Cleveland Street District Retail Strategy

ERA downtown works

Retail Strategy and Merchandise Mix Plan

August 2008

Table of Contents

I. Project Overview and Timeline

II. Downtown Overview and Market Assessment

III. Existing Conditions

IV. Merchandise Mix

V. Implementation

Retail Strategy & Implementation Program

- The City of Clearwater retained ERA|DW to evaluate retail conditions in the Cleveland Street District in downtown Clearwater and create a Retail Strategy and Implementation Program
- The scope includes:
  - Definition and description of important customer markets
  - Development of Merchandise Mix Plan, including appropriate mix of retailers and phasing
  - Commencement of Implementation Program
- ***Our approach is unique and addresses Cleveland Street District's needs***
  - **Hands-on and strategic, beyond the numbers**
  - **More emphasis on action, on-the-ground recruitment, and training rather than a long written report**
  - **Tangible deliverable, Executive Summary only**

Project Timeline

- Months May - July: Data gathering, interviews, strategic assessment, draft Executive Summary
- Months Aug - Sept: Finalize Executive Summary, retail recruitment marketing material, Retail Recruiter training
- Months Oct – April: Implementation, grant assistance, monitor and prospect with Retail Recruiter, prospective tenant evaluation, landlord meetings

Table of Contents

I. Project Overview and Timeline

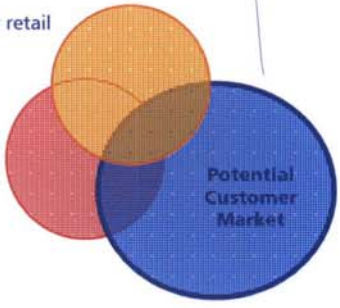
II. Downtown Overview and Market Assessment

- i. Potential Customer markets
  - i. Lifestyle characteristics
  - ii. Expenditure characteristics
- ii. Supportable Square Feet
- iii. Stakeholder interviews
- iv. Strengths and challenges for retail

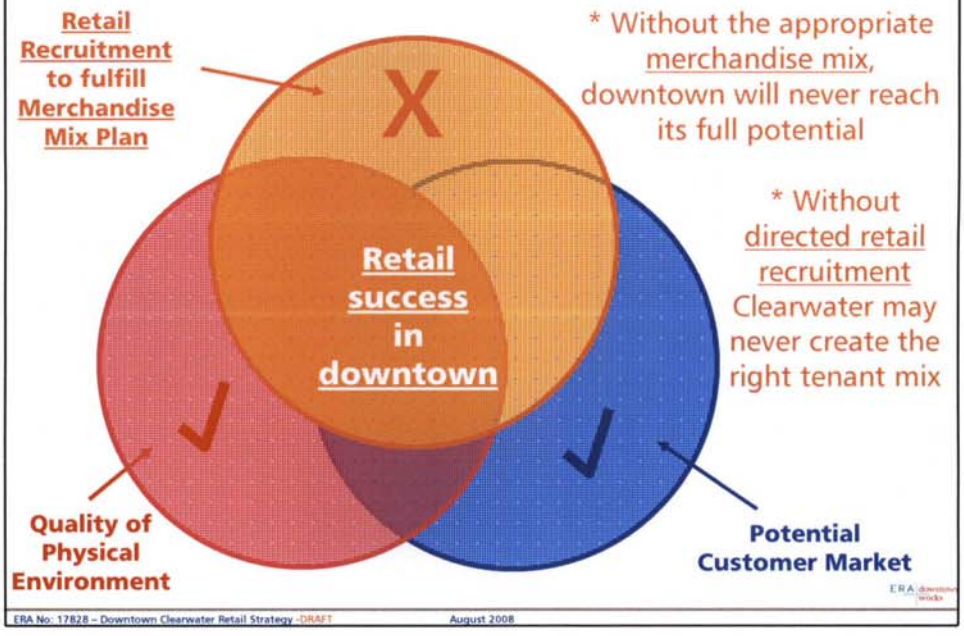
III. Existing Conditions

IV. Merchandise Mix Plan

V. Implementation

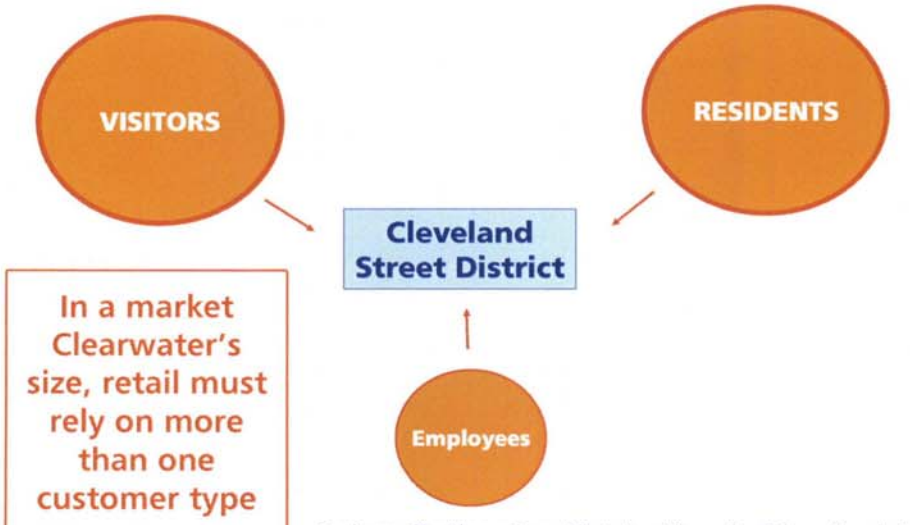


Three major elements must be in place for retail to succeed in the Cleveland Street District; our work addresses the remaining element.



ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Three types of people are potential downtown customers



Employees will not be a major contributor to retail spending, "icing on the cake."

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Downtown Employees and Retail

Employees will not be a major source of retail spending on Cleveland Street

Employment Figures

- **City of Clearwater (geography)**
  - **Approximately 52,000 (2006 US Census)**
- **Pinellas County (geography)**
  - **Approximately 647,000 (Woods & Poole)**
- **Downtown Clearwater**
  - **Approximately 6,000 (2006 Market Study)**
  - **2,800 County employees (County estimate)**
  - **1,000 City employees (City estimate)**
- **Cleveland Street District Class A Office Space – 3 buildings**
  - **368,181square feet total**
  - **138,405 square feet available**
- **Space to employee ratios**
  - **In Clearwater, 200 to 250 square feet per employee**
  - 920 to 1,150, **Estimated employees in Class A space**

Downtown Spending Trends

- Increase - Employees stopping for after work dinner/ drinks close to office
  - 12% in 1987 and 25% in 2003
- Decrease - Office workers travel time to lunch (avg 6 min)
  - Less than 5 min: 25% in 1987 and 40% in 2003
- Source: ICSC Spending Patterns of Office Workers; 2003.

City of Clearwater

City of Clearwater Employment, 2006

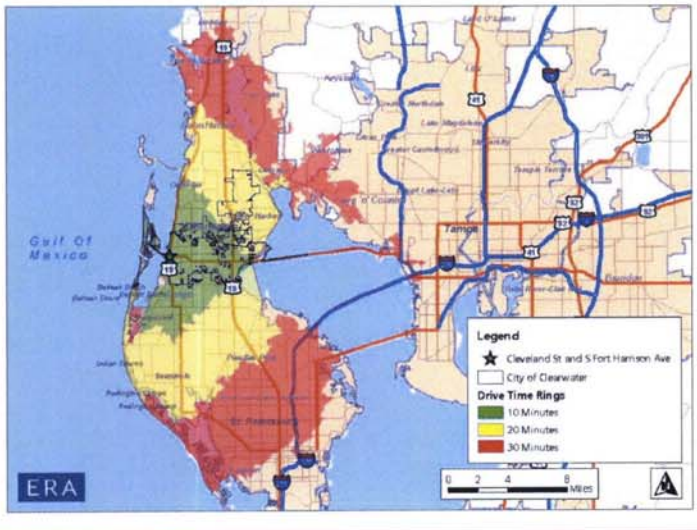
Category	Employees
Management, professional, and related occupations	19,718
Service occupations	9,702
Sales and office occupations	12,867
Farming, fishing, and forestry occupations	301
Construction, extraction, maintenance and repair occupations	6,237
Production, transportation, and material moving occupations	3,254
Total:	**52,079**

Source: US Census, American Fact Finder, June 2008

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Residential Drive-Time Markets

Creating a Merchandise Mix that draws customers from the surrounding drive-able markets will be very important.



ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Residential Markets and Retail Relevant Data

Downtown Residential Markets

- Retail must draw on surrounding trade areas
- Downtown Core too small to, *alone*, support retail
  - Approximately 1,000 units coming on-line in Cleveland Street District
  - 10 minute drive time, however, has 75,700 households
- Determined residential market areas relevant to retail
- Utilized drive-times for markets outside of core
  - Takes into account real accessibility
  - 10, 20, and 30 minute drive-times
- Trade areas are not cumulative
  - Secondary: Between 10 minutes and 20 minutes
  - Tertiary: Between 20 minutes and 30 minutes

Total Trade Area (30 min. drive)

- Population
  - 820,114 (2007)
  - 836,3403 (2012)
- Average HH Income
  - $65,233(2007)
  - $79,056 (2012)

Primary Trade Area (10 min. drive)

- Population
  - 167,226 (2007)
  - 169,790 (2012)
- Average HH Income
  - $57,654 (2007)
  - $68,490 (2012)
- Median age 46

Secondary Trade Area (20 min. drive)

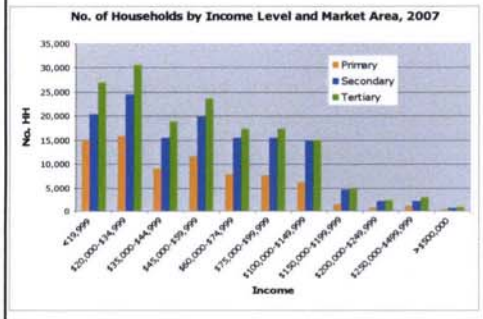
- Population
  - 300,503 (2007)
  - 303,337 (2012)
- Average HH Income
  - $68,363 (2007)
  - $82,179 (2012)
- Median age 48

Tertiary Trade Area (30 min. drive)

- Population
  - 352,385 (2007)
  - 363,213 (2012)
- Average HH Income
  - $66,174 (2007)
  - $81,400 (2012)
- Median age 45

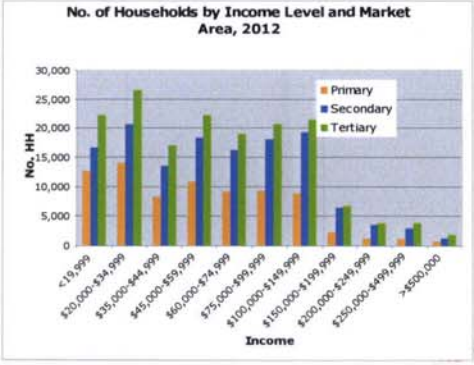
ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Residential Market Income



- Number of households tapers off as income bracket increases
- Significant drop in number of households at $150,000
- Retirement community affects income levels (still have money to spend)

- More even distribution of households across incomes estimated in 2012



ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Residential Psychographic Research (Life Mode and Segmentation)

- Information explains customer diversity, describes lifestyles and life stages, and incorporates wide range of data
- Information helps further assess market characteristics
- Helps inform Merchandise Mix Plan
- Research utilizes ESRI Tapestry Systems with Life Mode Groups,
- Each Life Mode Group has several more specific Segmentation Categories (65 in the whole system)
- Summarizes key demographics with lifestyle categories
- See Appendix for detailed explanation of research methods and segmentation groups

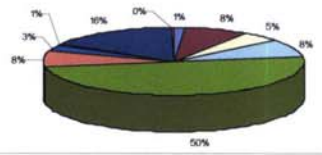
Key Factors

- Almost all major categories enjoy dining out
- All trade areas have old and young populations that are potential downtown customers
- All trade areas have the same top three Life Mode groups:
  - Senior Styles
  - Traditional Living
  - Upscale Avenues

Primary Trade Area Psychographic Data

- **"Senior Styles:"** Largest Life Mode Group
  - Younger, more affluent members move to warmer climates
  - Very diverse Life Mode group (range of incomes, ages, preferences)
  - Politically active
  - Golf is favorite sport
  - Read newspapers daily
- *Within* "Senior Styles," two major segmentation categories:
  - **"Retirement Communities" (9,080 HH, 12 % of whole)**
    - **Educated older market (median 51.4)**
    - **Health is priority, diet and exercise**
    - **Enjoy gardening, canoeing, gambling spoiling grandchildren with toys, home remodeling**
  - **"Senior Sun Seekers" (8,039 HH, 11% of whole area)**
    - **Retired or anticipating retirement (median 51.9)**
    - **High proportion of seasonal housing**
    - **Enjoy dining out, reading, fishing, games (bingo, casinos, etc.)**

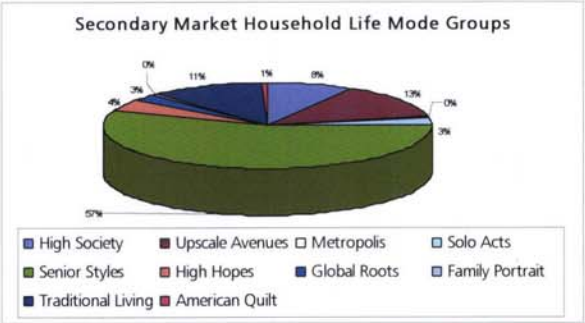
Primary Market Household Life Mode Groups



- **"Upscale Avenues, High Hopes, Solo Acts" are all great groups for urban oriented retail (24% of trade area)**
- **"Upscale Avenues"**
  - **Prosperity is major attribute (above average earnings)**
  - **Well educated, internet savvy**
  - **Live suburban, but embrace urban lifestyle**
  - **Enjoy outdoor activities and sports**
  - **Spend money on dining out and home improvement**
- **"High Hopes"**
  - **Young, couples or single parents spending money on children**
  - **Enjoy dining out, dancing, fishing, exercise, gaming**
- **"Solo Acts"**
  - **Unencumbered lifestyle**
  - **Well educated, working professionals, largely single**
  - **Considerable discretionary income**
  - **Enjoy dining out, travel, urban environment**

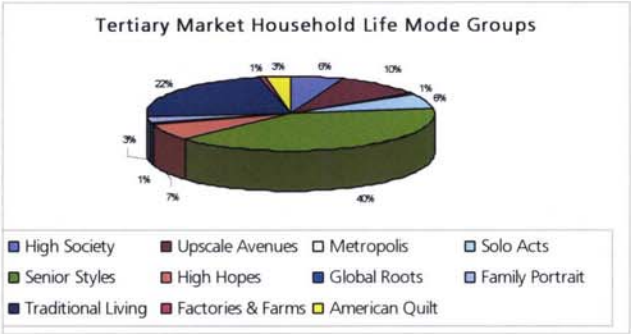
Secondary Trade Area Psychographic Data

- **Similar Life Mode group distribution as the Primary Trade Area**
- **"Senior Styles" constitute over half of the market**
- **"Upscale Avenues" are major contingent with 13%**
- **"Traditional Living" is 3rd largest group with 11%**
  - Midlife Junction represents 88% of this group
  - Hardworking and settled families
  - Spend money carefully, do not succumb to fads
  - Enjoy dining out at full-service restaurants, especially on weekends
- **"High Society" is 4th largest group with 8%**
  - Relevant to retail, high disposable income
  - Contain 7 most affluent Segmentation categories, 3 represented in Clearwater
  - "Exurbanites" (9,502 HH, 6.8% of total area)
    - Empty Nesters comprise 40%, nationally
    - Spend on home improvement and landscaping supplies and tools
    - Enjoy outdoor activities
  - "Sophisticated Squires" (1,189 HH, 0.7% of total area)
  - "Suburban Splendor" (712 HH 0.5% of total area)



Tertiary Trade Area Psychographic Data

- **"Senior Styles" represents 41% as opposed to over half in other trade areas**
- **The top three Life Mode Groups represent 73% of the total market**
- **With a 30 minute drive time, the tertiary market residents are the least likely to drive to Cleveland Street District**
- **Includes St. Petersburg, where residents may travel to Cleveland Street District for**
  - **A collection of restaurants**
  - **A single destination restaurant**
  - **More likely to travel to eat than to shop**



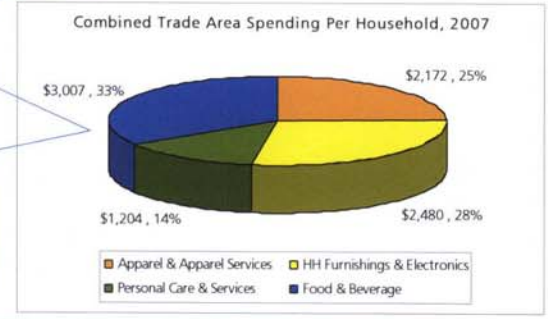
Residents are an ever-present customer market with consistent household spending

- ERA estimated annual household spending
  - ESRI Business Analyst and Bureau of Labor and Statistics spending patterns
  - Includes several categories
    - Apparel and Apparel Service
    - Household Furnishings and Electronics
    - Personal Care and Services
    - Food and Beverage Away From Home
  - Includes all expenditures made by household in any location throughout the year
- Indicates the ***potential*** level of spending by households, not actual spending in downtown Clearwater

Annual Household Spending, 2007

- For categories noted – relevant to downtown retail
- Primary Trade Area
  - $8,000
- Secondary Trade Area
  - $8,900
- Tertiary Trade Area
  - $9,200

Cleveland Street District should capitalize on significant expenditures – *Need to recruit restaurants*



All Trade Areas have the same spending distribution across categories

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Household Spending in Retail Categories, by Trade Area

Retail Categories By Market	Annual Market Area Retail Expenditures	Breakdown of Retail Expenditures
Primary		
Apparel & Apparel Services	$ 146,921,004	24.1%
HH Furnishings & Electronics	$ 165,391,614	27.1%
Personal Care & Services	$ 80,955,405	13.3%
Food & Beverage	$ 215,982,981	35.5%
Subtotal	**$ 609,251,004**	**100%**
Secondary		
Apparel & Apparel Services	$ 304,390,794	25.2%
HH Furnishings & Electronics	$ 349,266,513	28.9%
Personal Care & Services	$ 174,050,850	14.4%
Food & Beverage	$ 379,286,433	31.4%
Subtotal	**$ 1,206,994,592**	**100.0%**
Tertiary		
Apparel & Apparel Services	$ 354,910,783	24.1%
HH Furnishings & Electronics	$ 405,755,710	27.5%
Personal Care & Services	$ 191,804,252	13.0%
Food & Beverage	$ 520,563,114	35.3%
Subtotal	**$ 1,473,033,858**	**100.0%**
Total		
Apparel & Apparel Services	$ 806,222,581	24.5%
HH Furnishings & Electronics	$ 920,413,837	28.0%
Personal Care & Services	$ 446,810,507	13.6%
Food & Beverage	$ 1,115,832,528	33.9%
Subtotal	**$ 3,289,279,454**	**100.0%**

$3.3 billion spent by trade area households

- Household spending by category for each trade area
- Farther-out spending is higher:
  - Individual household spending increases
  - Number households increase
- Residents within 10 minute drive time spend $215 million+ on food-away from home (Restaurants)

GOAL: Attract residential trade area expenditures to Clearwater.

