
COMMERCIAL CORRIDORS STRATEGIC INVESTMENT FRAMEWORK

Federal Reserve Bank of Philadelphia
March 26-28, 2008

PRESENTATION OVERVIEW

- Study partners
- Project motivations
- Innovative approaches
- Understanding the status quo
- Offering prescriptive analysis
- Next steps

PROJECT MOTIVATIONS

- Evolution of urban retail shopping
- Commercial corridor revitalization as a public policy priority
- Strategic inter-corridor approach



INNOVATIVE APPROACHES

- Data collection
 - Large household survey (10,000+ shopping trips)
 - Revenue Department data by establishment by year (1995-2005)
 - Arms-length home sales (265,000+ transactions from 1995-2007)
- Analytical tools
 - GIS
 - Bi-variate cross-tabs
 - Multi-variate regressions

UNDERSTANDING THE STATUS QUO

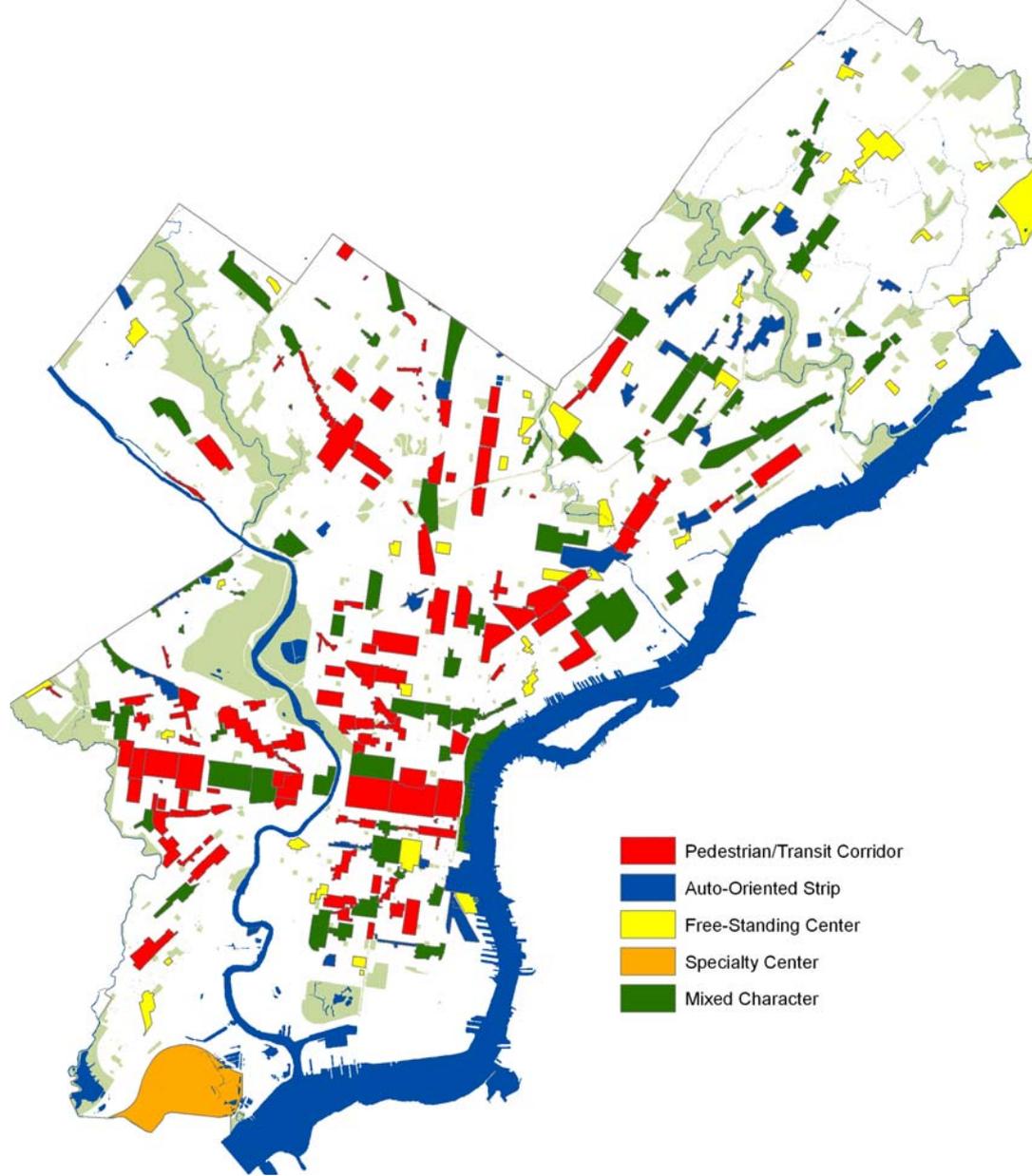
- Conditions
 - Corridor characteristics – describing Philadelphia’s commercial corridors
 - Neighborhood characteristics
 - Corridor competition
 - Corridor interventions
- Outcomes
 - Consumer choices
 - Retail sales
 - Neighborhood real estate value



