPORTUNITIES

Identifying appropriate uses for the District is a function of demographics and lifestyle characteristics, spending potential, existing strengths and weaknesses within the commercial area and availability of space suitable for targeted prospects. Together these factors determine the District’s ability to capture sales currently leaving the area and attract a greater share of the visitor market.

Based on available market information, we believe that there is market support to improve sales performance of existing businesses as well as to attract new businesses. The Committee’s ability to attract new businesses will depend upon availability and condition of space, property owners’ support and the implementation of marketing, economic and promotional activities outlined in the in this report. Sales support for new business will come from increasing sales capture from the Tertiary Trade Area and visitors.

Future recruitment activities should focus on strengthening the strong existing market niches and filling specific needs identified by local business or property owners. New uses

should be recruited to expand the range, price point or product offerings within the clusters identified in I. 2 Market Niches.

- Recruitment should focus on recruiting stores that complement but do not compete with existing businesses.
- New stores should include in-store activities to boost traffic. Examples of in-store activities include adding a putting green or archery range in a sporting goods store or holding dance, yoga or exercise classes in a dance or exercise clothing store.
- Lifestyle retailers should be tech savvy and use social media to reach customers that do not live in the immediate area.
- New businesses could be clustered together in one building similar but it is important that stores have unique identities, use merchandising props to display merchandise and do not overlap in product.

## APPENDIX

## 32 Rustbelt Traditions

Segment Code .....32  
Segment Name .....*Rustbelt Traditions*  
LifeMode Summary Group .....L10 *Traditional Living*  
Urbanization Summary Group ....U5 *Urban Outskirts I*



### Demographic

These neighborhoods are primarily a mix of married-couple families, single parents, and singles who live alone. With a population of 8.4 million, this segment is one of Tapestry Segmentation's largest. The median age is 35.9 years, just below the US median. There is little diversity in these communities.

### Socioeconomic

The median household income is \$42,337. Half of the employed residents work in white-collar jobs. For years, these residents sustained the manufacturing industry that drove local economies. Now, the service industry predominates, followed by manufacturing and retail trade. Their education attainment is improving; more than 84 percent of residents aged 25 years and older have graduated from high school, 15 percent hold a bachelor's or graduate degree, and 44 percent have attended college.

### Residential

The backbone of older industrial cities in the Great Lakes border states, residents of these neighborhoods live in modest, single-family homes. Home ownership is 70 percent. The relatively low median home value is because nearly two-thirds of the housing was built before 1960.

### Preferences

These residents stick close to home; for years, they've lived, worked, shopped, and played in the same area. Not tempted by fads, they stick to familiar products and services. They drive domestic cars. They will spend money on their families, yard maintenance, and home improvements. They will hire contractors for special projects such as the installation of roofing, carpet, and flooring.

These financially conservative residents prefer to bank at a credit union and have personal savings. They might carry a personal loan and hold low-value life and homeowner's insurance policies. They're frugal and shop for bargains at Sam's Club, JCPenney, and Kmart. They go online weekly to play games and shop.

They go bowling, fishing, and hunting and attend car races, country music shows, and ice hockey games. They're big TV fans; they watch sitcoms and sports events. They also subscribe to cable and watch it regularly. Favorite channels are truTV, the Game Show Network, and the Disney Channel.

# 62 Modest Income Homes



Segment Code .....62  
Segment Name .....*Modest Income Homes*  
LifeMode Summary Group .....L3 *Metropolis*  
Urbanization Summary Group ....U6 *Urban Outskirts II*

## Demographic

Eighty-three percent of the residents in *Modest Income Homes* neighborhoods are black. Single-person and single-parent household types are predominant; however, a higher-than-average proportion of other family households is also present. The median age of 36.1 years is a year younger than the national median of 37.2. Many adult children still live at home. More than one-fourth are aged 65 years or older and have retired. Many are caregivers for their grandchildren, demonstrating strong family ties in these neighborhoods.

## Socioeconomic

Most of the retirees in *Modest Income Homes* rely on Social Security benefits for support. Slightly more employed residents work part-time than full-time, mainly in service and blue-collar occupations. The median household income is \$20,567. Thirteen percent of households receive Supplemental Security Income, and 10 percent receive public assistance. With little savings, home equity contributes the lion's share to a household's net worth in these neighborhoods. More than 60 percent of residents aged 25 years and older have graduated from high school. Eight percent hold a bachelor's or graduate degree, and 28 percent have attended college.

## Residential

Most *Modest Income Homes* neighborhoods are in older suburbs of Southern metropolitan areas, with a smaller concentration in the Midwest. More than two-thirds of the housing is single-family dwellings; 15 percent are duplexes. Homeowners and renters are almost evenly divided. Seventy-one percent of the households own at least one vehicle. Because demand for housing is low, home prices are very moderate.

