



**Economic Development Retail Pilot Project**  
Report to the Downtown Development Authority  
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Front Cover Photo Courtesy Jeff Hill 2008.

## **The Importance of Downtown Retail**

Downtown Grand Rapids has enjoyed unprecedented success over the last 15 years with countless public and private investment projects implemented, expanded infrastructure constructed. The Van Andel Arena and DeVos Place Convention Center attract hundreds of thousands of new visitors each year, and the additional projects they have helped to jumpstart have reaped many benefits for the downtown. Arts and entertainment offerings are abundant, and a variety of restaurants offer an excellent and diverse cuisine and experience. The new downtown YMCA and the Grand Rapids Art Museum, both the first of their kind in the world to be LEED-certified, have attracted national attention, as has the recently-built JW Marriott hotel. Downtown Grand Rapids has seen growth in housing opportunities, local colleges and universities, and cutting-edge medical and research facilities. From Heartside to Rosa Parks Circle to the Medical Mile, the change has been remarkable.

The Grand Rapids Downtown Development Authority has worked to support vital and concrete improvements to downtown. Much of the input and many recommendations from the DDA's 1993 "Voices & Visions" Downtown planning process have come to fruition. Statements from the Voices & Visions Report remain true: "A key to the long-term health and vitality of downtown is its ability to attract and retain businesses."



From its start, Voices & Visions prescribed: "We must have more to offer people of all ages—more things to do and see in a better-looking, easier-to-use downtown. It must be a place for all of us to gather together and have fun. The more people come downtown, the stronger downtown becomes. The larger the audience for arts and entertainment, the more attractive downtown will be for artists and entertainers."

Today, Grand Rapids has construction projects underway which total more than \$900,000,000 in investment. While the DDA's 2005 Arts and Entertainment Strategy recommends continuing these types of improvements, it also states the need for Grand Rapids to focus on "marketing, promotions, recruiting and organizational staffing to accomplish the goals."

Currently there is a large variety of successful restaurants and bars downtown, and many entertainment venues, thanks to an active arts community and the catalyst projects like the Van Andel Arena and DeVos Performance Hall. Compared with a decade ago, there is a significant amount of foot traffic downtown almost every night of the week.

The Grand Rapids/Kent County Convention and Visitors Bureau works to highlight the attractions of our city to visitors, yet from our conversations with the Bureau regarding

this project and others, there is a significant piece missing. CVB staff has identified a strong downtown shopping district as a vital component for the success of Grand Rapids as a convention destination.

While downtown has a respectable retail business district, it is missing the critical mass of stores necessary to be considered a regional destination for shopping. Downtowns are often judged or defined by their retail, and proprietors are challenged with meeting the desires and needs of a broad consumer population. Retail that satisfies demand enough to render the city a retail destination is paramount to the future of our downtown.

A 2006 report by Michigan Future Inc., funded by the Charles Stewart Mott Foundation, Frey Foundation, and Hudson-Webber Foundation, and titled A New Agenda for a New Michigan, conveys that the new paradigm for a successful city is no longer only measured by quality of life, but also by its ability to attract and keep talent.

All of the infrastructure, numerous colleges and medical facilities are already a reality for Grand Rapids. However, young talent can go anywhere, and studies indicate that this pool of talent is looking for exciting cities full of arts, entertainment and shopping.

It is also important to note that the subject of diversity cannot be overlooked. According to the Selig Center for Economic Growth, minority buying power will be \$456 billion in 2011, and \$4.3 trillion by 2045. Much can be done to court this growing consumer demographic, and to ensure that Grand Rapids remains a destination for all, regardless of race or ethnicity.

The DDA's 2006 Strategic Action Plan states the importance of sustaining developments, as well staying abreast of the latest downtown trends, and its 10-year goals support the reflect such ideals:

- The need for retail to serve residents, employees and visitors: “[We must] attract enough retailers to make the downtown an interesting place to live and work” and “to establish and build up the retail base in the downtown area to attract more residents/visitors.”
- The desire to attract young talent: “We need to continue developing amenities to attract people, especially young people to the downtown.”
- The desire to attract many different groups: “We need a more diverse business environment downtown.”

On September 12, 2007, the Downtown Development Authority authorized staff to initiate an economic development retail pilot project. Its goal is to help create a structure to better prepare the Downtown Development Authority to “provide support to existing downtown businesses, to respond appropriately when new businesses show an interest in locating downtown, and to provide coordination and support to those recruiting new tenants.”

## **Scope of Project**

Derived from the Arts and Entertainment Strategy, the specific tasks assigned for this project were the following:

1. Prepare an information packet for retailers including market area demographics and information on downtown organizations.
2. Develop a retention survey for use in interviewing existing retailers.
3. Schedule and conduct retention calls with the downtown retailers.
4. Organize initial roundtable meeting of commercial realtors.
5. Participate in meetings of the Merchants Council.
6. Identify key retail development opportunities (i.e., vacant storefronts).
7. Identify new incentives or other programs to support or attract retail.

## **Methodology**

The first priority was to contact businesses, focusing on existing traditional retail businesses. With assistance from the Downtown Kalamazoo Incorporated staff regarding their retail retention program, a list of questions was developed to help interviewers get to know downtown retailers, their history, product offering, marketing techniques, perceptions of the downtown business environment, and opportunities and barriers that they encounter.