CORRIDOR CHARACTERISTICS

- Where are our retail centers and what are their characteristics?
- Classification by Philadelphia City Planning Commission, 2002
 - Type
 - Character
 - Stage of development
- Perceptions
 - Cleanliness and safety
 - Leadership
 - Retail mix

Corridors by PCPC character

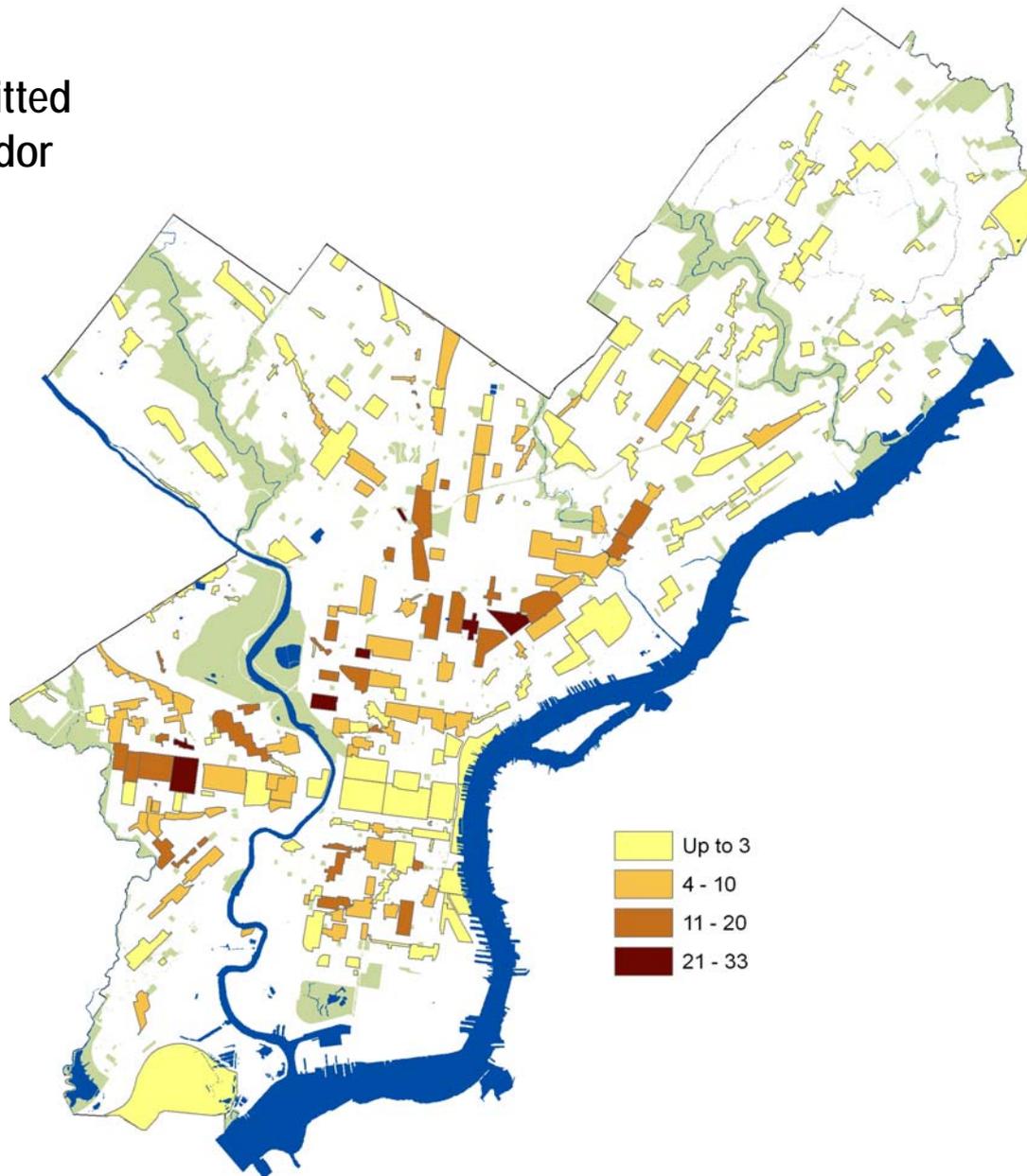




NEIGHBORHOOD CHARACTERISTICS

- How can we characterize the neighborhoods in and around these retail centers?
 - Geography
 - Anchor institutions
 - Transportation access
 - Crime
 - Demographics
 - Home lending patterns
 - Foreclosures

