



DETROIT

COMMERCIAL CORRIDOR STRATEGY

Detroit Economic Growth Corporation
February 2018

PROJECT OVERVIEW

THE PURPOSE OF THIS STUDY IS:

- To determine if Detroit's study area neighborhoods have the essential retail amenities needed for residents to live comfortably in the city.
- To build upon the market reality of each corridor to meet the needs of local customers while also drawing sales from the city and region.
- To unearth and catalog accurate sales and retail square footage dataset that identifies the amount of retail supportable in each study area and translate that into an ideal "retail district size" for each corridor.
- To determine the amount and type of retail that can draw enough sales to operate successfully along each corridor.
- To translate sales into an appropriate retail district size for each corridor.
- To identify roadblocks to new entrepreneurial opportunity.
- To provide information to retailers and property owners about business improvement opportunities.
- To refine the data necessary for informed decisions about small business investments in Detroit's retail market economy.



METHODOLOGY

METHODOLOGY



1 Identify Corridors & Boundaries



2 Inventory Retail-Appropriate & -Occupied Space



3 Delineate Trade Areas



4 Track Expenditures By Customer Type



5 Assign Capture Rates



6 Translate Demand Into Square Feet Of Retail Supported



7 Create Corridor-Specific Recommendations And Strategies

RETAIL IS:



Neighborhood Goods & Services (NG&S)

grocery stores · drugstores · florists · bakeries · specialty food stores · delicatessens · butchers · dry cleaners · laundromats · hair and nail salons · day spas · printers · pet salons · machine repair shops · shoe repair shops

Neighborhood Goods & Services retailers rely on spending from a nearby residents, students, and employees generally located within a one-mile radius. NG&S is “convenience-based” retail - it must be close with easy access and parking.



Food & Beverage (F&B)

sit-down restaurants · cafes, bars · coffee shops · sandwich shops · ice cream shops · “quick-bite” establishments · fast-food restaurants

Food & Beverage establishments can attract customers from a larger trade area than NG&S retailers, especially when they are clustered. A greater number of patrons will be interested in a collection of F&B establishments that offer a variety of options. This category includes establishments that serve food and/or alcohol consumed on premises.



General Merchandise, Apparel, Furnishings & Other (GAFO)

Clothing stores · furniture stores · bookstores · jewelry stores · gift boutiques · pet stores · sporting goods stores · home goods stores · craft stores · antique shops · electronics stores

GAFO retailers face a tremendous amount of competition, both in stores and online, for a relatively small percentage of household expenditures. Successful GAFO stores attract customers from long distances. However, these stores also rely on the exposure and foot traffic generated by an anchor that draws people with the same customer profile.

MAJOR FINDINGS

Following an extensive study and analysis of existing retail supply, the following conclusions were reached:

The total amount of accessible retail supply along these corridors is dramatically smaller than the actual available retail supply.

The ability to foster healthy, walkable retail corridors is made difficult by legislation, limited transit and vehicle accessibility contrasted by car-centric corridors, and minimal incentives to improve deteriorating properties.

Many retailers operate in isolation due to the absence of focused, contiguous retail districts along the corridors.

A lack of clustering poses challenges for Detroit's retail environment, as tenants cannot benefit from co-tenancy with other retailers and create a safe, pedestrian-friendly shopping district.

MAJOR RECOMMENDATIONS

Major recommendations for each study area fall within the following themes:

Configure long, linear commercial corridors into focused retail nodes in order to better serve the shopping needs of neighborhoods.

A micro-districting strategy can help form the neighborhood retail clusters, hone the necessary investment activity, concentrate the financing resources, and spur the new development that will create walkable retail districts accessible to those with or without a personal vehicle.

Bolster collaborative efforts to execute this focused retail strategy.

A unified effort between government agencies as well as non-profit and for-profit organizations will be critical to the execution of a focused retail strategy. For example, partnering with the Department of Transportation to ameliorate any unpleasant street and sidewalk conditions for commercial districts within the identified retail zone will improve the overall appearance of retail clusters and increase the perception of safety and walkability.

Every study area can support more Neighborhood Goods & Services retailers.

The demand in this retail category is heavily influenced by the fact that many residents do not have regular and reliable access to personal vehicles or public transportation that would allow them to shop for daily or weekly needs such as grocery or pharmacy in other communities.

Commercial real estate is struggling to overcome the various investment challenges facing Detroit's neighborhoods.

An oversupply of commercial real estate causes conditions of high vacancy, absentee property owners, minimal investment, and a mismatch in building quality at adjacent parcels, which increases the difficulty of redeveloping larger commercial blocks. Retailers who maintain quality storefronts but are perceived to have deleterious surroundings face additional challenges in capturing sales.

Provide educational resources and support to retailers and property owners.