STRATEGY: Provide a unique Merchandise Mix with one-of-a-kind retailers and restaurants.

HOW: A dedicated Retail Recruiter whose primary responsibility is generating retail prospects

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Visitor Market: With the right retail mix, Cleveland Street District can capitalize on a strong visitor market

Clearwater

- 792,212 overnight visitors in 2007 (Clearwater Regional Chamber of Commerce)
- Since 2003, the visitation has decreased, on average, 2% annually
- Spike in 2004 with 924,516 visitors
- 33% of visitation is international

St. Petersburg/Clearwater

- 5.25 million visitors annually
- Top 5 US Feeder Markets
  - Chicago 10.2% of total visitation
  - New York 9.0%
  - Tampa 5.5%
  - Boston 5.1%
  - Philadelphia 4.4%
- 92% are vacationers, 13% are visiting friends and relatives
- 60% are families and 37% are couples (avg. party size 2.8
- Length of stay in St. Pete/Clw Area: 6.5 days

Clearwater/Clearwater Beaches

- 792,212 visitors (2007)
  - Winter: 32% (252,175)
  - Summer: 42% (333,335)
  - Fall: 26% (206,702)
- Visitors have disposable income (Median HH Inc.)

	Median HH $	% Exec./Prof
Winter:	$114,146	55%
Summer:	$112,857	62%
Fall:	$103,247	57%

- Majority of visitors are vacationing (approximately 90%)
  - Rather than visiting friends & family
  - More likely to eat out
- Average Length of Stay and Party Size

	Stay	Party Size
Winter:	7.3	2.8
Summer:	5.4	3.0
Fall:	6.1	2.5

ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Seasonal Residents

- Approximately 20,000 "winter residents" each year in Clearwater (City of Clearwater)
  - January – April
  - 4% of St.Petersburg/Clearwater total winter residents
- US Census tracks units utilized for seasonal, recreational, or occasional use in Clearwater
  - 4,309 units , 7.6% of total (US Census 2000)
  - 4,881 units estimated for seasonal use in 2006 (based on percentage of 64,226 total units in 2006)
- St. Petersburg/Clearwater seasonal population in 2006 (Nov – April)
  - 1,185,000 residents
  - 658,333 households

Spending patterns will resemble resident spending more closely than visitor spending.

For example, may not eat out every night as vacationers do.

ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Clearwater/Clearwater Beaches Visitor Expenditures

- 2007 Clearwater/Clearwater Beaches Visitor Profile (Chamber of Com.)
  - Winter per Person per Trip
    - Food/Entertainment: $767
    - Retail: $264
  - Spring/Summer per Person per Trip
    - Food/Entertainment: $687
    - Retail: $272
  - Fall per Person per Trip
    - Food/Entertainment: $688
    - Retail: $301

Visitors tend to spend more on food and beverages than retail

They are a captive audience

Cleveland Street can offer something different than beach shops

Clearwater Beaches underserved with "*real*" retail

Total Retail Expenditures 2007 Clearwater/Clearwater Beaches

Retail: $207 million
Food/Entertainment: $570 million

GOAL: Attract visitor $$ to Cleveland Street

STRATEGY: Offer visitors a selection of restaurants they will not find at home or elsewhere in the region

HOW: Recruit full service, non-chain restaurants (i.e. independent restaurateurs with several concepts)

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Market Penetration: Capturing Expenditures from Residents and Visitors

- In Clearwater's retail trade areas, there is money to be spent
- Downtown Clearwater will not "capture" all of the residential/visitor spending
- Market penetration rates or capture rates identify a realistic portion of expenditures that could be attracted to a given area
  - For example, rate of 10% assumes $10 of every $100 is spent in a defined area/location.
- Common consumer behaviors influence the propensity to buy certain items. For example, people:
  - Buy groceries and convenience items close to home
  - Travel farther and more often to go to restaurants as opposed to retail
  - Visitors always spend money on dining out
- **Market Penetration Rates dependent on several inter-related factors**
  - Merchandise Mix on Cleveland Street District
  - Competitive Context
  - Proximity of Cleveland Street District to Trade Area – Residents in 10 minute drive time more likely to shop

Hence the importance of a Retail Recruiter to prospect for tenants that fulfill the Merchandise Mix Plan

ERA estimates, that ***IF*** newly recruited tenants:

1)fulfill the Merchandise Mix Plan
2)are located and configured appropriately

then Cleveland Street ***could potentially*** capture approximately ***$50 million in retail/restaurant sales***
ERA estimates that approximately 30% would be restaurant sales

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

ERA|DW estimates that the Cleveland Street District can support additional retail in existing vacant spaces

- In this phase of the analysis (market is defined) **#1 factor** is to capitalize on potential retail demand through the ....

Quality of the Merchandise Mix

- In a city Clearwater's size, the **#1 tool** to improve the tenant mix is a:

Retail Recruiter

- Other factors are important too
  - Increase tourism
  - Increase downtown residents

Without a retail recruiter, Clearwater can not realize its full retail potential

No Merchandise Mix Plan or Implementation (focused Retail Recruitment)

The potential if a Merchandise Mix Plan is adhered to by all and a dedicated Retail Recruiter is generating prospects

Retail Category	Low Supportable Sq. Ft	High Supportable Sq. Ft.
Retail	18,719	57,463
Food & Beverage	34,643	117,242
Total Supportable	**53,362**	**174,705**

Note: These figures include existing retail

Source: ESRI Business Analyst; Clearwater Regional Chamber of Commerce (Visitor Data), ERA; 2008

ERA No: 17828 - Downtown Clearwater Retail Strategy -DRAFT August 2008

Multiple factors will ultimately affect the supportable square footage and success of the retail over the short-term and long-term.

Factors Affecting Supportable Demand (including existing space)

53,000 SF ← 114,000 SF → 175,000 SF

Ill-formed — Merchandise Mix — *Well-formed*

The success and appeal of a retail cluster is directly linked to its merchandise mix and its function as a destination.

Competitive — Surrounding Context — *Complementary*

The nature/size of existing retail offerings, as well as new catalytic or competitive development projects in the region or in Cleveland Street District can defer/attract customer dollars

Factors Affecting Store Productivity

Low Sales / SF ← → High Sales / SF

Bad — Location, Design, & Configuration — *Good*

A store's size, location, interior, and storefront design are part of total appeal for customers. A store will do better located in an area with a good Merchandise Mix

Inaccurate — In-Store Merchandising — *Accurate*

Price points and merchandise should accurately reflect the demographics and lifestyle characteristics of the potential consumers.

Type of Store

Merchandise quality, quantity, mark-up, as well as store size, influence retailers' Sales / SF. Will impact Merchandise Mix.

Furniture (sales spread over large store)
Electronic & books (low profit margins)

Jewelry (expensive merchandise in small space)
Coffee (high profit margin in small space)

Memphis Downtown Market Study Page 21

Supportable square feet in relation to existing retail space estimates

- ERA|DW estimated existing square footage on Cleveland Street during the Qualitative Assessment
- Excessive vacant space that should be an Implementation priority
- If Merchandise Mix Plan is implemented, still room for retail to grow in the future
- Successful retail destination will generate more demand
- The market ($$) is there if you give potential customers a reason to choose Clearwater

Substantial demand if work to create co-tenancy and complementary Merchandise Mix that will attract people

Office Space that could be retail on Cleveland St.