Murders committed
near each corridor
in 2006

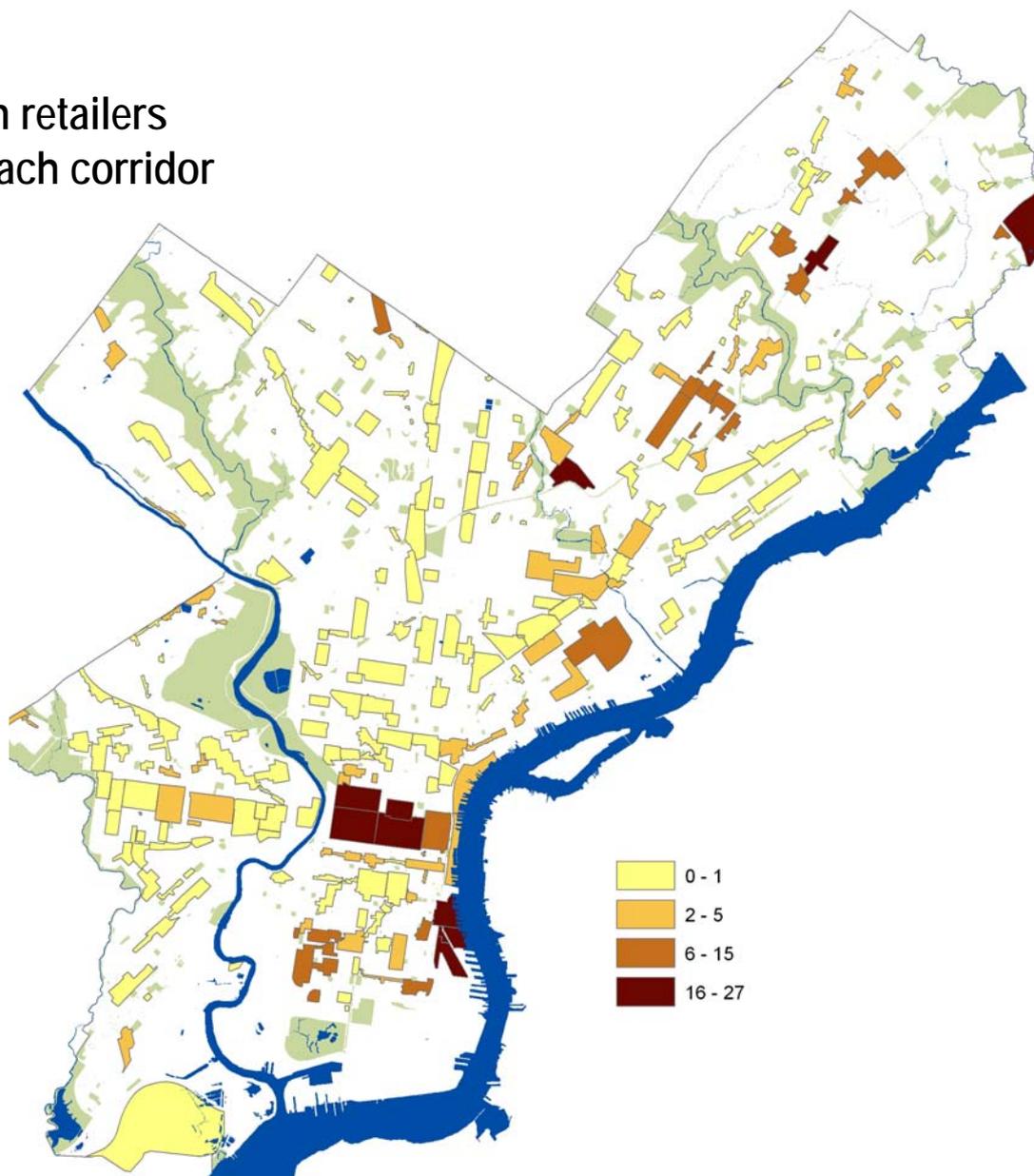




CORRIDOR COMPETITION

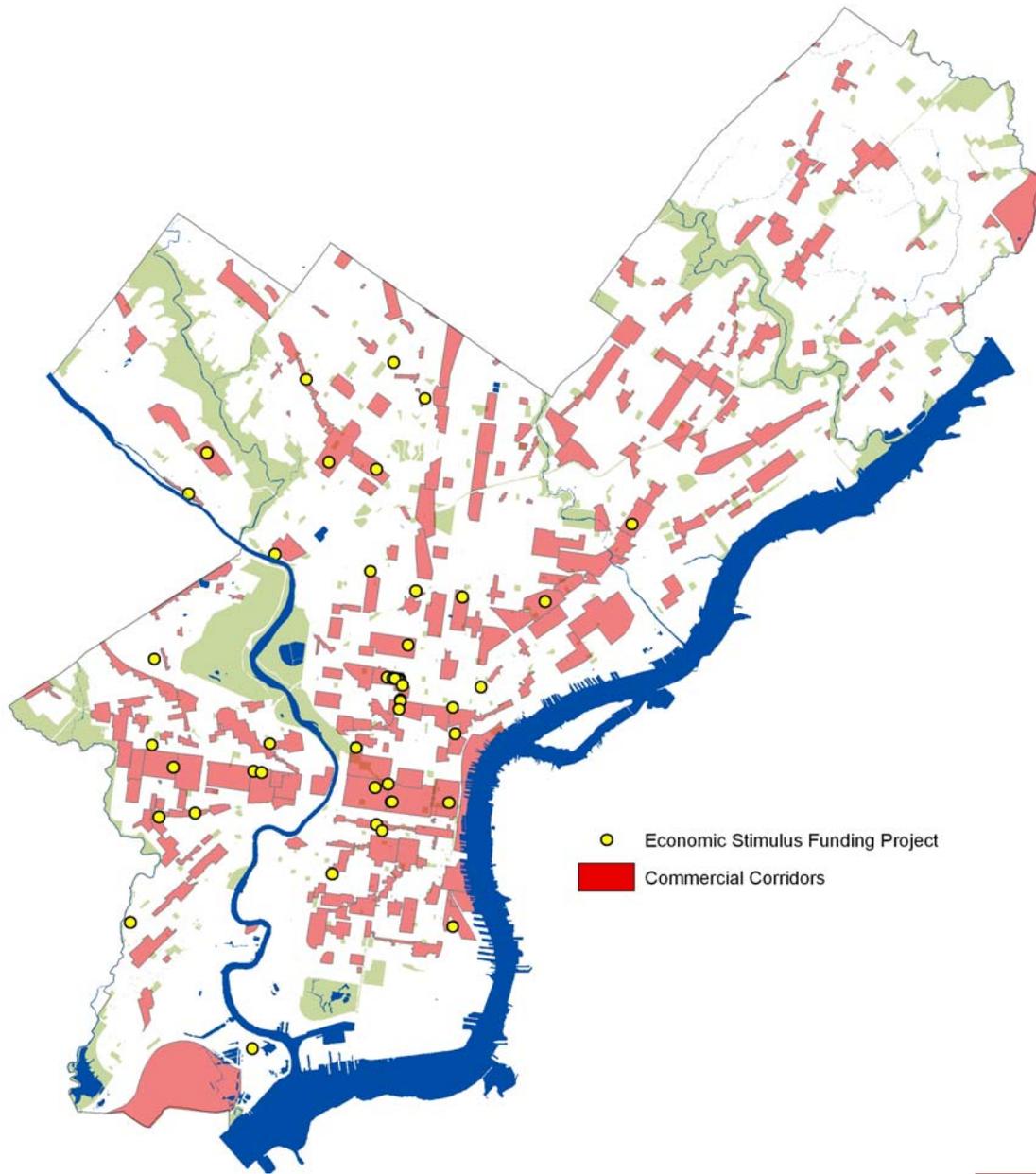
- What and where is the competition with commercial corridors for shopping dollars?
 - Large-scale chain retailers
 - Chain drug stores
 - Chain grocery stores
 - Other corridors by type