Currently, an information gap stands in the way of creating, relocating, and expanding a business in the city. Non-profit, for-profit, and public sector entities should develop educational materials and financial and professional assistance programs to bridge this gap.

Neighborhood retail strategies should start with neighborhood retail.

As you will see in the following pages, Neighborhood Goods & Services (NG&S) retailers account for majority of the demand for each corridor, and should be pursued as a merchandising strategy for future tenant recruitment.

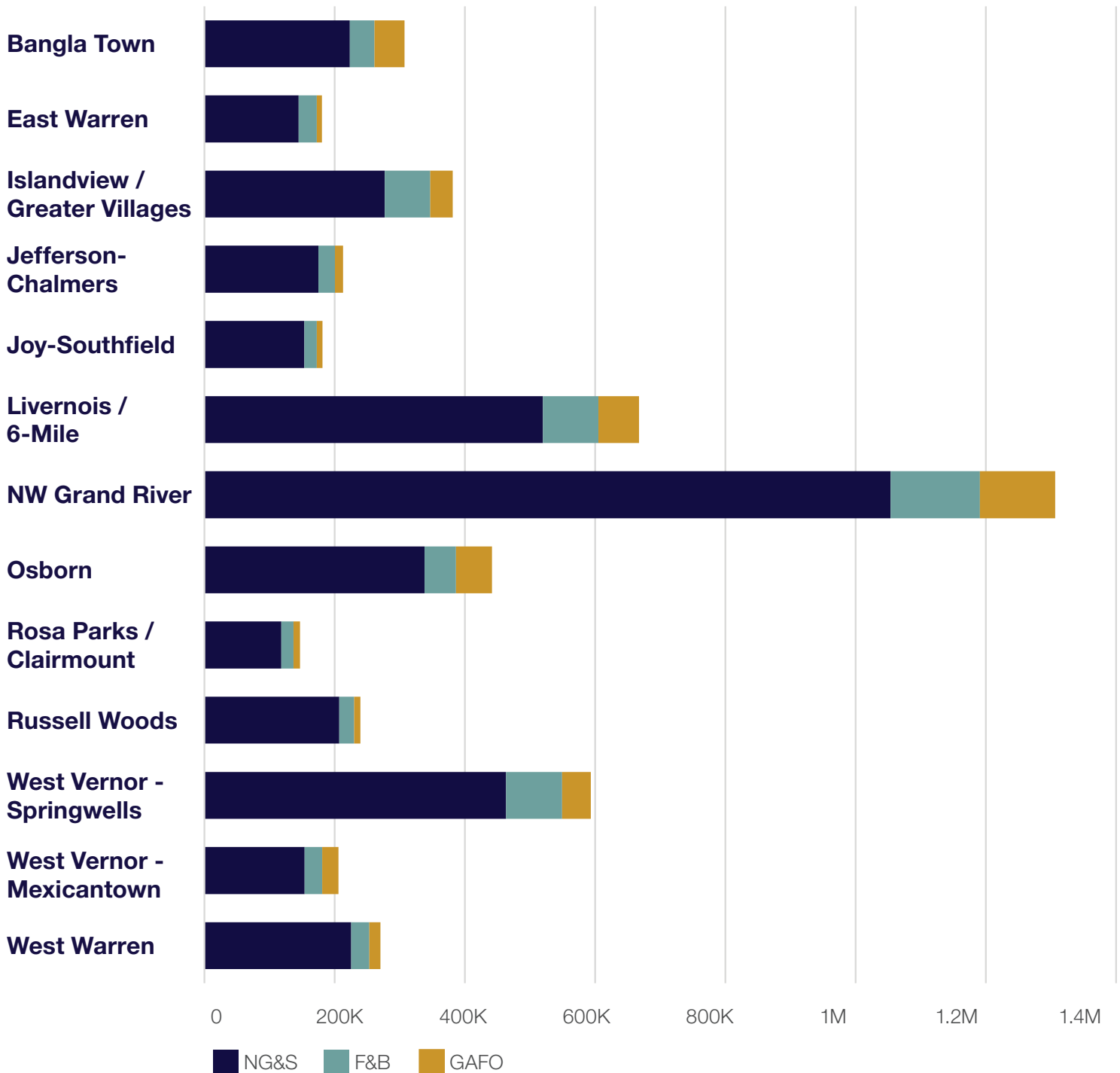
Create a Micro-BID organizational strategy with adequate staff resources to support the growth of each corridor.

A Retail Manager, "Farm Teams", and "Clean and Safe teams" should provide resources and services that create and maintain each corridor's vibrancy. These services should include programming, business attraction and retention services, and planning and development assistance.