The desire was to create an opportunity for spontaneous dialogue with business owners, as well as to build relationships and connections. No formal agenda or formal survey was prepared, so as to mitigate any possibility of respondents feeling constrained in expressing their opinions.

An informational packet was prepared and distributed to each business. The packet included profiles of the DDA, the DID and Downtown Alliance. The packet also included a fact sheet with basic downtown demographics, and an October 2007 memo listing the status of downtown development projects. A section of the DDA's Arts and Entertainment Strategy report pertaining to primary and secondary market analysis, and a downtown directory were also included.

A team approach was taken for meeting with businesses, with the goal to have at least two people from the DDA or Downtown Alliance present at each meeting. Anne Marie Bessette of the DDA participated in 51 meetings, Jay Fowler of the DDA in 34, Sharon Evoy of the DA in 32, and Nicole Weichelt of the DA in 4 meetings.

Between October 2007 and January 2008, letters were mailed to 55 retail businesses, and meetings were scheduled in order for participants from both the DDA and the DA to attend. After each visit, a thank-you letter was sent, and an individual report was prepared.

During the meetings, the marketing work of the Downtown Alliance was discussed, and post-it notes were distributed to participants to promote the “Let’s go. Downtown.” marketing graphics and web site address: downtowngr.org.

A second task involved meeting with commercial real estate brokers to discuss ways to recruit new retail business. In November 2007, several representatives from downtown brokerage firms met for a roundtable discussion to identify issues that can be resolved in order to attract retail downtown. Representatives from five brokerage firms and one developer attended, and the group unanimously agreed to meet again.

Staff also met with several developers to discuss the current status of available properties and discuss efforts to attract retail tenants.

### **Business Descriptions**

In total, staff met with people representing 60 downtown businesses in 51 meetings. These people consisted of 38 owners, 15 managers and 3 staff persons. For the convenience of the retailers, two meetings were conducted by telephone.

The following information is a description of the businesses interviewed, their category, longevity of the business, location, and owner, staff numbers and hours.

### **Categories of Businesses**

For the purpose of the Retail Development Project, retail is defined as traditional business storefront retail. There is a wide variety of retail stores downtown, each with its own distinctive personality, and at least nine of the retail stores have a mixture of retail and service. In all, businesses from a total of 15 different categories were interviewed, with the largest category being clothing and shoes with 12 locations.

While it was determined that in this first round, art galleries would not be considered traditional retail, some galleries were included in order to have an idea of their experience. Also, due to crossover of business owners and the desire to welcome new businesses to downtown, people from three businesses in service and restaurant sectors were interviewed. The manager of one health food store planned to open in March 2008 in the Monroe North business district, which is within the expanded DDA boundaries, was also interviewed.



<b>Business Category</b>	<b>Number</b>
Clothing and shoes	12
Specialty shops	8
Books, news and music	6
Art galleries and framing	5
Grocery	4
Alterations and tailoring	3
Florists and gifts	3
Museums	3
Office supplies	3
Sporting goods	3
Furniture and home	2
Jewelers	2
Restaurants	2
Pharmacy	1
Shoe repair	1
Spa	1
Toys	1
<b>Total</b>	<b>60</b>

### **Business history**

In reviewing the history of businesses in Grand Rapids, there is a wide range of longevity. There are four businesses which exceed the 100-year-mark and merit mention: The Public Museum, Preussers, Herknerns and Groskopf's, with the Grand Rapids Art Museum following closely.

The table below illustrates the variety of businesses in regards to age. While a few of the businesses started elsewhere, just the length of time the business has been located downtown was considered. Combining categories, 23 (38%) are less than 10 years old; 25 (42%) are between 10 and 50 years of age, and 12 (20%) are between 100 and 125.

Together, these businesses have 1,759 years of combined experience with a mean average of 29 years, and the median being 12 years of age.

<b>How long business has been downtown</b>	<b>Number</b>
Less than 5 years	16
Between 5 and 10 years	7
Between 10 and 25 years	17
Between 25 and 50 years	8
Between 50 and 100 years	8
Between 100 and 125 years	4

## Location and Ownership

The history of business location helps give an idea of business movement, stability, and commitment to downtown. We wanted to know how many are in their original location, or if they changed locations downtown—choosing to stay downtown. Did they come from a previous location? Have they expanded elsewhere?

Not including the four museums, original ownership accounts for 41 (73%) of businesses surveyed. Their mean average experience is 11 years, and the median is 5.5. Six businesses have opened in the past six months. Fifteen (27%) of these businesses have current, non-original ownership ranging from 8 to 57 years, with an average of 21 years experience.

<b>Location</b>	<b>Number</b>
Original downtown location	37
Previous location downtown	11
Expanded to other locations	7
At prior location before moving downtown	5
At prior location that is still in operation	5
Prior location outside DT and previous DT location	2
<b>Ownership*</b>	
Number of original owners	41
Avg. years of original owner	13
Mean of original owners	5.5
Number of successive owners	15
Avg. years of successive owner	21
Mean of successive owner	20

\*Ownership here does not include museums, and is based on 56 entities.

## Employment

Employment data helps us to understand the economic impact of downtown retailers in terms of jobs. In order to have a more accurate picture of how downtown retail affects the economy, the list below includes only those employees directly related to the retail section, rather than the entire support staff at a museum, for example.