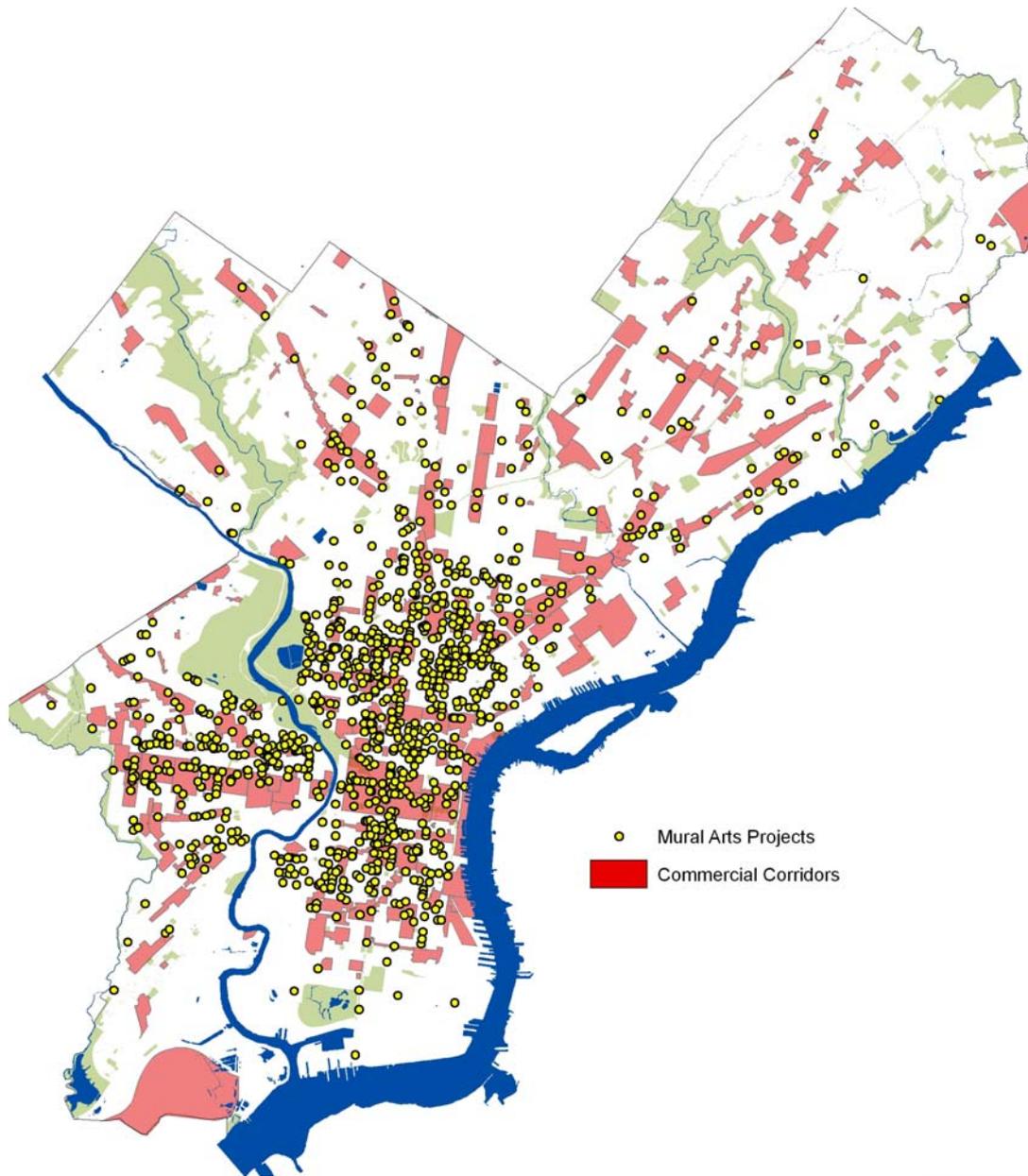
Large-scale chain retailers within 1 mile of each corridor