Supportable SF and Existing SF on Cleveland Street

Category	Low	High
Supportable Square Feet	91,626	180,376
Less Existing Retail	(30,350)	(30,350)
Less Existing Office	(10,500)	(10,500)
Less Existing Retail Service	(3,000)	(3,000)
Subtotal	47,776	136,526
Less Existing Vacant	(49,000)	(49,000)
Net	-1,224	87,526

1/ Retail SF is estimate based on Qualitative Assessment

Source: ESRI Business Analyst; Clearwater Chamber of Commerce; 2008

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Table of Contents

I. Project Overview and Timeline

II. Downtown Overview and Market Assessment

III. Existing Conditions

IV. Merchandise Mix

V. Implementation

Stakeholder Interviews

- Cleveland Street was once a lovely place a to shop
- People like St. Armand's Circle
- Cleveland Street Rents
  - Quoted per square foot
  - Approximate: asking $12 triple net
  - Range from mid to high teens, some low $20
- Need a little bit of everything
- Landlords and real estate professionals interested in process
- Parking is problem
  - Always a perceived problem in *EVERY* city

Qualitative Assessment Findings

The Qualitative Assessment is a tool for the Retail Recruiter to document storefronts and retail types, as well as identify strengths and weaknesses along Cleveland Street

- 42% of spaces along Cleveland Street are vacant (recruitment, recruitment, recruitment)
- 22% of the spaces are non-retail, such as religious uses or offices
- 8% of the spaces are retail services
- 28% of the spaces are occupied with retail, entertainment, or food uses
  - 9% of total are occupied retail
  - 17% of total are food uses
  - 2% are entertainment (1 bar)
- Of the food uses, 45% (8% of total) are Quick Service
- Only 2 restaurants are full service with both lunch and dinner

Qualitative Assessment addresses the physical condition of buildings

- Considers five aspects
  - Storefront
  - Façade
  - Display
  - Interior Merchandising
  - Maintenance
- Each aspect is evaluated on a scale of 1 (poorest conditions) to 5 (best conditions) – relative to Clearwater conditions
- Highest potential score is 20 and lowest is 5
- 44% of occupied uses scored a 10 or below
- Only 11% scored a 16 or above
- Common offense
  - Lack of quality window displays (faded images, tape residue, etc.) or no displays at all
  - Poor maintenance (dirty entry ways, interiors, or windows)
  - Façade elements out of scale with each other (i.e. sign band in proportion to storefront)
  - Sparse merchandise
  - Generic storefront systems
  - Outdated shelving or furnishings

Strengths and Challenges for Retail in the Cleveland Street District

Strengths

- Growing downtown population
- Two markets are well-represented
  - Residents
  - Visitors
- Great pedestrian environment
- Vacancies can be seen as opportunity
- Approximately 1,000 new residences coming online
- Cleveland Street momentum
- $6.5 million 138 slip marina
- 18 acres of waterfront
  - Attraction, but not location for retail

Challenges

- Lack of storefront maintenance
- No comparable sales for recruitment
- Less thru-traffic after bridge opened
- Limited critical mass of space
- Some incongruous facades
- Non-retail buildings, currently hinder potential retail synergy in primary retail blocks

Lack of Storefront Maintenance

What's Old is New Again: Downtown's Inherent Asset

- After an era of interior-circulated malls and strip centers, downtowns are popular once again
- Resurgence in downtowns...retail and other uses
- Suburban centers now attempt to replicate downtowns
  - Water fountains, public art, sidewalks, faux-facades
  - Incorporate residential
  - Plan events
  - Same tenants as enclosed mall, but centers are turned inside out
- Names attempt to create downtown image
  - ...Town Center
  - ...Village
  - Streets at South Point
  - City Place
  - Albuquerque Uptown
  - The District

Cleveland Street is the real thing with a great pedestrian scale - Don't lease to strip center or mall tenants

General principals of good urban retail streets

- Retail area clearly defined
- Retail has priority at ground level on primary retail streets
- Retail synergy at ground level is not interrupted with non-retail uses or passive spaces
  - Office buildings
  - Closed blinds
  - Banks

- Retailers are contiguous (side-by-side) and across the street from each other
- Transportation systems do not hinder retail success
- Active Business Improvement Districts, development boards, or economic development departments
- City support
- Enlightened landlords and brokers
- Great Merchandise Mix

Table of Contents

I. Project Over view and Timeline

II. Downtown Overview and Market Assessment

III. Existing Conditions

IV. Merchandise Mix Plan

V. Implementation

Ultimately the Cleveland Street District will impact the identity and success of Clearwater (including ability to capitalize on potential retail demand)

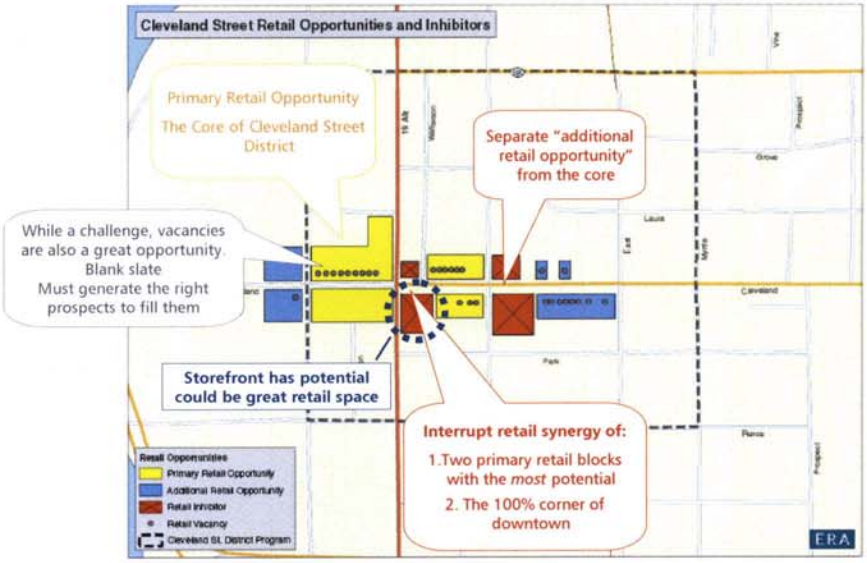
The Merchandise Mix is critical to fulfilling potential retail demand

- **Merchandise Mix**
  - The collection of retail stores and merchandise in a defined area
  - Ultimately shapes the identity of downtown for better or worse
  - Should be a pleasant shopping environment
  - Should have retailers not found elsewhere in the shopping malls or strip centers
- **Merchandise Mix Plan**
  - Realistically reflects retail potential
  - Merchandise Mix Plans identify specific categories of and locations for market-appropriate retailers
  - Provides a blueprint for the future
  - Guides Retail Recruiter's prospecting
  - In public downtown context, can not designate specific spaces for specific retailers

Maintaining an ideal Merchandise Mix is an ongoing effort that requires continual management and patience.

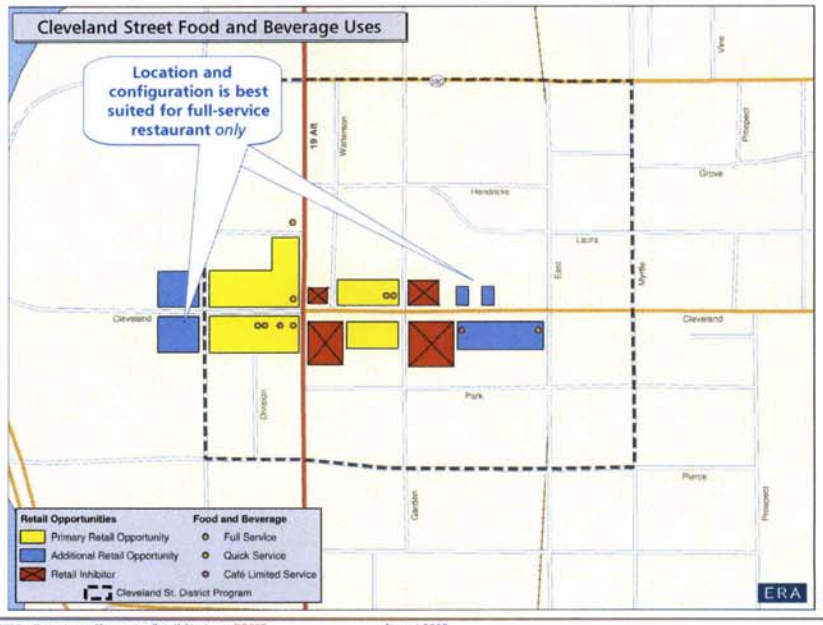
Defining the retail core and primary blocks

If the Core is healthy and thriving, it will spin off to rest of Cleveland Street District



ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Full-service unique restaurants a *major* recruitment target



ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Restaurants, Restaurants, Restaurants: Create a dining district

- Clearwater is in dire need of quality full service restaurants
- Restaurants are a great energizers for downtown revitalization
- Restaurants (if the right restaurant):
  - Cater across all customer types
  - Are destinations
  - Attract people travel farther for restaurants than retail
  - Help markets establish familiarity with Cleveland Street
  - If clustered, function as an anchor
- Must be FULL SERVICE
  - Table service
  - Lunch and dinner
  - Wait staff
- No "common" nationally branded chains
  - Why make the trip to Cleveland Street if it exists elsewhere (tourists home or closer to resident home)

Fulfills Café Society objective for Cleveland Street District

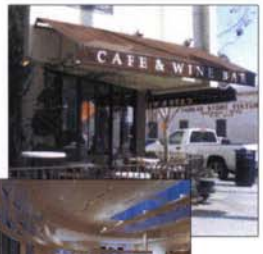
ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Full service restaurants of all kinds

- California Cuisine
- Greek/Mediterranean
- Seafood
- Southwestern
- French Bistro
- Nouvelle American
- Comfort/Southern
- And more

Outdoor dining is a plus, but furnishing (including umbrellas without advertisements), landscaping, and gates must be tasteful



ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

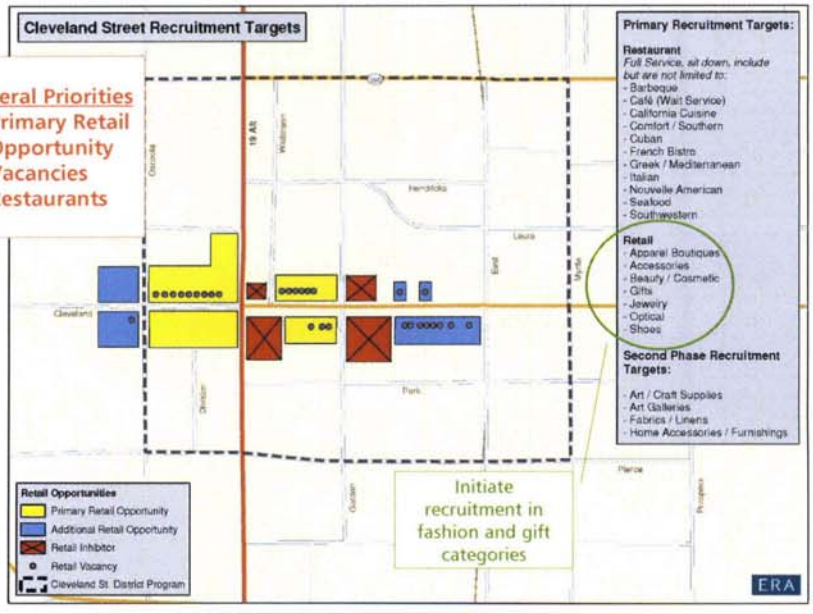
Primary Retail Recruitment Targets

- Cleveland Street must focus its other recruitment targets
  - Primary retail area is small – approximately two blocks
  - Can not be all things to all people in two blocks
  - Should find a niche and cohesive tenant mix
- **In addition to restaurants, ERA|DW recommends focusing first on fashion and gifts**
- Fashion and gifts can appeal to a broad array of customers
  - Those buying for themselves or others
  - Residents and tourists,
  - Impulse and destination oriented
- Other categories can be expanded upon (the next phase) once the core is healthy
  - Home furnishings (furniture and large home items)
  - Home accessories (small home items)
  - Art galleries
  - Do not say no if a great one wants to be on Cleveland Street

More detail on following page

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Retail Recruitment Priorities



ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

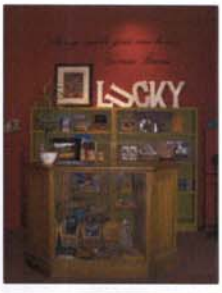
Fashion and gifts are broad categories that can appeal to many types of customers

- Apparel boutiques
  - Men's and women's
  - Casual
  - Resort/swimwear
  - Athletic Apparel
    - Unisex
    - Specialized (Yoga/pilates)
  - Children's *(potentially*
- Gifts (limited souvenirs)
- Stationery/card/paper
- Books
- Cosmetics/beauty products
  - Make-up
  - Skin/body care
  - Hair

ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Fashion and gifts is a very broad category that can appeal to many types of customers



- Accessories
  - Men's and women's shoes
  - Handbags
  - Scarves
  - Belts
  - Optical
  - Jewelry
    - Guild
    - Fashion
    - Handcrafted by Artisans (beaded, goldsmiths)
    - Estate
    - Watches

ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

"Other Categories"

- Art Galleries
  - Visual arts
  - Photography
  - Ceramics
  - Specialists (oil or water color)
  - Poster/lithographic/print
  - Glass
  - Studios (on periphery or 2nd levels, not in retail cluster/core)
- Art/Craft supplies
- Fabrics/linens
- Home furnishing and accessories
  - Hand-crafted
  - Modern/contemporary/urban
  - Antiques
  - China/glass
  - Lamps
  - Garden shop (outdoor furnishings and plantings)

Arts Theater
Destination with café open during the day
Building already **exists** on Cleveland Street

Not all uses are right for the Primary Retail Street

- Retail services are important to downtowns, but Clearwater has limited space on primary retail street
  - Locate services in spaces that do not have large windows for merchandising displays
  - Hair Salons
  - Spa/skin treatment
  - Dry Cleaners
  - Tailor/Alterations
  - Catering
  - Shoe repair
  - Fitness studios (yoga/pilates)
- Do not recruit fast food chains or franchises
- Movie theaters
  - Current main stream models do not bring value to street
  - Activity only at night
  - Need large space
  - *EXPENSIVE* deals to make, not high rent payers
  - Attracts loitering youth (mall developers removed malls for this reason)
  - *Independent arts theater with daytime use (café) is better approach*

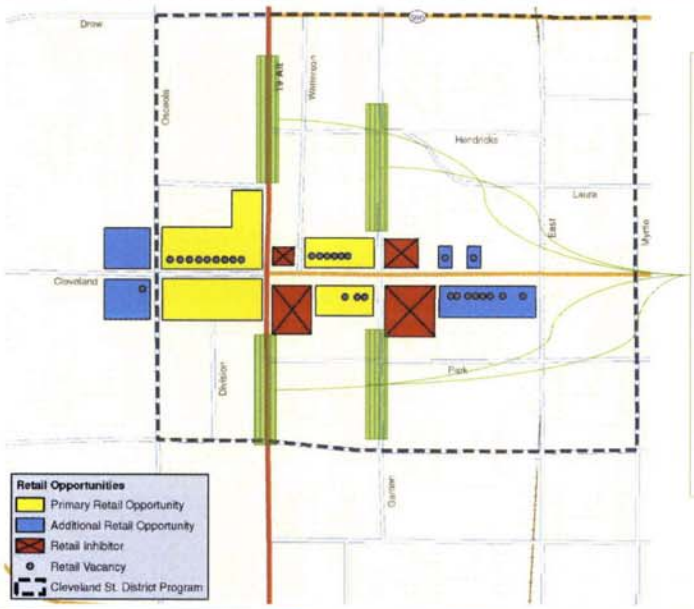
Gauging Appropriateness of Prospective Retailers

1) What kinds of other deals will this leverage?
Tanning salons leverage nail salons – Cleveland Street can do better

2) Who typically co-locates with this tenant?
Quick service food chains like to be near each other
Quick service food is not part of Merchandise Mix Plan

- "National" does not always mean a good fit for Cleveland Street District
  - Typically have aggressive growth plans
  - Why go to Cleveland Street?
- Some national chains may be appropriate
  - Hand-picked
  - Unique in the market

As the area grows, there will be more demand for retail services; these should be located on feeder streets to Cleveland Street



Retail Services:

- Dry Cleaners
- Tailors
- Hair/nail Salons
- Spa/Massage
- Financial services

Quick Service Food

- Donuts
- Smoothies
- Chain or franchise stores (i.e. Subway)

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Fulfilling the Merchandise Mix Plan: Aspects Beyond Retail Category

What makes a great retailer?

- Unique, distinctive storefronts
  - Differentiated from adjacent storefronts and other uses above
- Avoid generic storefront designs, which are often by product of storefront systems
  - New construction and mixed-use buildings are at high risk
- Great signage
  - Succinct, colorful, attractive graphics, styled to fit character of storefront
  - Should not state too much information (i.e. hours, website, number, name, merchandise, etc..)
  - Succinct and not repetitive (name should be in 1 or 2 places at most)
- Engaging window displays
  - Should change every 2 or 3 weeks (great retailers change more frequently)
  - Reflect merchandise sold – nothing else (for example fake plants)
- Proper interior merchandising
  - Coordinated and organized (color, style, type)
  - Inventory levels, neither cluttered nor sparse
  - Merchandise selection, cohesive, but varied

- Employ above retail principals in new infill construction and rehabilitation of old buildings
  - Parking garages, office towers, residential buildings
  - Not all must have retail, but those on primary and secondary retail streets should (do not want to over build retail space where retail is not a priority)
- Constant with the times and trends
  - Retailers must constantly tweak their merchandise or menus
  - Retail is a dynamic - fast-paced industry
  - Up-to-date look (i.e. furnishings, merchandise, shelving, racks, displays)

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Principals of Good Retail – Unique and Distinctive Storefront Design

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Principals of Good Retail – Avoid generic "storefront systems" as shown below

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Principals of Good Retail – Creative, Classic, and Concise Signage

ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Principals of Good Retail - Engaging Displays

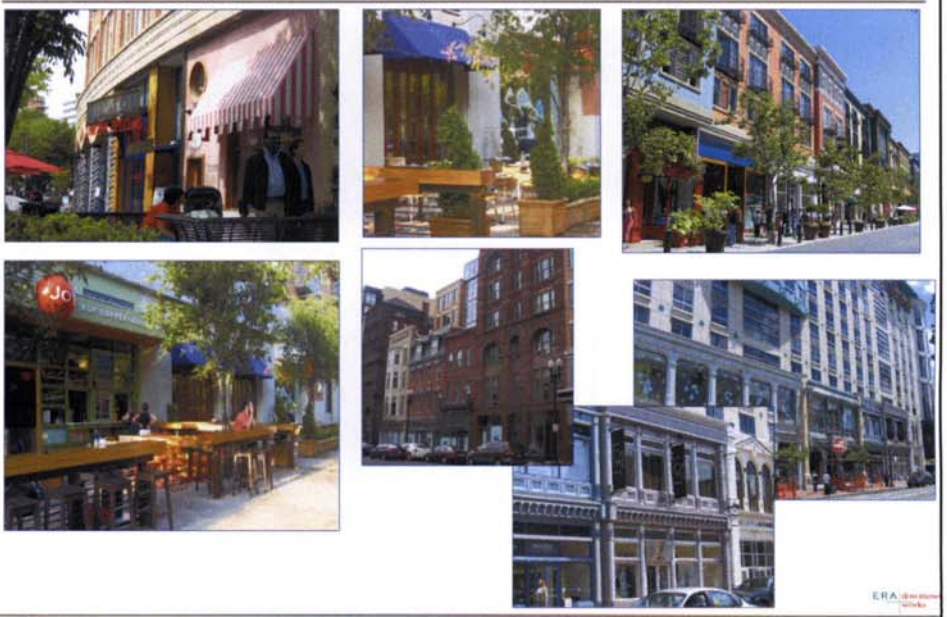
ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Principals of Good Retail – Creative and Colorful Merchandising