CORRIDOR SPECIFIC STRATEGIES

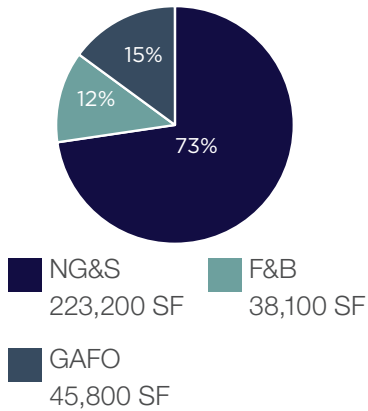
For the twelve corridors studied, a majority of the retail demand exists within the Neighborhood Goods & Services (NG&S) category, creating an opportunity for new retailers in this category. Food & Beverage (F&B) tenants represent the second most demanded category for all corridors, except for Banglatown and Osborn. Existing retail space currently exceeds the amount of retail demanded in each corridor, therefore a non-retail strategy will be needed to aid in reposition a portion of this supply. The following graph details a side-by-side comparison of retail demand by corridor and then details the specifics strategies for each.

RETAIL DEMAND



BANGLA TOWN

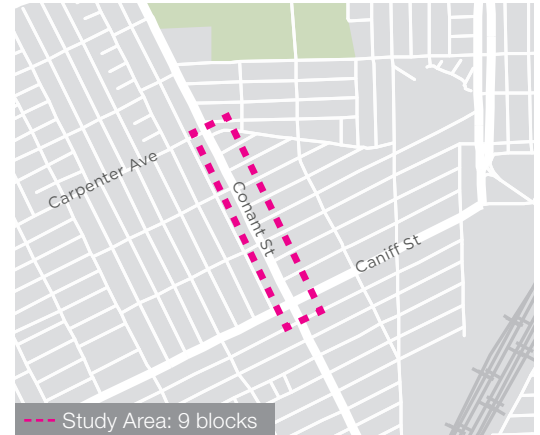
Retail Demand



Major Recommendations

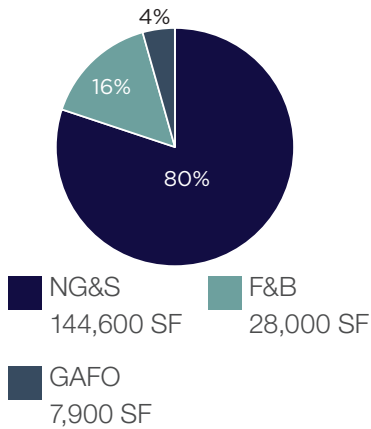
- Coordinate retail development efforts across jurisdictional boundaries (Hamtramck & Detroit)
- Reinforce Banglatown’s identity as a hub for newly-arrived immigrants
- Explore ways to provide greater sense of comfort for Bengali women customers

**TOTAL RETAIL DEMAND: 307,100 SF
OR 3 DOUBLE-SIDED BLOCKS**



EAST WARREN

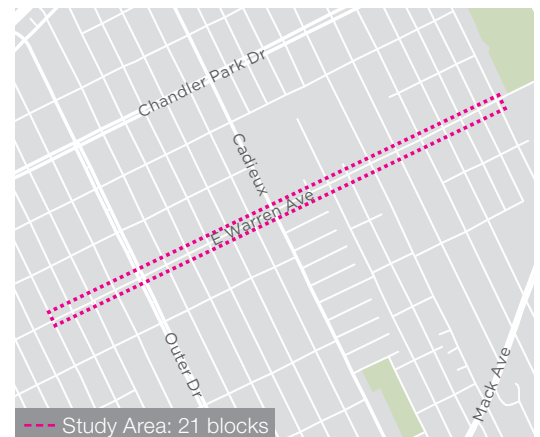
Retail Demand



Major Recommendation

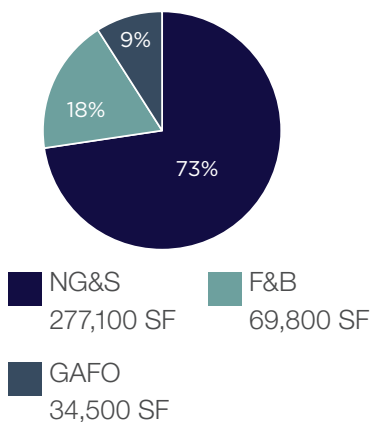
- Provide resources to restore historic architecture (such as the Alger Theatre) to contribute to a vibrant retail environment
- Focus retail development in a concentrated node at major intersections to allow for utmost visibility and accessibility
- Prioritize a NG&S tenant mix to complement the convenience-oriented customer base surrounding the corridor

