

Downtown Grand Rapids

Retail Analysis and Strategy Findings and Recommendations



A Retail Real Estate Consulting Firm

DGRI / DDA Meeting

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Where We Are...

- *Relatively* limited damage
 - 24 openings / 21 closures amidst COVID (Mar '20 to Apr '21)
- Brightening prospects
 - ... once current surge ebbs
- **Tools and tactics for recovery**
 - Focusing energies and resources



Soft Goods Shopping

- Retail today as an amenity...
 - To attract residents, workers, visitors, conventions, etc.
- ... but demands co-tenancy and clustering
 - Formidable competition nearby
- Concede or commit?
 - If the latter, where?



Soft Goods Shopping

Sub-District	Why Yes	Why No
Monroe Center / Ottawa Ave	Historic shopping street; centrality to visitor/office traffic; "book-end" potential	Past struggles; lower visibility
Bridge Street	Market momentum; destination-local traffic; supermarket anchor; Whitewater synergies	Past struggles; off-center location; limited retail inventory rents driven by F&B;
Arena District / Arena South / Downtown Market	Market momentum; destination-local traffic; Downtown Market anchor	Entertainment/F&B focus; Heartside Park / connectivity challenges
Division Avenue	Past incubator function; available spaces / lower rents; below-the-radar appeal	Anti-social behavior; negative perceptions
None	Weak co-tenancy; nearby competition	Aspirational bruising; removed from visitor traffic; connectivity challenges

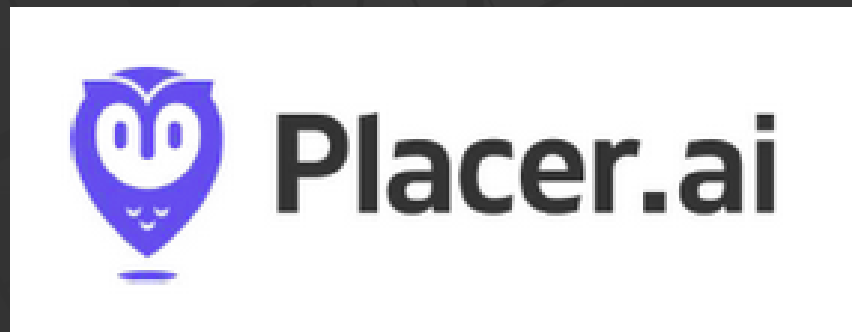
Committing to a Cluster

- "Targeted Cluster Location" designation
 - Subset of "Targeted Commercial Corridors"
 - Not just about pedestrian activation
- Definition of what constitutes "retail"
 - Working with City on permitted and special uses

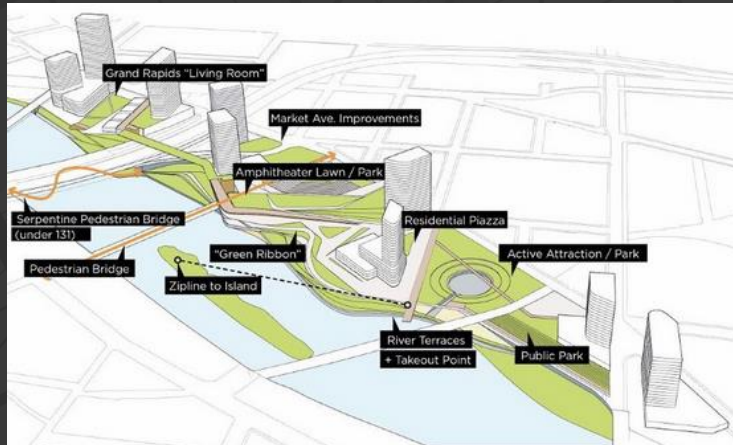


Committing to a Cluster

- Understanding specific soft goods niche
 - Leveraging underserved psychographic
 - Maximizing potential synergies



Committing to a Cluster



- Reinforcing with retail incentives
 - Only for (niche-specific) shops -- *not* services or F&B
 - Only for catalytic concepts / formats / operators
 - Only in "but-for" circumstances
- Pushing back on continued retail sprawl
 - At least in soft goods categories...

Committing to a Cluster

- Other critical investments if...
 - Monroe Center
 - Place-making at Monument Park (as book-end anchor)
 - Reimagining of right-of-way (as public space)
 - Bridge Street
 - Creation of 2nd-tier retail space in Bridge South
 - Incentivized by density bonuses
 - Marketing -- visitor traffic
 - Near neighborhoods
 - Marketing – visitor traffic
 - Expansion of DASH (eastward), at peak times

Committing to a Cluster



- Case study: Downtown Holland
 - Driven initially by one investor with patient capital
 - Retail as amenity (for other uses)
 - Aimed for three solid blocks of retail
 - Focus on soft goods
 - Guided by a particular tenant mix
 - Not just the low-hanging fruit
 - 40-50% increase in average retail rents since 2010

Committing to a Cluster

- Words of caution
 - Downtown Grand Rapids is *not* Downtown Holland
 - Starting from weak co-tenancy
 - Facing formidable competition nearby
 - Little to no soft goods interest (even prior to COVID)
 - Category in a period of transition



Recruitment Function (with or without clustering)

DOWNTOWN BERKELEY

Have you been to Downtown Berkeley lately?
downtownberkeley.com

Downtown Berkeley Did You Know?