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Principals of Good Retail – Distinct storefronts can be designed in new and old buildings



ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Storefront and Signage Design Guidelines

- Great resource for downtown development
- Review and approve designs for new development in downtown
- *Recommendation:* New buildings should be designed so the viability of retail is maximized
  - Entryways not on primary retail street, but on secondary
  - No curb cuts, loading docks, etc. on primary retail street

Infill development is at high risk for:
1) generic storefront systems
2) designs that are unfriendly for retail
These spaces are hard to lease and do not facilitate a retail synergy

Good buildings begin from the ground up

- *Recommendation:* Assure that, where retail is concerned, ground level and storefront designs are appropriate
  - *Storefronts distinguished from each other with design – no storefront systems*
  - *Monolithic design of tower not carried to pedestrian scale*
  - *Storefront flush to the street*
  - *Windows for display maximized*
  - *Developers should utilized professional retail architects to work with building designers*
    - *Cities can mandate this or create specific design parameters for developers that guide how retail storefronts address the street*

ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Merchandise Mix

- Stores that <u>do not</u> embody these practices of good retail design and merchandise:
  - Can negatively impact retail leasing/recruitment efforts
  - Will NOT add value to the Cleveland Street District
  - Will NOT help towards realizing the potential retail demand

Must ensure prospective retailers meet standards that are appropriate for and reflective of market potential

ERA downtown works

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

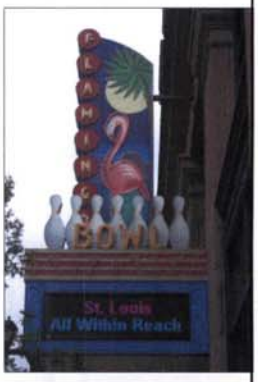
Beyond the retail..

Old and new can collaborate to create identity, but need the right operators and landlords willing to invest in a concept

- Involve other potential assets in revitalization
  - For example, reinvent and embellish old motels
- Need the right entrepreneurs, operators, and landlords

Hotel San Jose: Austin, TX

1936 dilapidated , hourly motel renovated by local entrepreneur with a vision. Now Hotel San Jose has the highest occupancy in Austin and is one of the top boutique hotels in the US



Flamingo Bowl: St. Louis, MO

A local developer created a new business to fulfill a need in downtown. Flamingo Bowl (bowling alley) opened in an old building in downtown's core. The developer invested in the design and quality of the renovation/branding to ensure a great product.

Table of Contents

I. Project Over view and Timeline

II. Downtown Overview and Market Assessment

III. Existing Conditions

IV. Merchandise Mix Plan

V. Implementation

Implementation (Retail Recruitment) is not merely text in a report, but action on the ground.

Implementation is how you can fulfill potential supportable square feet

Retail Recruitment is the most important part of Implementation

- To be most effective, target recruitment based on Merchandise Mix Plan
- Requires time-intensive and on-the-ground recruitment
- The brokerage community is an important part of the downtown real estate community
- Recruitment necessary to develop prospects is too time intensive for incentive-based brokers (commission is based on rent and lease term)
- Must find stellar independent/local retailers
- Not necessary local to Tampa MSA
  - Local or independent retailers from other cities will be unique
  - For example, independent women's shoe boutique started Greer, SC – expanding to Knoxville, TN; Asheville, NC; Greenville, SC
- While most national chains are not pioneers, *EVENTUALLY* identify and pursue national brands that are:
  - Amenable or prefer urban and street-front retail
  - A great fit for the street

***For Example...*Austin, TX**

Recruiter called on 600 prospects in 2 years

125 Qualified Leads

20 Serious Prospects

7 new deals, including Patagonia, Jos. Banks, and strong regional retailers

Plans and strategies are important tools, but their effectiveness is minimal without a strong and sustained Implementation Program.

Retail Recruiter

- Central component of the Implementation Program
- Non-commissioned based salary
- Well-trained to qualify prospective retailers against a Merchandise Mix Plan
  - Based on important standards outlined above
  - Understands balance of uses
- Does not make deals
- Brings viable prospects to landlords or their real estate representative – Match Maker
- Ensure that great prospects are not lost
- Works with existing retailers that fulfill the Merchandise Mix Plan - retention
- Work with City boards and departments to facilitate store opening

ERA|DW has jump-started and participated in the implementation of Merchandise Mix Plans with the Retail Recruiter.

Cleveland Street is underserved by most retail categories

Full-service restaurants should be welcomed in any location

Vacancies and short-term leases are priority opportunity sites for retail recruitment efforts

Overview of Retail Recruitment Progression

Phase I:
- Train the Recruiter (Retail 101)
- Introduce Recruiter to landlords, brokers, retailers
- Commence property/tenant information database
- Guide development of marketing piece (ERA|DW and Recruiter)

Completed

Phase II:
- Train the Recruiter (on-the-job)
- Participate in training with other Recruiters
- Prospect in Tampa MSA & evaluate targets (ERA|DW & Recruiter)
- Develop Salesforce database for recruitment targets

In Progress

Phase III:
- Follow-up with prospects (visits, information, tours, etc.)
- Gradually expand prospecting base as appropriate (i.e. St. Petersburg, Orlando, Miami, Sarasota, Savannah, Birmingham,)
- Tackle challenging landlords

In Progress

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

Recruitment Do's and Don't

Do's	Don'ts
Approach retailer as a shopper	Tell a bad story about downtown
Search far and wide (independent operators in other cities)	Highlight unsuccessful retailers
Spend time with prospective retailers and build relationship	Identify yourself immediately upon entering store
Market with appealing data	Carry lots of materials into store
Engage the retail about their store	Overload retailer with information
Sell the downtown retail vision	Make a "sales pitch"
Be positive	

Very Time-intensive

Recruiters spent between 3 – 5 full days solely on prospecting for tenants, developing key relationships, working with landlords, facilitating lease-sign to open, and following-up with leads.

ERA No: 17828 – Downtown Clearwater Retail Strategy -DRAFT August 2008

What do retailers look for?

- Co-tenancy is the collection of other retailers on the street
- Retail likes retail
- Retailers consider who their neighbors will be
  - Great restaurateur will not want to co-locate with Baskin Robbins
- Merchandise Mix Plan and designated Retail Recruitment position
  - Assures prospective tenants that the City is committed to bringing other retailer to Cleveland Street
  - Next best thing to existing great retailers
- Often, nationals will not sign deals unless co-tenancy requirements can be met
- Duplicating types of retailers is OK, and good for business
  - Independent home accessories/furniture store in St. Louis (UMA) would like a West Elm to attract more customers
  - Good retailers have a defined identity and style different from chains

Two major factors influence a retailers location decisions:

1) Co-tenancy: Retailers want to know that other retailers will complement their business

2) Existing sales of like-retailers: Retailers want to know that retailers with the same or higher design, merchandising, or operational standards are moving to the area

Existing Cleveland Street tenants do not:

- Reflect preferences of potential retail customers
- Leverage the next great deal or tenant
- Create unique retail environment

What do retailers look for?

- Existing Sales are described on an annual sales per square foot basis – Sales range based on
  - Product type (price and profit margin)
  - Size of retail space
- Retailers want to know about other store successes
- Strong rents indicate strong sales
- Stores must be comparable with the same or higher
  - Design
  - Merchandising
  - Operational standards
- High sales at 7-Eleven, for example, would not be relevant for a boutique retailer
- Landlords should require sales information from tenants (lease condition)

Two major factors influence a retailers location decisions:

1) Co-tenancy: Retailers want to know that other retailers will complement their business

2) Existing sales of like-retailers: Retailers want to know that retailers with the same or higher design, merchandising, or operational standards are moving to the area

Great sales at a Dunkin Donuts mean nothing to full service restaurateur.