**TOTAL RETAIL DEMAND: 180,500 SF
OR 2.5 DOUBLE-SIDED BLOCKS**



ISLANDVIEW / GREATER VILLAGES

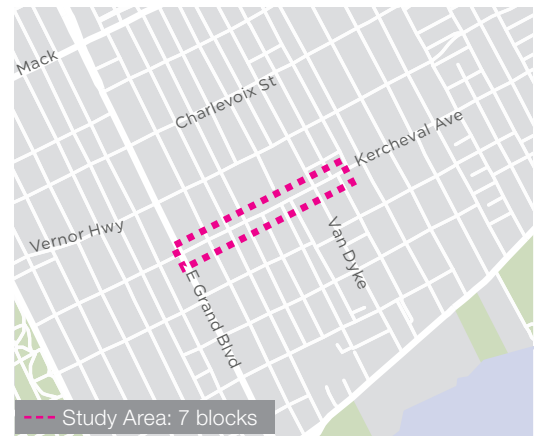
Retail Demand



Major Recommendations

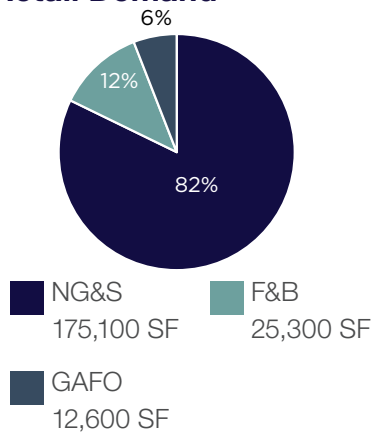
- Bolster neighborhood-serving retail along Kercheval Avenue
- Direct automobile-centric retail development to Jefferson Ave.
- Conduct a marketing campaign that presents the Islandview and Greater Villages neighborhood as a single retail destination

**TOTAL RETAIL DEMAND: 381,400 SF
OR 5 DOUBLE-SIDED BLOCKS**



JEFFERSON-CHALMERS

Retail Demand



Major Recommendations

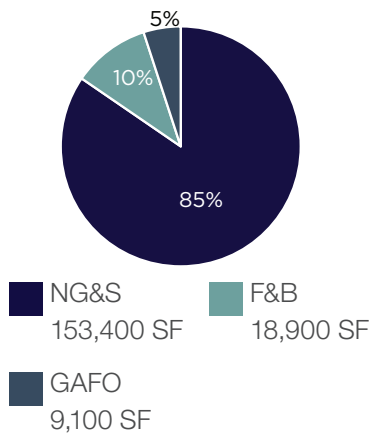
- Support the efforts of existing tenants to pursue building improvements through the Motor City Re-Store program
- Concentrate NG&S tenants near the edges of the corridor and at major intersections to create nodes of retail that define the retail district
- Cluster additional F&B opportunities near the intersection of Jefferson Ave. and Chalmers St. in support of existing retails clustered nearby

**TOTAL RETAIL DEMAND: 213,000 SF
OR 4 DOUBLE-SIDED BLOCKS**



JOY-SOUTHFIELD

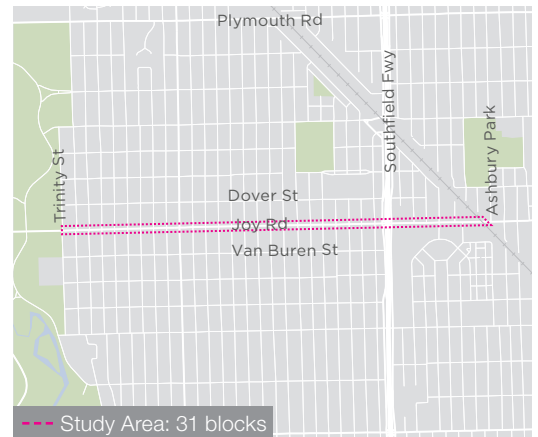
Retail Demand



Major Recommendations

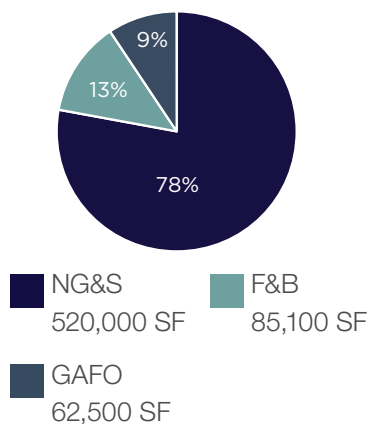
- Create a retail merchandising strategy that focuses on NG&S tenants
- Fix the lane striping issues created during recent street painting to allow for a return to parallel parking adjacent to businesses
- Pursue a retail-appropriate, mature street trees during sidewalk improvement program. Small trees negatively obscure retail visibility