CORRIDOR INTERVENTIONS

- City interventions:
 - Business Property Improvement Program
 - Business Security Assistance Program
 - Neighborhood Center Completions
 - Economic Stimulus Funding
 - Exterior Commercial Improvement Program
 - CDC Tax Credit Program
 - BIDs/NIDs
- Non-City interventions:
 - Pennsylvania Horticultural Society
 - Community Design Collaborative
 - LISC
 - Mural Arts Program
 - Pennsylvania Fresh Food Financing Initiative
 - US Empowerment Zones
 - Pennsylvania Enterprise Zones
 - Philadelphia Association of Community Development Corporations



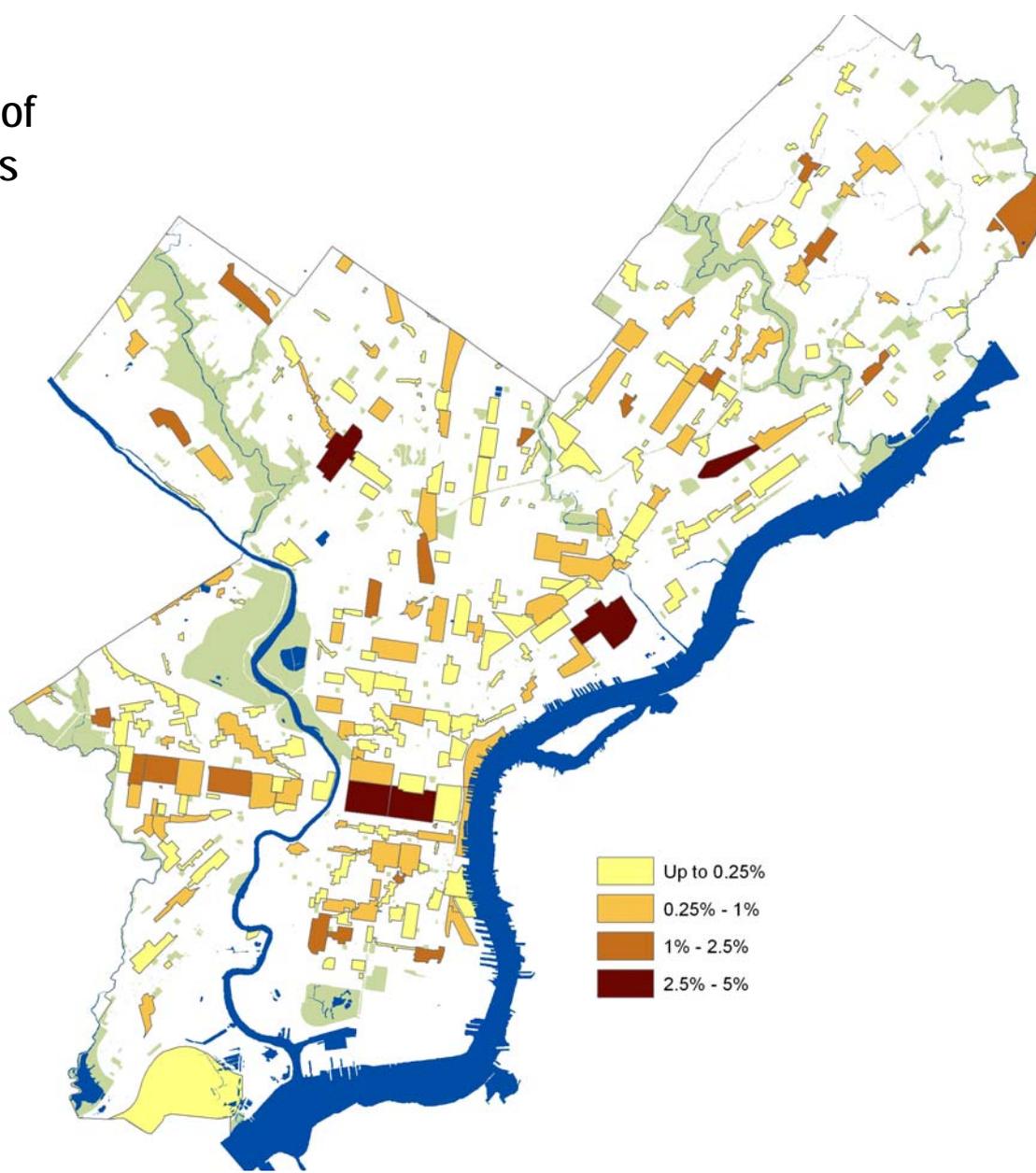




CONSUMER CHOICES

- What do we know about shopping patterns in Philadelphia?
- Characteristics of 10,000+ shopping trips
 - Origin and destination
 - Distance traveled
 - Demographics of shopper
 - Type of shopping trip
 - Good type
 - Mode of transportation
- Market share of trips by corridor and type
- Retaining vs. importing vs. exporting shoppers

Market share of shopping trips by corridor



Top 15 Corridors by Market Share

1	Aramingo Avenue	5.03%
2	Market West - Center City	4.14%
3	Market East - Center City	3.92%
4	Central Germantown & Vicinity	2.94%
5	Frankford Ave.-Lower Mayfair	2.57%
6	Grant and the Boulevard (includes Whitman site)	2.26%
7	24th Street/Oregon-Passyunk (incl. Quartermaster site)	1.92%
8	56th and Market	1.67%
9	Whitman Plaza & Vicinity	1.57%
10	Ivy Ridge Center & Vicinity	1.51%
11	Frankford and Megargee	1.49%
12	One and Olney Square	1.48%
13	Chestnut Hill	1.43%
14	6500-6800 Haverford Ave.	1.33%
15	Sears/Cottman-Bustleton Center	1.27%
15	Franklin Mills	1.27%

RETAIL SALES

- How are retail centers currently doing in terms of retail sales?
- Corridor retail – sales, payroll, # establishments
- Same-store growth rates = indicator of corridor performance over time
- Raw revenue/payroll amounts = indicator of corridor performance relative to other corridors