- Very well-educated/well-off trade area
 - Stronger demos than DT Palo Alto, DT Walnut Creek
- 17th-densest city in the U.S.
 - Denser than Washington, D.C., Seattle and Oakland
- 1.35 million theater and cinema patrons
 - Two venues with more annual visitors than Oakland's Fox
- 2nd-busiest BART station outside San Francisco
 - Higher ridership than 16th St / Mission
- Heavy foot traffic day and night

RETAIL RECRUITMENT BROCHURE YOU R HERE



DOWNTOWN RALEIGH

GROWING
EMERGING
CREATING



- District-wide marketing collateral
 - Local and regional road-showing
- Sourcing and vetting of prospects
 - Training of in-house prospector

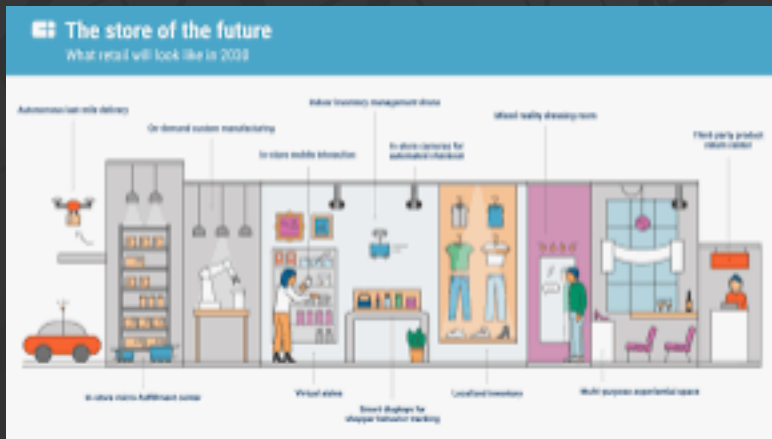
Recruitment Function (with or without clustering)

- Example: expansion-minded chain-lets
 - From other regions of the country
- First step: stakeholder buy-in
 - Free, pre-qualified leads to landlords and brokers



Retail Advocacy

- Working with the City / Planning to stay current
 - Land use / zoning flexibility to accommodate industry evolution
 - Wholesaling
 - Warehousing (online fulfillment)
 - Ghost kitchens
 - Curbside pickup



Small Business Creation

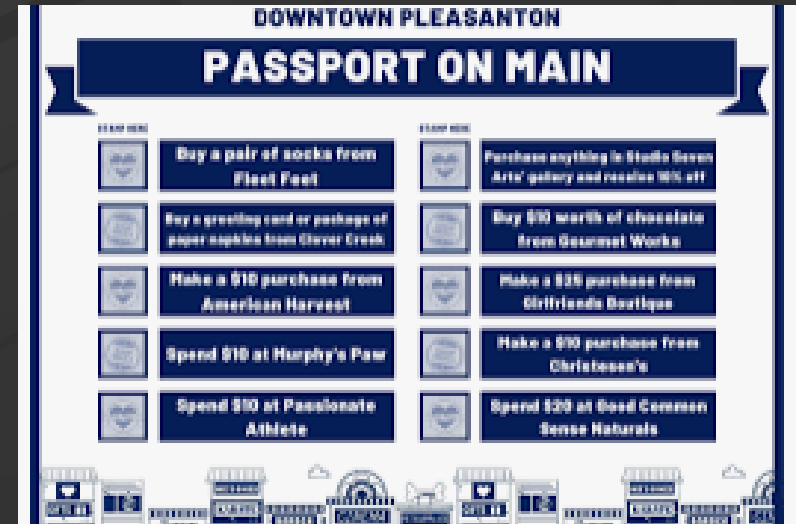
Additional Real Estate Initiatives



- Public spaces as platforms for entrepreneurialism
- Division Ave as incubator / feeder
 - Relocation of social-service agencies nearby
 - Marketing – city / metro-wide trade
 - Cap on rent subsidy (retail incentive)

Near-Term Recovery

- Bringing people back to Downtown
 - Permanent "Social Zones" (to the extent possible)
 - Double-down(s) on loyal customers as VIP's
 - "Downtown GR Passport" promotion



Near-Term Recovery

- Bringing people back to Downtown
 - Buzz-generating public art installations
 - (Vaguely) guilt-inducing marketing campaigns
 - "Welcome Back"/ "Businesses Open" signage



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