<b>Retail related staff</b>	<b>Number</b>
Full-time	155
Part-time	121
Seasonal	7
Volunteers	various
Total	283

\*based on 55 retail based stores

## Hours of Operation

Input from businesses regarding hours of operation shows that downtown retailers are quite independent in setting their schedules. Thirty-three percent of the businesses keep regular 9 – 5 business hours, and 27.5% of the stores stay open until 6 p.m. Of businesses open at nighttime, 24% have regular evening hours, staying open until between 7 – 9 p.m., and 15.5% of the businesses are open late one to two evenings during the week. While 33% open at 9 a.m., the others open at 10, 11 and 12 noon.

Most businesses with regular evening hours are the newest businesses, although there are examples in all age categories. Six (10.5%) of the businesses with later hours are less than five years of age. Four (7%) have between 10 – 25 years of experience. Three (5%) have been downtown between 50 and 100 years.

Some long-term retailers have had extended hours in the past, but over the years have cut back. Of those stores that are open late on only one or two evenings per week, they also span the first three age categories, with two stores in each bracket, and then jump to those over 100 years with three businesses.

Hours for retail businesses*	N = 58	Number
Part-time hours		6
Regular 9 – 5 hours		19
Open until 6 p.m.		16
Regular evening hours closing between 7 and 9 p.m.		14
Partial evening hours after 6 p.m.		9
One evening during the week		3
Two different week-day evenings		4
Other evenings, but not Friday		4
Friday evening only		2
Considering later hours		4
Saturday hours		35
Open four hours		7
Open six hours		7
Open seven or more hours		16
Open at 9 a.m.		7
Open at 10 a.m.		17
Open at 11 a.m.		7
until 5 or 5:30 p.m.		9
until 6 p.m.		4
after 6 p.m.		10
Sunday		9

\* Hours of operation data do not include restaurants surveyed

## Advertising and Marketing Practices

Businesses have several strategies for letting customers know their products and location. Businesses with a longer history tend to have changed the way they do things to match the change in technology and trends. For example, “Johnny Ads” – bathroom advertisements – are no longer a common advertising method, although that method was mentioned as a possibility. Many stores continue to try different techniques to find the right match.

Due to the numerous ways of marketing, and being an anecdotal forum, below are responses to questions regarding marketing techniques. One consideration to advertising styles was whether the business participates in special retail or area events, and/or whether they host their own events.

The categories of basic, midrange and target marketing are subjectively given. In general, basic means they might just advertise in the phone book or rely on word of mouth. Midrange means that they might have a mailing list or participate in some of the marketing opportunities. Targeted marketing means they know exactly who their customer is, they do specific marketing through mailing or innovative efforts, and may host events.

Marketing	N = 60	Number
Own Website		39
Corporate website		3
Uses email list		12
Participation in joint advertising		27
Participation in recent special retail events		22
Create own events		10
Involved with KCVCB		20
Target marketing		22
Midrange marketing		17
Basic level of marketing		21

## Demographics

While the Arts and Entertainment Strategy report includes primary and secondary marketing information, this project sought to discover whom in particular the surveyed retail businesses serve. The target demographics for these businesses vary widely. Respondents answered this question in different ways, and because a uniform method or form with specific questions was not used, it was difficult to glean equal information from all businesses. Some businesses know exactly who they are targeting, and some depend on foot traffic and a large variety of people. The table below



reflects the broad range of consumers targeted by downtown businesses. Five respondents representing seven businesses within the Amway Grand Plaza Hotel commented that a lot of local people are not aware of the offerings inside the hotel because they don't realize these stores are open to the public—that you don't have to be a hotel guest.

<b>Typical Customers</b>	<b>Number</b>
Hotel guests	10
Downtown workers	8
Convention-goers	7
Locally/Regionally	6
Corporations	5
Downtown residents	4
Museum members and visitors	4
College	4
Repeat business, Referrals	3
Schools/Groups	3
Urban/Ethnic	3
Elderly	3
Executives	2
Out-of-state (destination)	2
20-35 year-olds	2
13 – college age	1
40-60 year-olds	1
More the younger professional	1
International	1

### **Opportunities and Constraints**

Businesses were generally very open in discussing their current situations, the pros and cons of the downtown business environment, and their desires in conducting business here in Grand Rapids. The main topics addressed were the following: parking, location of business, panhandling, security, rent, and construction.

### **Parking**

Parking is a considerable concern for downtown merchants. However, it is complicated because there are many different facets to it. For some it is a very real issue, and for others it is a perceived barrier. While businesses were concerned about parking for their customers, others were concerned about parking for their employees and deliveries being made. Three people were concerned about loading zones—the length of time and if they were marked well enough and enforced. Others would like a consistent parking program throughout the city. The policy of hooding meters early for special events has been a significant issue for several businesses, for it directly cuts off customers from their stores. We are working with the City to help resolve this issue.

People were very positive regarding the free 60 minute parking at the Monroe Center ramp and its central location. While many businesses advertise this ramp regularly to

their clientele, other businesses were happy to learn about this opportunity for their customers.

Quotes regarding parking:

*“If parking were free, there would be no space (for customers) to park.”*

*“It’s a mental thing...People don’t want to walk two blocks.”*

*“We have a lot of parking, but it’s confusing.” (Citing the various parking options of card access, City lots, Ellis, differing rates on meters )*

*“For the younger people parking doesn’t seem to be a problem. But it is for those 50 and over.”*

## **Location**

The majority of people were enthusiastic about Grand Rapids in and of itself; the idea of being centrally located downtown, easy access by the free way, and being near college campuses. Depending on their placement downtown, and depending on how many stores were around them, the location of a store was either a benefit or somewhat of an issue for attracting customers. Having enough stores, or “critical mass,” is an important component to the success of most retail businesses, and almost everyone expressed the desire to have more retail downtown. Some businesses wished to be closer to the center of downtown or near more retail, and some expressed the need for more foot traffic. There has been a noticeable drop of foot traffic for some retailers with the demolition of the City ramp at 1 Fulton.