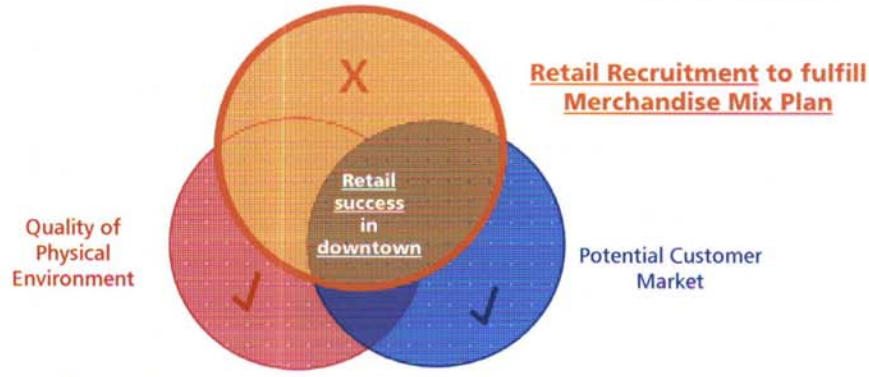
Deal-making varies from space to space

- No two deals are the same
- Rent is typically a function of sales
  - In downtowns often between 8 and 10 percent of annual sales
- Sales per square foot ranges for different types of retailers
  - Jewelry stores have higher sales p.s.f. because merchandise is expensive and stores are small
  - Books store generally have lower sales because low profit margins, low prices, and large spaces
  - An industry rule of thumb for as a standard good sales p.s.f. is $350 per square foot
    - Enables enough profit for tenant to maintain appropriate inventory levels & maintenance
    - Provide rent figure that enables landlord to maintain façade and property
- Mall tenants have more complex rent structures
  - CAM/NNN
  - Percentage rent
- Low rents indicate low sales in an area

Incentives should incentivize key deals that may not happen otherwise or entice excellent prospective tenants

- Tenant improvements or allowances are often necessary (from Landlord)
  - Subsidies to build-out retail space to retailer specifications
  - May influence rent - no tenant allowance or improvements may result in lower rent
  - Tenant allowances for national chains can range from $75 - $150 p.s.f. for non-restaurant retail
  - Tenant allowances for restaurants can range from $150 - $250 p.s.f. (minimum of 50% of build-out)
  - **THE MORE DESIRABLE THE USE/OPERATOR, THE HIGHER THE TENANT ALLOWANCE**
- City Incentive Program
  - ERA|DW and Clearwater CRA working with Clearwater Downtown Development Board to enhance existing incentive program
- Clearwater landlords must sign leases that include elements geared to promote Cleveland Street as a whole including:
  - Every tenant must report sales (good sales are a great recruitment tool)
  - Stores must remain open all year (good operators do this in seasonal markets)

Cleveland Street District Retail Strategy



- Takes patience and perseverance to revitalize retail
- As leases turn-over, opportunity to recapture space
- Initially, local/regional independent operators will locate downtown
- Nationals will follow when independents have good sales
  - Important to still monitor balance of mix
- Beware of national franchises signing long leases (i.e. 20 years)
  - Limited flexibility of space as Cleveland Street District improves

Retail recruitment is an ongoing effort that requires continual management & patience.

Many entities are responsible for the success of the Cleveland Street District

To make the *potential* a *reality*

All groups must commit to the Merchandise Mix Plan and a dedicated and focused Retail Recruiter.

Build consensus and *COMMITMENT* to the Retail Strategy among property owners and stakeholders

Recruit and sign tenants that are in accordance with the Merchandise Mix Plan

Cleveland Street District Retail Strategy

1) The study indicates there is a market for more retail in the Cleveland Street District … provided the mix of merchants is appealing to potential customers

2) Without a product in place, no retail dollars will be spent on Cleveland Street District … market penetration and merchandise mix are interrelated

3) Retail Recruitment is *FIRST STEP* towards revitalizing the Cleveland Street District and creating a *marketable* product

Appendix

Appendix: Employees

Regional Employment

Employment Projections for Pinellas County, 1995 - 2015

Category	1995	2000	2005	2008	Forecasts 2010	Forecasts 2015	CAGR % 1995-2000	CAGR % 2000-2005	CAGR % 2005-2015
Construction	24,203	32,229	34,226	34,094	34,816	34,920	5.90%	1.21%	0.20%
Mining	457	275	253	251	259	260			
Manufacturing	46,977	41,700	41,804	41,891	41,348	41,252	-2.35%	0.05%	-0.13%
Trans./Comm./Public Utilities	15,397	17,534	18,524	41,891	19,548	19,747	2.63%	1.10%	0.64%
Wholesale/Retail Trade	114,165	123,942	134,909	132,600	146,536	148,876	1.66%	1.71%	0.99%
Finance/Insurance/Real Estate 1/	39,569	65,975	68,872	69,047	69,689	69,837	10.77%	0.86%	0.14%
Services	182,259	241,464	271,434	276,013	293,543	297,735	5.79%	2.37%	0.93%
Government 2/	45,438	48,876	52,359	51,522	56,535	57,368	1.47%	1.39%	0.92%
Total:	**468,465**	**571,995**	**622,381**	**647,309**	**662,274**	**669,995**	**4.07%**	**1.70%**	**0.74%**

Note: Does not include Information employment category, includes local, state, and Federal government agencies

Source: Woods & Poole; Economics Research Associates, June 2008

Appendix: Resident Demographics

Demographic	10 Minute Drive Time	20 Minute Drive Time	30 Minute Drive Time
2007 Population	167,226	300,503	352,385
2012 Population	169,790	303,337	363,213
2007 Households	75,752	135,286	160,081
2012 Households	77,033	136,801	164,929
2007 Avg HH Income	$57,654	$68,363	$66,174
2012 Avg HH Income	$68,490	$82,179	$81,400
2007 Median HH Income	$42,891	$50,258	$47,253
2012 Median HH Income	$49,755	$59,118	$55,634

Source: ESRI Business Analyst; ERA; June 2008

APPENDIX – Community Tapestry™ Explanation

Community Tapestry, ESRI's market segmentation system, classifies U.S. neighborhoods into 65 segments based on their socioeconomic and demographic composition. Segmentation explains customer diversity, describes lifestyles and life stages, and incorporates a wide range of data such as demographic, business, and market potential data. built by ESRI's data development team. Sources include data from Census 2000, ESRI's proprietary demographic updates, the InfoBase consumer database from Acxiom Corporation, the national consumer survey from Mediamark Research Inc. Doublebase 2005, and other sources.

To increase the analytical value of Community Tapestry, segments are organized into 12 LifeMode Summary Groups with similar demographics and consumer patterns and 11 Urbanization Summary Groups with similar levels of density. Neighborhoods with the most similar characteristics are grouped together, and neighborhoods showing divergent characteristics are separated.

National retail chains and brokers often use such *psychographic* segmentation systems as a short-cut to identifying potential geographic areas in which to locate units. These systems are used less by independent and smaller retail groups.

Because of the common usage of this type of system in the retail industry, this retail analysis references the major segments found in the trade area as a point of reference only and is not intended to be ERA's characterization of the households in the market area.

As with any system that generalizes socio-economic and demographic groups, the relative utility of the tool diminishes in more diverse communities. In retail submarkets that contain a wide variance in the number and characteristics of socio-economic and demographic groups, the number of segments representing very different life stages and lifestyles makes it difficult for strong conclusions to be drawn.

APPENDIX – Community Tapestry™ Identified in the Primary Market

***Senior Styles** 50%:* Nearly 14.2 million households in the nine Senior Styles segments comprise one of the largest LifeMode summary groups. As the U.S. population ages, two of the fastest growing American markets are found among The Elders and the Silver and Gold segments. Senior Styles segments illustrate the diversity among today's senior markets. Although incomes within this group cover a wide range, the median is approximately $41,300, attributable mostly to retirement income or Social Security payments. Younger, more affluent seniors, freed of their child-rearing responsibilities, are traveling and relocating to warmer climates. Settled seniors are looking forward to retirement and remaining in their homes. Some of the older, less privileged segments live alone and collect Social Security and other benefits. Their choice of housing depends on their income. This group may reside in single-family homes, retirement homes, or high-rises. Their lifestyles can be as diverse as their circumstances, but senior markets do have common traits among their preferences. This is the most politically active market group, from voting to participating in election campaigns. Golf is clearly their sport of choice, from playing to just watching golf on television. They read the newspaper daily and prefer to watch news shows on television. Although their use of the Internet is nearly average, they are more likely to shop through television shopping channels than online.

Traditional Living 16%: Traditional Living includes four markets that convey the common perception of middle America: hardworking, settled families. The group's higher median age of 37.4 years also conveys their life stage—a number of older residents who are completing their child-rearing responsibilities and looking forward to retirement. The aging of the population has not slowed their participation in the labor force. They work hard to earn a modest living and typically own single-family homes in established neighborhoods that are experiencing slow population growth. Residents in Traditional Living's segments buy standard, American cars; belong to veterans' clubs and fraternal organizations; take care of their homes and gardens; and rely on traditional information sources, such as newspapers, for their news.

High Hopes 8%: High Hopes includes Aspiring Young Families and Great Expectations segments. The High Hopes group seeks the "American Dream" of homeownership and a rewarding job. Most live in single-family houses or multiunit buildings; approximately half own their homes. Many are willing to move to a new location to seek better opportunities. The residents in the summary group are young and college educated; one-third of the householders are younger than 35 years. Their median net worth is more than $81,400—nearly 76 percent of the U.S. median. Households in this group include a mix of married couples, single-parent families, or single persons.

APPENDIX – Community Tapestry™ Identified in the Primary Market

Upscale Avenues 8%: Prosperity is the overriding attribute shared by the seven segments in Upscale Avenues. Success has been earned from years of hard work. Similar to the High Society segments, many in this group are also well educated with above-average earnings. However, the choice of housing among the segments in Upscale Avenues reveals their distinct preferences. Urban markets such as Urban Chic and Pacific Heights favor townhouses and high-rises, Pleasant-Ville residents prefer single-family homes in suburban neighborhoods, and Green Acres residents opt for open spaces. Some have not settled on a home yet, such as the renters among Enterprising Professionals; others, such as Cozy and Comfortable residents, have been settled for years. The median household income for the group is more than $66,700, and their median net worth exceeds $175,500. Prosperous domesticity also characterizes the lifestyle in Upscale Avenues. They invest in their homes, from landscaping and home remodeling among the homeowners to new furnishings among the renters. Their leisure activities include sports such as golf and bicycling and, of course, domestic vacations. Although they are partial to new cars, they also save and invest their earnings.

