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

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

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

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
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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