One person questioned how to make a loop of shops more than mainly up and down Monroe Center, and another person pointed out that the river is both an actual and psychological barrier. Downtown businesses were excited about being downtown as a whole, but due to their exact location some had more challenges for attracting customers.

Quotes regarding location:

*“People say they don’t know many cities nicer than Grand Rapids. Change started happening with arena and has continued.”*

*“I have more unique things than you’ll find at the mall, but it has more foot traffic.”*

*“The mall doesn’t have more unique things than me, but all the thousands of people.”*

*“Grand Rapids is easy to get around - not too big, not too small. I don’t want to leave.”*

*“We felt like we’ve been a pioneer. So much is coming up around here—very encouraging”*

*“It’s made a big change with new medical things coming in—a good time to be in downtown Grand Rapids.”*

*“In selecting a location I had to ask, where am I most comfortable? Downtown Grand Rapids. I know this place.”*

*“Grand Rapids: A small town that offers big town stuff.”*

*“I love Downtown. I’ve been coming down here for a million years. I wouldn’t want to work anywhere else.”*

*“Kids have got it right, the kids know downtown is here.”*

*“We are a growing city, a growing area—better to be here early than late or never.”*

### **Panhandling and Security**

Store owners were asked about the reality and perception of safety in the downtown, and the response was encouraging. Panhandling was the biggest safety concern for customers.

<b>Panhandling</b>	Number
Big problem for their customers	6
Moderate problem	3
Small problem	4
Occasional but better	2
Big problem for city	1
<b>Security</b>	
Perceived as a problem	2
Personal experience with break-ins	3
Other security issues vagrants, etc	2
Have more police walking	2

*“[Downtown Grand Rapids is] nice, clean, safe—a lot safer than ten years ago.”*

## Rent

The ability of a business owner to continue to pay rent is a vital to the success of the store. Logically, a better location comes with a higher rent. Some business owners would like to be closer to the center of downtown, but feel they cannot afford it. The Flute Boutique was one such store. Its proprietor, Tammie Stimac loves downtown, but needed more foot traffic at her East Fulton location. She did not want to risk a higher rent, but wondered how much merchandise she would have to sell to pay the difference. Eventually, this issue was a driving force behind her decision to close her store. Somewhat ironically, her store was cited by several other downtown businesses as an example for the type of specialty stores needed downtown.

One multiple-building owner in Holland uses the theory that a business cannot afford to pay more than 7% of its sales for rent, and they work with businesses accordingly. It should also be noted that Grand Rapids does have some property owners that are flexible with their tenant leases.

Rent	Number
Biggest barrier for businesses in general	1
Personal impediment to moving closer downtown	2
Impediment to others moving downtown	2
Would like to see a graduated or minimum rent for retailers	2
Have chosen current space (not best location) for cheaper rent	2
Business owners who own their own building	15

Quote regarding rent: *“Most owners of buildings ignore small businesses; realtors don’t want to contact you if you are a nobody.”*

## Construction

Construction may be hassle for drivers and pedestrians, but for businesses, reduction in visibility or accessibility as a result of construction can put their very survival in question. Drivers and pedestrians change their pattern of travel to avoid construction, so businesses that rely on regular drive-by traffic for regular customers are vulnerable. Depending on the length of the construction, customers may not return to the original route. A study presented to the City by the Neighborhood Business Alliance in 1999 illustrated that if a small business loses 10% of its profit, it is in danger of failure. Two businesses surveyed for this study shared stories losses of \$65,000 and \$90,000 related to construction on East Fulton and on Division, respectively. One business owner found that a longer than expected street project in 1999, followed by a reconstruction of the S-curve, had significant negative effects on their business.

Quote: *Construction downtown: “It’s a ‘catch-22’ closing streets for construction”*

## **Miscellaneous Topics**

When questioned about ideas for different services they would be interested in, several owners were interested in signage, one in small business loans, and two for immediate façade improvements.

One person pointed out that the river is a perceived and actual barrier... a psychological barrier. They would like to connect both sides and cover the Gillette pedestrian bridge.

## **Unsolicited Praise and Criticism**

There were many compliments on how clean the downtown is now, and how people like the maintenance and flowers. Many businesses are grateful for the directories and the efforts being made. They expressed how much they liked the new color scheme and “Let’s go. Downtown.” campaign. Several businesses were not familiar with the directory or website and were glad for those services. Two people did speak of their displeasure with the “Keep it a Secret” campaign. One person spoke of desire for easier access for bikes, for example, bike lanes. One person thought there should be a campaign regarding the wayfinding signs, and questioned if people knew what Hillside meant.

Quotes:

*“Continue to keep it beautiful, keep it clean; Good atmosphere.”*

*“I love our being downtown. Monroe Center in particular is beautiful.”*

## **Business Situation**

All of our downtown businesses are in different stages of their lifecycle in regards to age and experience. Some of the newest, and some of the oldest, have highly targeted approaches towards their customers, and are seeing significant results. Several owners felt that the economy of the region and nation has played a big role in their level of success.