Solo Acts 8%: The Solo Acts summary group features singles who prefer city life. Many are young, startup households located in America's more densely populated neighborhoods; some are well established singles who have eschewed homeownership and child-rearing responsibilities. Second only to the High Society segment, this group tends to be well-educated, working professionals who are either attending college or already hold a degree. Their incomes reflect their employment experience, ranging from a low median of $40,400 among the newest households to approximately $91,000 among established singles. Contrary to modern migration patterns that flow away from the largest cities, Solo Acts' residents are moving into major cities. With considerable discretionary income and few commitments, their lifestyle is urban, including the best of city life—dining out, attending plays, and visiting museums—and, for a break from constant connectivity, extensive travel domestically and abroad.

Metropolis 5%: The six segments of the *Metropolis* group live and work in America's cities. They live in older, single-family homes or row houses built in the 1940s or earlier. Those living in larger cities tend to own fewer vehicles and rely more on public transportation, but the majority of markets in Metropolis feature commuters to service-related jobs. Depending on the area of the country where they live, the median value of their homes can range from $52,800 to $373,700. The Metropolis group reflects the segments' diversity in housing, age, and income. For example, ages among segments range from 'Generation Xers' to retirees; households include married couples with children and single parents with children. Employment status also varies from well-educated professionals to unemployed. The median household income of the group is approximately $38,500. Their lifestyle is also uniquely urban—and media oriented. They like dancing and music, especially urban and jazz formats; watch a variety of television programs from news to syndicated sitcoms; and prefer movies to books.

APPENDIX – Community Tapestry™ – Primary Market Continued

Global Roots 3%: The common thread among the markets in *Global Roots* is ethnic diversity. *Las Casas* and *NeWest Residents* segments represent a strong Hispanic influence in addition to a broad mix of cultural and racial diversity found in *Urban Melting Pot* and *International Marketplace* groups. Typical of new households, Global Roots' households are young with modest incomes and tend to rent in multiunit dwellings. The youth of this group reflects recent immigration trends; half of all households have immigrated to the United States within the past 10 years. The households range from married couples, typically with children, to single parents to individuals who live alone. Because households with children dominate this marketplace, it is not surprising that spending for baby goods, children's apparel, and toys is higher here. Residents of Global Roots are less likely to have home PCs but just as likely to use cell phones. They maintain ties with friends and relatives in their countries of origin with foreign travel.

Family Portrait 1%: Family Portrait is LifeMode's fastest-growing population. The growth is driven primarily by the rapid increase in the Up and Coming Families segment. Youth, family life, and the presence of children are the common characteristics across the five markets in Family Portrait. The group is also ethnically diverse: nearly 30 percent of the residents are of Hispanic descent. The neighborhoods are predominantly composed of homeowners who live in single-family homes. The majority of households include married couples with children who contribute to the group's large household size averaging more than 3.11 persons per household. Their lifestyle reflects their youth and family orientation—buying infant and children's apparel and toys. Visits to theme parks and zoos are popular. Their vehicle of choice is typically a minivan or a full-size SUV.

High Society 1%: The markets in High Society are affluent and well educated. They represent slightly more than 12 percent of all U.S. households but generate nearly one-quarter of the total U.S. income. Employment in high-paying positions, such as professional or managerial occupations, is **common. As a result, the median household income for this group, $97,400, is almost twice that of the national median. Most households are** married-couple families residing in affluent neighborhoods where the median home value approaches $346,400. Although this is one of the least ethnically diverse groups in the United States, it is one of the fastest growing, increasing by 2 percent annually. Residents of High Society are affluent and active—financially, civically, and physically. They participate in a wide variety of public activities and sports and travel extensively. They are well connected but not "couched." Try the Internet or radio instead of television to reach these markets.

American Quilt 0.3%: Location also links the four segments in American Quilt—America's small towns and rural areas. Unlike Factories and Farms, this group represents a more diverse microcosm of small-town life, including the largest segment of Community Tapestry, Midland Crowd. Manufacturing and agriculture workers remain part of the local economy, but American Quilt also includes local government, service, construction, communication, and utility workers. In addition to farmers, American Quilt includes the Rural Resort Dwellers segment, an older population that is retiring to seasonal vacation spots, and the Crossroads segment, a younger, family population that favors mobile homes. Households in American Quilt are also more affluent, with a median income of $43,000, and more are homeowners. However, the rural lifestyle is also evident, with fishing and hunting (and power boats) and a preference for pickups and country music.

APPENDIX – Community Tapestry – Secondary Market

Senior Styles 56%: Described in Primary Market

Upscale Avenues 13%: Described in Primary Market

Tradition Living 11%: Described in Primary Market

High Society 8%: Described in Primary Market

High Hopes 4%: **Described in Primary Market**

Global Roots 3%: Described in Primary Market

Solo Acts 3%: Described in Primary Market

American Quilt 1%: Described in Primary Market

Family Portrait 0.4%: Described in Primary Market

Metropolis 0.2%: Described in Primary Market

Factories and Farms segments represent rural life—from small towns and villages to farms. Employment in manufacturing and agricultural industries is typical in these small, settled communities across America's breadbasket. Population change is nominal, and the profile is classic. Most households are families, either married couples or married couples with children. By age, the residents of Factories and Farms mirror the U.S. distribution, with slightly more retirees. Median household income is a bit lower, almost $38,000, but so is home value, almost $88,000. Most own their homes. Their lifestyle reflects their locale, emphasizing home and garden care, fishing and hunting, pets, and local clubs.

APPENDIX – Community Tapestry – Tertiary Market

Senior Styles 41%: Described in Primary Market

Tradition Living 23%: Described in Primary Market

Upscale Avenues 10%: Described in Primary Market

High Hopes 7%: Described in Primary Market

High Society 6%: Described in Primary Market

Solo Acts 6%: **Described in Primary Market**

America Quilt 3%: Described in Primary Market

Family Portrait 3%: Described in Primary Market

Global Roots 1%: Described in Primary Market

Metropolis 1%: Described in Primary Market

Metropolis 0.2%: Described in Primary Market

Factories and Farms: 1% segments represent rural life—from small towns and villages to farms. Employment in manufacturing and agricultural industries is typical in these small, settled communities across America's breadbasket. Population change is nominal, and the profile is classic. Most households are families, either married couples or married couples with children. By age, the residents of Factories and Farms mirror the U.S. distribution, with slightly more retirees. Median household income is a bit lower, almost $38,000, but so is home value, almost $88,000. Most own their homes. Their lifestyle reflects their locale, emphasizing home and garden care, fishing and hunting, pets, and local clubs.

APPENDIX: St. Petersburg/Clearwater Additional Visitor Statistics

St. Petersburg/Clearwater

- Total 5.25 million
  - Visiting Friends & Relatives = 2.61 million (up 2% from previous year)
  - All other = 2.65 million (up 0.3% from previous year)
- Winter Season (Jan-April)
  - Total = 2.1 million
  - Visiting Friends & Relatives = 1,121,350 (up 2% from previous year)
  - All Other = 929,095 (up 0.8% from previous year)
- Spring/Summer Season (May-August)
  - Total = 1.9 million
  - Visiting Friends & Relatives = 844,105 (up 1.7% from previous year)
  - All Other = 1,075,020 (down 1.4% from previous year)
- Fall Season (Sept – Dec)
  - Total = 1.3 million
  - Visiting Friends & Relatives = 639,710 (up 2.4% from previous year)
  - All Other = 644,975 (down 0.1% from previous year)

APPENDIX: Retail Demand Analysis Summary Table

Estimated Potential Cleveland Street Expenditures

Retail Category	Low Expenditures	High Expenditures	Low Supportable Sq Ft	High Supportable Sq Ft
Retail				
Residential Households	5,484,295	10,132,831	15,669	28,951
Winter Households	$ 111,414	$ 167,122	318	477
Visitors	$ 2,068,384	$ 6,205,151	5,910	17,729
Subtotal	$ 7,664,093	$ 16,505,103	**37,567**	**76,108**
Food & Beverage				
Residential Households	$ 13,106,040	$ 16,194,769	37,446	46,271
Winter Households	$ 105,599	$ 316,798	302	905
Visitors	$ 5,709,206	$ 19,982,220	16,312	57,092
Subtotal	$ 18,920,845	**$ 36,493,787**	**54,060**	**104,268**
Estimated Expenditures	**$ 26,584,939**	**$ 52,998,890**	**91,626**	**180,376**

Source: ESRI Business Analyst 2008; Clearwater Regional Chamber of Commerice; ERA 2008

APPENDIX – ESRI Expenditures: Detailed Retail Spending Categories

Apparel & Apparel Services
- Men's
- Women's
- Children's
- Footwear
- Watches & Jewelry
- Apparel Products and Services

Personal Care & Services
- Health
- Nonprescription Drugs
- Prescription Drugs
- Eyeglasses and Contact Lenses
- Personal Care Products

Food & Beverage
- Food Away from Home
- Alcoholic Beverages - away from I

HH Furnishings & Electronics
- Computer
- TV/Video/Sound Equipment
- Community Antenna or Cable Tel
- Color Televisions
- VCRs, Video Cameras, and DVD Pl
- Video Cassettes and DVDs
- Video Game Hardware and Softw
- Satellite Dishes
- Rental of Video Cassettes and DVI
- Sound Equipment
- Rental and Repair of TV/Sound Eq
- Household Furnishings and Equip
- Household Textiles
- Furniture
- Floor Coverings
- Major Appliances
- Housewares
- Small Appliances
- Luggage
- Telephones and Accessories