**TOTAL RETAIL DEMAND: 181,400 SF
OR 2.5 DOUBLE-SIDED BLOCKS**



LIVERNOIS / 6-MILE

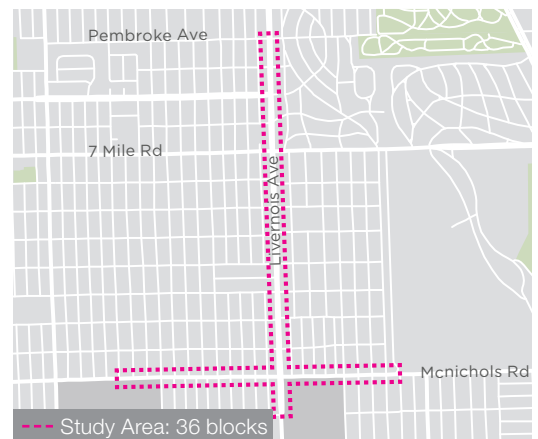
Retail Demand



Major Recommendations

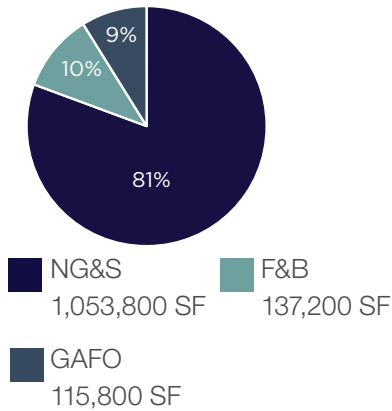
- Pursue a retail merchandising strategy that the Avenue of Fashion with restaurants and cafes
- Create a marketing campaign for the Avenue of Fashion
- Design and construct gateway elements into the commercial district

**TOTAL RETAIL DEMAND: 667,600 SF
OR 5 DOUBLE-SIDED BLOCKS**



NORTHWEST GRAND RIVER

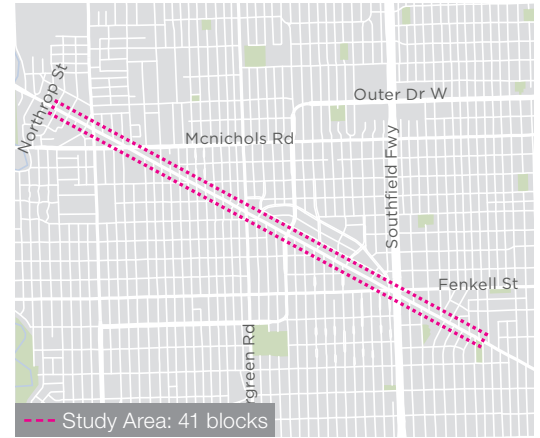
Retail Demand



Major Recommendations

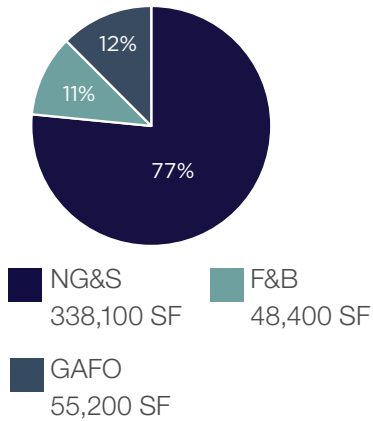
- Identify more than one retail node to concentrate retail development and to serve the multiple neighborhoods served by the corridor
- Pursue a merchandising mix that clusters restaurant and entertainment venues to support the surrounding redevelopment processes
- Design and construct gateway elements for each node along Grand River Avenue to announce the boundaries of and to promote the retailers in each node

TOTAL RETAIL DEMAND: 1,306,800 SF OR 21 DOUBLE-SIDED BLOCKS



OSBORN

Retail Demand



Major Recommendations

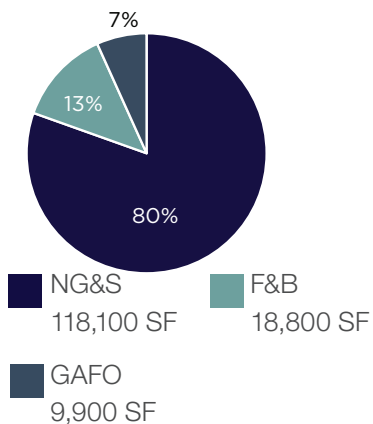
- Focus retail recruitment efforts on buildings located near the intersection of Gratiot Ave. and 7-Mile
- Design and build connections between buildings on Gratiot Ave. for pedestrians navigating an otherwise car-dominated environment
- Retail along Gratiot Avenue should be set back at least 30 ft. with adjacent parking. A setback will foster a sense of safety for non-vehicular travelers