Some businesses also talked about the key importance of things such as service quality and forming customer relationships. Several businesses also talked about their desire to support sustainability and buying locally. Many look forward to the completion of the condo projects and are excited to service the residents.

<b>Business Constraints</b>	<b>Number</b>
Less margin on product	2
On-line competition affects sales	4
Downturn- have had to diversify product	4
Property taxes	2
Hidden costs in accepting credit cards	1
Shopping malls affect sales	6
<b>Business Opportunities</b>	
2007 a very good year	7
Rebounding from 2001	7
Expanding/diversifying product	8
New Residents	4

Quotes regarding the business situation:

*“The retail environment is so challenging...A small business is in a small boat and when these big waves come by, we get very wet.” Describes himself as “moderately optimistic.”*

*“Best year since 9/11—Quite a few new customers. We took a 28% hit after 9/11.”Regarding the Economy: “Mental—a mind set. People pull back when neighbors are losing jobs.”*

*“Anytime you can make things as easy as possible, people will do it.”*

*“Service has to be exceptional”*

*“Ten thumbs up to anyone who lives downtown”*

*“Coming off of last year—actually a really good year. Cautious. I’m very frugal about any expenditure or expansion plans. I keep hearing the word recession in Michigan for a while now. A lot of holding, just hanging in there.”*

## **Business Health**

One goal of this report was to study the business climate in Grand Rapids, and in order to do this we must look at the health of our businesses. Some of our businesses are doing very well. But whether it is due to lack of foot traffic, construction, a downturn in the product or the economy, or because some businesses are not keeping up with the current market place, we have some businesses that are not faring as well. The following is an extremely subjective categorization of our businesses’ health; it is not based on figures presented to us. Because of the type of informal meetings we held, we were able to talk to business owners a lot about what they wanted to talk about—their successes and their concerns. We are presenting these figures to be our best estimations, and that is all.



However, the value in determining how we think businesses are faring also allows us to be able to reach out and support them where needed.

It is also important to note that one person is getting ready to retire and three people who had service/retail businesses are pleased with their clientele and workload and not actively seeking other business. In order to gauge an accurate picture on the

retail health, the following are not included: two restaurants, The Flute Boutique which closed in December, EQ3 which moved at the end of February, Kymarah Massage Therapy, which recently opened, and Health Hutt which is planned to open shortly.

<b>Business Health</b> N=54	Number
Very well	20
Well	21
Okay	8
Not well	5

**Business Input for Downtown**

**Ideas for Marketing Downtown**

Our business people are creative thinkers and are open to working on promoting downtown. Many remember clearly when Grand Rapids was the shopping destination for West Michigan, and would like to see it reach this vitality again.

- Some businesses are learning about and are interested in joint marketing; this is a relatively new concept for many Downtown, and has great potential. Some suggestions for marketing are putting information in parking ramps, using a reader board, and marketing downtown with banners and billboards.
- Market specific issues to reach people five miles out, and market Grand Rapids against other cities in Michigan. Other ideas include effectively providing information to convention attendees, spreading the word about free parking, that it is easy to get around downtown, and welcoming different ethnic groups.
- Have more joint retail events and signature events. Have a “Downtown Night,” enlarge the Art Hop during the summer on Division. Have more outdoor events like Blues on the Mall and enlarge variety of music. That development and marketing of waterfront is needed with a park atmosphere and bike path—utilize the river, attract people for dinner.

Quotes regarding marketing:

*“I grew up when all the shopping was downtown. We have to get people to realize there are shops down here again.”*

*“The single important thing is the customer, and how to get them here.”*

### **New Business Suggestions (see attachment)**

People were asked what types of businesses we should try to attract downtown. Overwhelmingly, retail was the response. What would more anchors do for Grand Rapids? Attached are several pages of people’s responses listed by categories. Not to anyone’s surprise, grocery and pharmacy are at the top. Robert Gibbs, a national consultant who spoke last week in Grand Rapids at the ICSC conference mentioned that 40% of office workers desire groceries followed by personal products/drugs. He also mentioned that when an anchor store left, the small retailers lost 30% of their business.

### **Conclusion**

In conclusion, we believe the business interviews to have been an important building block in helping support our retail businesses in the several ways: improving communications, providing support, collecting pertinent data, connectivity, and resolving issues. DDA and Downtown Alliance staff benefited from knowing our businesses better—their history, uniqueness, and passion in providing service to their customers. We were able to communicate the current efforts by the DDA and the Downtown Alliance to support retail business downtown. Efforts to improve the business environment through the work of the Merchants Council were also discussed. We were able to learn about various issues that the businesses have and, in some cases, to resolve some of these issues. Through this effort, important relationship-building with these businesses has begun, and we hope to build on this in order to further strengthen our downtown retail efforts.

### **Recommended Follow-up Actions**

In order to bring Grand Rapids to this next level of retail attraction, and to accomplish the goals outlined in the Arts and Entertainment Strategy, we believe it is beneficial to continue the DDA’s Economic Development Retail Project in order to support the following three areas:

1. Provide increased support for current businesses
2. Improve our success at attracting new businesses
3. Continue to attract consumers to downtown

### **Increase support for current businesses**

Entrepreneurs are occupied with the day-to-day operation of running their stores, and are not always able to stay on top of issues that can directly affect them. Continuing to improve open communication with the current retail businesses will aid their efforts and improve the business environment.