## Preferences

Residents are big fans of daytime and primetime TV. They go to the movies occasionally and also like to watch movies on TV channels such as the Lifetime Movie Network and The Movie Channel. They also watch football and basketball games on TV. They listen to urban radio. The Internet is the least effective way to reach these folks.

To save money, they shop at discount stores, limit their long-distance telephone calls, and restrict nonessential services such as Internet access and fitness center memberships. When they participate in physical activities, they might play basketball. Most drive used domestic sedans.





LifeMode Group: Middle Ground  
**Emerald City**

8B

**Households:** 1,677,000

**Average Household Size:** 2.05

**Median Age:** 36.6

**Median Household Income:** \$52,000

### WHO ARE WE?

*Emerald City's* denizens live in lower-density neighborhoods of urban areas throughout the country. Young and mobile, they are more likely to rent. Well educated and well employed, half have a college degree and a professional occupation. Incomes close to the US median come primarily from wages and self-employment. This group is highly connected, using the Internet for entertainment and making environmentally friendly purchases. Long hours on the Internet are balanced with time at the gym. Many embrace the "foodie" culture and enjoy cooking adventurous meals using local and organic foods. Music and art are major sources of enjoyment. They travel frequently, both personally and for business.

### OUR NEIGHBORHOOD

- There are mostly older, established neighborhoods with homes built before 1960; around 30% built before 1940.
- Just over half of all homes are renter occupied.
- Single-person and nonfamily types make up over half of all households.
- Median home value and average rent are slightly above the US levels; around half of owned homes are worth \$150,000–\$300,000.

### SOCIOECONOMIC TRAITS

- Well educated, these consumers research products carefully before making purchases.
- They buy natural, green, and environmentally friendly products.
- Very conscious of nutrition, they regularly buy and eat organic foods.
- Cell phones and text messaging are a huge part of everyday life.
- They place importance on learning new things to keep life fresh and variable.
- They are interested in the fine arts and especially enjoy listening to music.





LifeMode Group: Middle Ground  
**Front Porches**

8E

**Households:** 1,910,000

**Average Household Size:** 2.55

**Median Age:** 34.2

**Median Household Income:** \$39,000

### WHO ARE WE?

*Front Porches* blends household types, with more young families with children or single households than average. This group is also more diverse than the US. Half of householders are renters, and many of the homes are older town homes or duplexes. Friends and family are central to *Front Porches* residents and help to influence household buying decisions. Residents enjoy their automobiles and like cars that are fun to drive. Income and net worth are well below the US average, and many families have taken out loans to make ends meet.

### OUR NEIGHBORHOOD

- Nearly one in five homes is a duplex, triplex, or quad; half are older single-family dwellings.
- Just over half the homes are occupied by renters.
- Older, established neighborhoods; three quarters of all homes were built before 1980.
- Single-parent families or singles living alone make up almost half of the households.

### SOCIOECONOMIC TRAITS

- Composed of a blue-collar work force with a strong labor force participation rate, but unemployment is high at 11%.
- Price is more important than brand names or style to these consumers.
- With limited incomes, these are not adventurous shoppers.
- They would rather cook a meal at home than dine out.
- They seek adventure and strive to have fun.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MIL.



LifeMode Group: Midtown Singles  
**Set to Impress**

11D

**Households:** 1,657,000

**Average Household Size:** 2.10

**Median Age:** 33.1

**Median Household Income:** \$29,000

**WHO ARE WE?**

*Set to Impress* is depicted by medium to large multiunit apartments with lower than average rents. These apartments are often nestled into neighborhoods with other businesses or single-family housing. Nearly one in three residents is 20 to 34 years old, and over half of the homes are nonfamily households. Although many residents live alone, they preserve close connections with their family. Income levels are low; many work in food service while they are attending college. This group is always looking for a deal. They are very conscious of their image and seek to bolster their status with the latest fashion. *Set to Impress* residents are tapped into popular music and the local music scene.

**OUR NEIGHBORHOOD**

- Apartment complexes represented by multiple multiunit structures are often nestled in neighborhoods with either single-family homes or other businesses.
- Renters make up nearly three quarters of all households.
- They're found mostly in urban areas, but also in suburbs.
- Single-person households make up over 40% of all households.
- It is easy enough to walk or bike to work for many residents.

**SOCIOECONOMIC TRAITS**

- Residents are better educated and mobile.
- Unemployment is higher, although many are still enrolled in college (Index 146).
- They always have an eye out for a sale and will stock up when the price is right.
- They prefer name brands, but will buy generic when it is a better deal.
- Quick meals on the run are a reality of life.
- They're image-conscious consumers that dress to impress and often make impulse buys.
- They maintain close relationships with family.



Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.