TOTAL RETAIL DEMAND: 441,700 SF OR 9 DOUBLE-SIDED BLOCKS



ROSA PARKS / CLAIRMOUNT

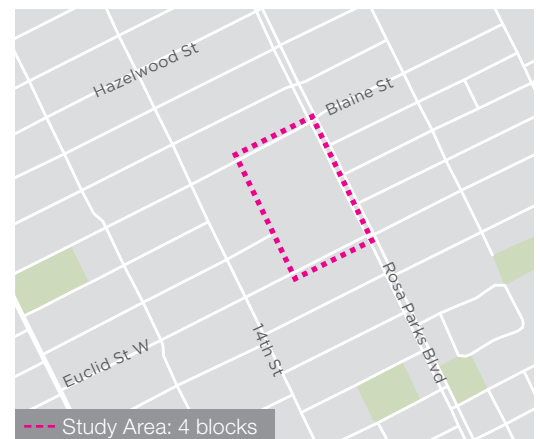
Retail Demand



Major Recommendations

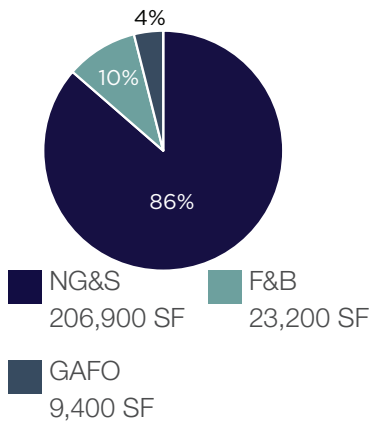
- Improve sidewalk and parking lot conditions at and near the Virginia Park Community Plaza Shopping Center
- Investigate the opportunity to provide community gatherings spaces at the shopping center
- Explore infill and pad site development opportunity at and near the Shopping Center, perhaps including civic and retail uses

TOTAL RETAIL DEMAND: 146,800 SF OR 2.5 DOUBLE-SIDED BLOCKS



RUSSELL WOODS

Retail Demand



Major Recommendations

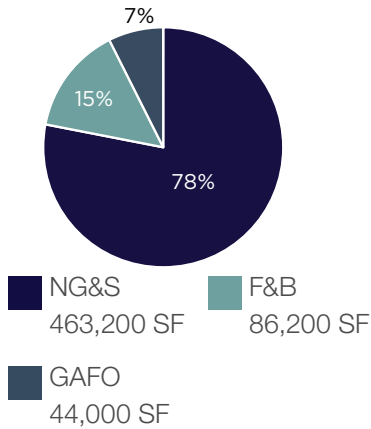
- Address blighted buildings along Dexter Street
- Pursue an infill development strategy along Dexter Street
- Permit street (curbside) parking along West Davison Street

TOTAL RETAIL DEMAND: 239,500 SF OR 4 DOUBLE-SIDED BLOCKS



WEST VERNOR - SPRINGWELLS

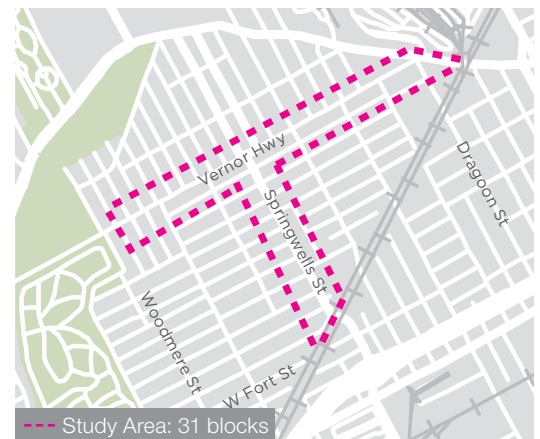
Retail Demand



Major Recommendations

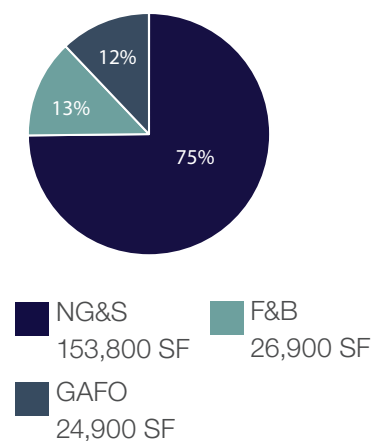
- Reinforce West Vernor - Springwells as a destination for new arrivals to the city
- Create shared marketing materials with Mexicantown (“Bridge the Viaduct”) to promote the shared neighborhood as a Hispanic cultural destination
- Consider the expansion of the Mexicantown Main Street Program and bolster the efforts of the Southwest Detroit Business Association to further the corridor’s advancement