Recommended actions include:

- Update the proposed retail vision created by the Downtown Retail Committee, and confirm with downtown retailers.
- Minimize street closures, and improve communication regarding any type of street closing or other activity that would impact accessibility to their stores.
- Monitor legislative efforts, and distribute information about pending legislation that pertains to retail business and, if necessary, help them draft a joint response.
- Organize professional workshops in merchandizing, marketing and other retail issues of interest to retailers. Through the Merchants Council (now Merchants Committee), share information about workshops pertaining to retail development.
- Encourage the Merchants Committee to investigate common evening hours.
- Create a storefront improvement program geared to retail, similar to that of the current DDA BRIP program.
- Take advantage of façade programs such as the new MSHDA grant program (deadline March 30, 2008).
- Work with the Downtown Alliance and Merchants Committee to help merchants better reach target markets.
- Continue to promote the downtown by supporting the Downtown marketing efforts.

### **Improve our success at attracting new businesses**

Most successful downtown districts have an economic development staff person who focuses on recruiting retail. Grand Rapids needs to be actively networking and promoting business opportunities, and following business leads.

Recommendations include:

- Implement action steps of downtown retail vision

- Bring in expertise to refine the downtown retail vision as to the types of businesses that would be good for Grand Rapids, including the importance of diversity of businesses, as well as attracting different groups of people.
- Develop a standard protocol for welcoming new businesses downtown.
- Use market study from Arts and Entertainment study, and data collected from pilot project, develop specific list of businesses that we wish to recruit. Robert Gibbs suggests a mix of 30 % national, 30 % regional, 30 % local.
- Develop an initial downtown merchandising plan. List desired retail targets, by business type and location.
- Market top sites in key downtown business corridors on the website, through the Brokers round-table, and at conventions. Develop site criteria to be available on website.
- Establish an advising committee of commercial real estate brokers and developers focusing on specific issues.
- Research best practices for incentives and programs they are offering to attract desired retailers.
- Update market area demographics regarding downtown through shopper survey at area malls, polling downtown employees, area college students and downtown residents/Heritage Hill.
- Create improvement program to prepare building interiors for retail use.
- Investigate possibility of incubator program; monitor current legislative activity.

### **Continue to attract consumers to downtown**

Individual businesses succeed or fail based upon the location, merchandising, marketing and service of the business. But a successful business district requires the cooperation and collaboration of many stakeholders to create the environment where customers can expect to find an attractive selection of products.

Recommended actions to attract more customers include:

- Continue to support the marketing program of the Downtown Alliance.
- Work through the Downtown Alliance to expand marketing to target customers who are most likely to shop downtown Grand Rapids on a regular basis, e.g., airport, libraries, etc.

- Investigate how to better market to key downtown markets including employees, residents, and students.
- Research visitor parking strategies in other cities; work to overcome perceived parking issues.
- Market the Monroe Center parking ramp regarding 60 minute free parking.
- Investigate expanding 60 minute free program to other key ramps.



## **Suggestions Regarding New Businesses for Downtown**

### **An Experience**

Need a very nice major league event for downtown.  
You can have a 4- to 6-hour downtown experience like Rockford  
Need an every day, free time experience. When you go to Chicago, Somerset Malls...going for experience.  
Downtown business—has mostly to do with image  
Has to have a product difficult to find somewhere else  
Outdoor music venue  
Would like to get Trolley or bus to do a loop around for the museums  
More green spaces  
Just discovered River walk  
Have a theme (e. g. Holland-Dutch, Frankenmuth Christmas)  
Architectural Tours  
A foot tour (Detroit Historic Preservation)  
Practical Stores  
Basic feeling is that these buildings need to be full.  
So that people can “make a day of it”

### **Anchor**

We need department stores again (2)  
Need to get one or two large employers – 5,000 people  
How do you get more people downtown? That’s our anchor  
If we get national retailers, we’ll lose uniqueness  
Determine what types are categorically successful  
There aren’t any chain stores  
A firm believer that people regionally shop; Need some anchor stores to bring them in  
Need something that they would drive people to come downtown  
Need to be proactive, to developers to get here first.

### **Retail**

We don’t have other retailers around  
More stores for shopping  
Need activity like a department. store  
We have so few retail...  
What needs are going unmet?  
What stores would complement what’s here?  
People in Lansing talk about GR; there is more retail in Lansing  
Would like more competition  
More retail (2)  
More variety  
Unique stores like the Flute Boutique and spice shop in EGR  
Not a lot of retail, and it’s spread out  
As for retail, something has to happen. Momentum isn’t here in the daytime.  
The more retail the better  
One not better than another  
A retailer not in at the mall  
The more retail, the more people coming down.

### **Specialty stores**

Boutique stores

Cool groovy shops

Nook and cranny; creative businesses.

boutiques, little eateries.

Need all the little tiny shops.

Need all the things that Rockford, Holland, Diamond and (Cherry), and Diamond and Fulton have.

Have to have specialty shops

Get more “home-owned” stores, more “Mom and Pops” stores

Specialty stores—Get the smaller stores from neighborhood business districts and bring them down here—

People would follow.

More specialty shops; little boutiques

Specialty stores

### **Entertainment**

Family Entertainment store: David and Busters. (Family place during the day; after 10 p.m. for 21 and over)

Movie theatre (2)

Gambling... Concerned about casino going down south of town.

Every town has their hook: San Francisco—Wharf, Vegas—gambling

Need family oriented shows at Arena.