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future visual]

NEIGHBORHOOD REAL ESTATE VALUES

- How are property values doing in and around retail centers?
- Sales transactions, 1995-2007
 - Annual number of transactions
 - Average house price near each corridor
- Excellent indicators of neighborhood change over time
- Questions:
 - Does corridor performance affect neighborhood real estate value?
 - How do corridor interventions affect neighborhood real estate value?

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OFFERING PRESCRIPTIVE ANALYSIS

- How does crime affect perception of safety at the corridor level?
- What effect do arts organizations have on corridor success?
- How does transit access (or lack thereof) affect shopping patterns?
- Does high income density near a corridor necessarily mean success for that corridor?
- Does a high concentration of poverty near a corridor necessarily mean failure for that corridor?
- As a neighborhood becomes wealthier or poorer, what effect does that have on corridor success?

OFFERING PRESCRIPTIVE ANALYSIS (continued)

- Under what circumstances does the introduction of new retail competition help or hurt a nearby corridor?
- Which interventions have proven most effective in leading to corridor success?
- Are there pockets of retail opportunity in which demand for a type of good is greater than supply?
- Are there any corridors that have not yet thrived and yet contain many of the characteristics of successful corridors?
- What is the interplay between nearby corridors – does a corridor gain or lose when another nearby corridor is struggling?

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NEXT STEPS

- Finalize analysis
- Complete report and related deliverables
- Transition materials to the City of Philadelphia
- Lay the groundwork for future exploration
- Pursue additional findings at the neighborhood level