TOTAL RETAIL DEMAND: 593,400 SF OR 10 DOUBLE-SIDED BLOCKS



WEST VERNOR - MEXICANTOWN

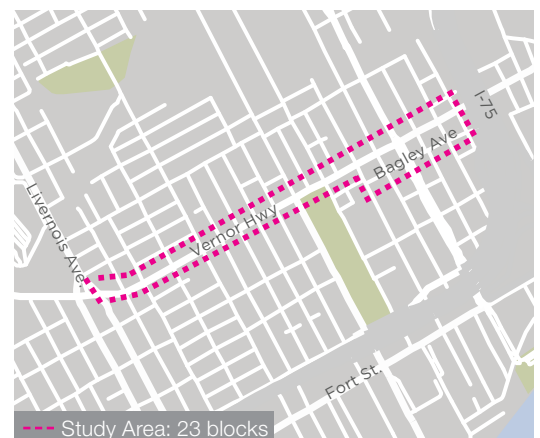
Retail Demand



Major Recommendations

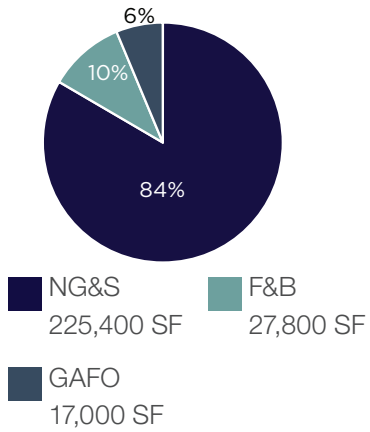
- Connect Bagley to Vernor Highway through infill development with retail on the ground floor and entrances at road intersections
- Activate vacancies by re-tenanting or exploring redevelopment opportunities
- Consider rerouting 18-wheeler traffic not associated with retail deliveries to allow for a decrease in dirt that impacts the pedestrian experience

TOTAL RETAIL DEMAND: 205,600 SF OR 3.5 DOUBLE-SIDED BLOCKS



WEST WARREN

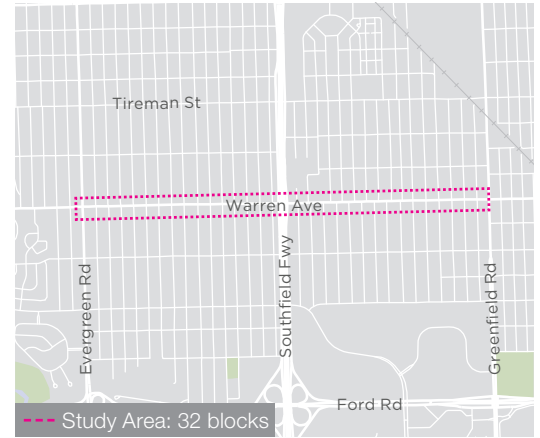
Retail Demand



Major Recommendations

- Coordinate retail development efforts across jurisdictional boundaries (Dearborn and Detroit)
- Create an “open arms” campaign to promote West Warren as a multicultural street open to everyone
- Identify more than one priority block cluster, with at least one on each side of Southfield Fwy.

**TOTAL RETAIL DEMAND: 270,200 SF
OR 3 DOUBLE-SIDED BLOCKS**



CORRIDOR DESIGN STRATEGY

A successful, vibrant commercial corridor can be designed to maximize retail sales, increase walkability, and attract customers from inside and out of the neighborhood. Detroit now has an opportunity for its commercial corridors to adjust to new market realities of the 21st century, to focus initial investments into concentrated retail districts, and to catalyze additional investments along its neighborhood main streets.

Vibrant commercial corridors are:



Concentrated: Retail environments work better when storefronts make up a continuous row, uninterrupted by blank walls, driveways, and other gaps in the fabric. Additionally, retail thrives in areas that are bookended by gateways to distinguish the commercial district from the surrounding neighborhood.



Double-sided: When both sides of a street include occupied retail, retailers have the greatest exposure to pedestrian and vehicular traffic by taking advantage of activity on both sides of the street.



Customer Adjacent: Retail establishments benefit from being as close to their customers as possible and prefer to be adjacent to sidewalks full of pedestrians, not placed behind parking lots or across a large open space. Minimizing distance between travel routes (sidewalks, streets) and storefronts maximizes a store or restaurant's visibility.



Accessible: Retailers thrive in locations that have the lowest number of obstacles between a potential customer and the front door. Impediments to customer accessibility include grade changes, ramps, parking spaces, curb cuts, and others.



Highly Visible: Not every street is a main street and not every location is a retail location. Highly visible corner lots on streets that have high traffic counts – and therefore high visibility – are a starting point for determining which places are suitable for retail concentrations.



Traffic Leveraging: Traffic can be a benefit to retail environments, as long as it is “behaving” – moving slowly, balanced with other modes, and reflective of pedestrian and bicycle activity. “Fixing” a traffic problem by allowing traffic to move too quickly through a retail environment can make vibrancy difficult. Retailers want to know their store is on a busy street, but not a congested thoroughfare.