Need more popular shows—Not one rap group coming to arena

Have a floating casino on river (2)

### **Family-oriented**

Having more of a family-friendly type restaurants.

Family oriented retail

Anything that would keep families downtown longer

Children’s store (2)

Candy store with toys and clothes

Arcade for kids

Mackey’s World was overkill

### **Apparel**

Clothing store-Middle end: Target, Penney’s

Women’s full clothier

We need a few more stores—half a dozen: Three ladies stores, three men’s stores

Shoe store – inexpensive

More clothing stores

Give people downtown a place to buy a shirt.

More mainstream clothing

Clothing store will serve convention goers as well

All retail clothing segments needed

“We need something that people can come to downtown Grand Rapids that denotes that visit...**Branding.**”

Other clothing...something that screams Grand Rapids

clothes

More mainstream clothing

American Apparel store

clothes

### **Pharmacy**

CVS, Walgreens, Rite-Aid (4)

Pharmacy/drug store (6)

Drug store? Get specifications on what they think they could do.

### **Convenience Store**

7/11 or convenience store

Convenience store

### **Grocery**

A place to buy a loaf of bread/milk

Grocery store (3)

Downtown grocery store

Martha's Vinyard

A pain to go to a good grocery store while living downtown

Need for groceries from residents

Supermarket

Grocery store (now more improved with Grand Central Market)

Mentioned the grocery store and Target by soldier field in Chicago—wonders why developers don't put in a grocery store.

A good grocery store is not going to hurt.

### **Food**

PF Changs (2) and New York Cheesecake—Just need these two restaurants.

Williams and Sonoma

Restaurants are good because they draw people.

More fast food type restaurants

Cool candy store

A good bakery

Meat market

Bakery

The new bars will be nice

Places to eat breakfast

Hears the need for groceries from residents (has friends)

Cozy and Pitbellies Deli

### **Home**

Crate and Barrel

Hardware Store (2)

Home décor

Furniture store

Home accessories

Bombay Company or Pier One

### **Sporting goods**

Workout apparel

Full line of sporting goods

Sports/Ski House

Urban Outfitters (2)

### **High-end**

Jewelry stores (2)

High end art gallery

Pipe store

Higher-end stores

**Services**

Personal services

Dry cleaning

Simple needs--shoe repair (*did not know about Charlie's Shoe Repair*)

Put in other services

**Books/Stationary**

Used bookstore

Gift stores for birthdays

A full blown office supply

**Electronics**

Best Buy

Electronics (Sharper Image, Brookstone) (2)

Video store

So many travelers, flash drives, stylist, luggage

**Miscellaneous**

More things for younger people

More day-time activity

Things to support life here (downtown) and at home

A cool dog shop (Saugatuck)

Land Sharks

**Beauty**

Spa, hair

PILOT PROJECT PARTICIPANTS

Company	Person Interviewed	Position	Address	Here since	Website	Phone
All City Kicks	Jason Stewart	Co-owner	139 Division Ave. S	2006	allcitykicks.net	301-7484
Bartrand's Shaver and Pen Center	Patrick Peters	Owner	152 Fulton St. E	1995	penandshaver.com	456-7097
Benchmark Tailors*	F. David Barney	Owner	125 Ottawa Ave. NW	1979		235-6766
Bookery Stamps & Coins	Ken Engen	Owner	150 Fulton St. E	1930		458-2092
Boutique Emmanuel	Sarah Knap	Manager	220 Lyon St., Ste. 130	1985	boutiqueemmanuel.com	235-1106
Brian's Books	Craig Thelen	Manager	120 Fulton St. E	1989	briansbooks.net	454-2665
Charlie's Shoe Repair	Peggy VandenHout	Owner	146 Monroe Ctr. NW	1985		451-8016
Charlie's Tailor Shop *	Charlie and Terrie Lam	Former Owner	53B Monroe Ctr. NW	1996		222-6060
Chic's Frame and Poster	Larry Kropewnicki	Owner	146 Monroe Ctr. NW	1982		774-2051
Christian Science Reading Room	Penny Peticolas	Manager	77 Monore Ctr. NW	2001	spirituality.com	774-9212
Custer Workplace Interiors	Mary Tolsma	Manager	217 Grandville Ave.	1981	custeroffice.com	458-6322
Diplomat Specialty Pharmacy	Dan Roelofs	Manager	214 Fulton E.	2005	diplomatpharmacy.com	356-1800
Dodds Record Shop	Gerald Dodds	Owner	20 Division Ave. S.	1934		451-3161
Eastern Floral & Gifts	Jason Goei	Owner	187 Monroe Ave. NW	1988	easternfloral.com	774-2000
Elegance Wigs	Eugene Cho	Owner	61 Monroe Ctr. NW	1974		451-8861
Elliot's News and Tobacco	Bill Bennett	Owner	21 Ottawa Ave. NW	1977		235-6400
Emanuel Too*	Sarah Knap	Manager	220 Lyon St., Ste. 130	1992		776-2552
EQ3 **	Gordon Huizen	Owner	130 Ionia Ave. SW	2002	eq3.com	459-4167
Eyecons	Phil Schaafsma	Owner	210 Fulton St. E	2005	eyecons.com	235-2929
F. David Barney Clothiers	F. David Barney	Owner	125 Ottawa Ave. NW	1979	fdavidbarney.com	458-6118
Fedex Kinko Copy Center	Chris Vroma	Manager	233 Fulton W.	1991	fedex.com	336-1900
Flute Boutique ***	Tammie Stimac	Owner	154 Fulton St. E.	2003	fluteboutique.com	356-1333
Fw*d Space/Space Craft	Sally England	Owner	120 Division Ave. S	2007		776-3937
Gerald R. Ford Museum	Jim Kratsas, Kristin Mc	Director/Staff	303 Pearl St. Nw	1981	fordlibrarymuseum.gov	254-0400
Gina's Boutique	Gina VanGessel	Owner	40 Monroe Ctr., Ste. 10	2004	ginaboutiquegr.com	458-1103
Goodwill Industries Retail Store	Dora Sanchez	Manager	200 Division Ave. S	1967	goodwillgr.org	451-2606 454-5300/ 285 8100
Grand Central Market and Deli	Jason Wheeler	Owner	57 Monroe Ctr.	2004	grandcentralmarketgr.org	458-1776
Grand Gallery	Don Prys (Katie Hill m	Owner	187 Monroe Ave. NW	2002	grandgallery.com	458-1776
Grand Rapids Art Museum	Rachel Allen/Kerri Van	Manager/Staff	101 Monroe Ctr.	1910	gramonline.org	831-2921
Grand Rapids Children's Museum / Thingamajigs	Linsey Zabor	Staff	22 Sheldon	1997	grcm.org	235-4726
Groskopf's Luggage and Gifts	John Heth	Owner	112 Monroe Center NW	1881	groskopfsluggage.com	451-2846
Health Hutt	Polly Wison	Manager	600 Monroe	2008	livingnaturally.com	231-578-9786
Herkner Jewelers	Randall Dice	Owner	114 Monroe NW	1870		456-1589

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Company	Person Interviewed	Position	Address	Here since	Website	Phone
Jade Rare Coin	Danaca Tassara	Manager	200 Ottawa Ave.		jaderarecoin.com	742-0134
Jadestone Custom Clothing	Charlie and Terrie Lam	Owner	53 B Monroe Center	2008		222-6060
Kicks Dance and Activewear	William Shutte	Owner	2 Jefferson Ave. SE	1997		776-3966/ 446 2276
Kymarah Massage Therapy*	Charlie and Terrie Lam	Owner's relatives	53 B Monroe Center	2008		222-6060
Little Bohemia	Terrie Wierenga	Owner	40 Monroe Ctr. NW	1996	littlebohemiaonline.com	454-2323
Modern Day Floral & Gift Boutique	Jennifer Ederer	Owner	125 Ottawa Ave. NW, S	2006	moderndayfloral.com	454-4747
Morton Party Shop	Zaki Karadsheh	Owner	70 Monroe Ctr. NW	1987		235-4037
One Girl's Treasure	Tammy Jacobi	Owner	5 Lyon Street	2007	onegirlstreasure.com	233-9940
Pallets Business Supplies	Brian Snyder	Owner	239 Fulton W.	2005	pallets4biz.com	451-3655
Paul Collins Fine Arts	Tia Riva	Manager	220 Lyon St.	1997	collinsart.com	742-2000
Plaza Essentials *	David McKnight	Manager	187 Monroe Ave. NW	2002	amwaygrand.com	774-2000
Plaza Men's Shop	David McKnight	Manager	187 Monroe Ave. NW	2002	amwaygrand.com	774-2000
Premier Skateboarding	Eric Blanding	Owner	14 Weston St. SE	2005	premierskateboarding.com	742-2660
Preusser Jeweler's	Dave Kammeraad	Owner	125 Ottawa Ave. NW, S	1850	preusserjewelers.com	458-1425
Restaurant Bloom	Chad & Gwen Kent	Owner	40 Monroe Ctr. NW	2007	bloomgr.com	235-4073
Reynolds & Sons	Jeff & Carol Reynolds	Owner	12 Monroe Ctr. NW	1927	reynoldsandsons.com	456-7161
Richmond Stamp Works	Paul Newhof	Owner	26 Ionia Ave. SW	1913	richmondstampworks.com	458-3707
Scavenger Hunt Vintage Clothing	Suzanne Beveridge	Owner	117 Division Ave. S.	1987	scavengerhuntclothing.com	454-1033
Schuler Books Downtown	Tim Smith/	Owner	40 Fountain St.	2007	schulerbooks.com	459-7750
Superior Watch Repair	Chuni Raniga	Owner	116 Monroe Ctr.	1969		458-2864
The Public Museum	Beth Rickert	Manager	272 Pearl Street NW	1854	grmuseum.org	456-3557
The Zone	Quinn Baker	Manager	130 Fulton St. W.	1996	griffins-zone.com	774-4585 x 3007
Typewriter Sales*	Patrick Peters	Owner	152 Fulton St. E	1921		459-5324
Van Hoecks Shoes	Gregory Clarin	Owner	95 Monroe Ctr. NW	1942	vanhoecksshoes.com	456-6923
Vertigo Music	Herm Baker	Owner	129 Division Ave. S	2000	vertigomusiconline.com	742-5106
Z's Bar and Restaurant*	Dean Juth	Owner	168 Louis Campau Pror	1982	zsbar.com	454-3141
Zellar's Party Store	Dean Juth	Owner	168 Louis Campau Pror	2007	zsbar.com	454-3141

\* representing additional business

\*\* moved to flagship store 2/08

\*\*\* closed business 12/31/07