Parking Provided: Tenants need opportunities to attract customers arriving by every available transportation mode – car, bus, on foot, bicycle – and having enough parking nearby is vital. On-street parking immediately in front of shops, centralized parking that allows for a “park once” experience, and excellent way-finding for mid-block parking are all techniques that can accommodate customers needs, although there is not a “one size fits all” solution.



Uncluttered: Retail environments can suffer if that streetscape is overpopulated with fixtures and furnishings. A sidewalk’s furniture, plantings or patterns can create difficulties in travel and direct access to shops. Benches should face towards shops to encourage patronage. Trees should not obscure or block signage. Outdoor seating should be placed curbside, ensuring pedestrian traffic is alongside the storefront.



Flexible: Tenant space that is designed to be flexible will have the best chance of long-term sustainability and will be able to meet the needs of diverse users. Ideally, a space can be used by national, regional, independent or local tenants for restaurant, retail, service or retail-equivalent uses.



Appropriate: A storefront width module of 25 to 30 feet at a depth of 60 to 70 feet with clear height of ceilings at a minimum of 14’ appeal to a wide number of tenants and retail types. This is important as turnover in the retail market occurs – a space built for one tenant can easily be reconfigured to accommodate a different tenant later.

NON-RETAIL STRATEGY

Non-retail uses, located on the ground floor, also contribute to corridor's vibrancy. These uses include gyms, banks, residential units, office spaces, daycares, automobile dealerships and service centers, and funeral homes to name a few.

These uses may be less active than retail, but sidewalks present the opportunity to draw some of the internal activity of the building into the street, rather than maintaining a strict boundary between the private building and the public street. Seating at the street level, attractive landscaping, and well-lit sidewalks all support ground floor uses within the building to accomplish this goal.

Outside of these retail districts, commercial buildings should be occupied by non-retail uses (such as offices, residential buildings, and hotels) to achieve "retail-like" street activation and vibrancy through strategic design that is characterized by the following:



Transparent: Clear glass that promotes visibility for a minimum of 10 feet into the interior of all commercial areas and residential amenity areas allows for visual connections in and out of the semi-private space. Vertical or horizontal blinds, trade posters, advertisements, or other elements are discouraged, with the exception of private residence.



Engaging: Non-retail uses occupying the ground floor should seek to engage the street with activity while occupied. For example, gyms with exercise equipment adjacent to the primary storefront window creates a point of interaction with non-members walking pass.



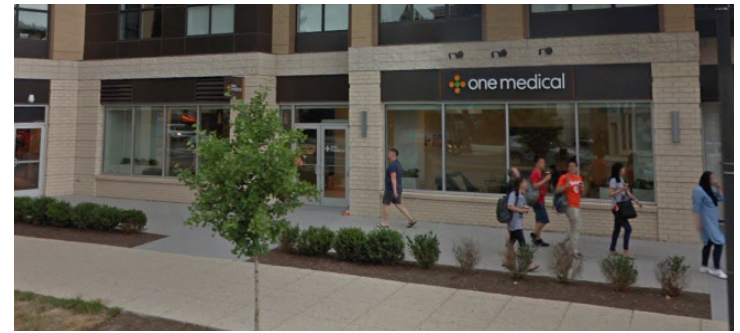
Furnished: A well maintained, well-lit sidewalk with amenities can increase vibrant pedestrian activity in front of non-retail uses. Furniture can be oriented towards other furniture or buildings and away from or perpendicular to the street to maximize social interaction. Planter boxes can be designed as alternative benches.



Illuminated: The ground floor tenant should be illuminated and feature retail-like signage and graphics that reflect the identity of the corridor. Internal illumination should occur between dusk and the time when surrounding retail businesses close.



Residential Uses: Residential uses generally experience minimal activation. To engage with the street, common areas (such as building lobbies), stoops, unfenced small front yards, and limited setbacks are encouraged. Encouraging public use or visual connections to the amenities of the residential buildings (e.g. club rooms, fitness centers, or bike maintenance rooms) will also activate the building. Dog walking areas around the building should be incorporated into the adjacent streetscape.



Office Uses:

Office spaces located along the corridor should engage the street much like retail uses. Receptionist desks, building lobbies, kitchens, co-working spaces, and meeting rooms home to office activity should be placed adjacent to the street, with visual connections through the use of large windows to emphasize movement. Café tables outside will provide an alternate space for employees during lunch, meetings, or breaks, which simultaneously activating the street. Ensure seating does not impede pedestrian activity and is available for public use.



Other Uses:

Detroit is home to many other non-retail uses, primarily including civic uses (schools, parks, churches), gyms, banks, and automobile shops and dealerships. When planning for these uses, it is important to locate the most active spaces street side, limiting the adjacency of parking and car lots from the flow of pedestrian traffic. Fences and other barriers which physically and psychologically disconnect the sidewalk environment from these uses are discouraged. If barriers are needed, use as an opportunity for public art installations.