



I. INTRODUCTION/BACKGROUND

On November 10, 2016 a “Developing a Business Recruitment Strategy” technical visit was provided to the Downtown Ferndale DDA, and coordinated by Main Street Oakland County and the National Main Street Center, Inc. The following summary reflects an examination of a 2015 market analysis study by Gibbs Planning, a review of the overall business mix for downtown Ferndale and research of the area’s basic underlying economics. This examination resulted in a set of “transformation strategies” that can be used a planning framework for not only addressing the most appropriate business recruitment targets, but as a focus for the more comprehensive revitalization efforts of Downtown Ferndale DDA.

Our recommendations on Transformation Strategies, key business recruitment targets, and other activities that might support this effort more comprehensively, are provided within the summary.

Key reminders based on the national trends relative to business recruitment:

- Rather than think about business recruitment within a vacuum, need to think more holistic.
- New businesses are not only dependent upon their own entrepreneurial strengths, but the external environment.
- Capacity and resources are scarce and need to be focused on the highest and best uses.

II. THE NATIONAL MAIN STREET PROGRAM

Over the past 35 years, the National Main Street Center has led the development of a national network of over 2,000 historic downtowns and neighborhood commercial districts – what we refer to as Main Streets - all united by these communities’ tireless dedication to create vibrant, people-centered places to live, work, and play. The people who make up the Main Street network are passionate advocates, dedicated volunteers, influential stakeholders, and community organizers who work every day to turn the tide in their communities - catalyzing reinvestment, creating jobs, and fostering pride of place.

Main Street-style transformation is a combination of art and science: communities first need to learn about the local economy, its primary drivers, and its regional context (the science), but they also need to convey that special sense of place through storytelling, preserving the older and historic structures that set it apart, broad and inclusive civic engagement, and marketing (the art). To support this powerful network, the National Main Street Center has a

revitalization framework – the Main Street Approach - that helps communities leverage both the art and science of downtown revitalization to create a better quality of life for all.

The Main Street Approach is most effective in places where community residents have a strong emotional, social, and civic connection and are motivated to get involved and make a difference. This approach works where existing assets – such as older and historic buildings and local independent businesses – can be leveraged. Throughout the country, both small-city downtowns and urban neighborhoods throughout the nation are renewing their community centers with Main Street methodology.

Ultimately, the result of these community-driven efforts are places with strong social cohesion and economic opportunity; they are places that support and sustain innovation and opportunity; places where people of diverse perspectives and backgrounds come together to shape the future.

III. The Main Street Approach

A. Identify the Community Vision for Success

The Main Street Approach begins with creating a vision for success on Main Street. Main Street promotes a community-driven process that brings diverse stakeholders from all sectors together, inviting them to be proactive participants in the revitalization process. This essential step provides a foundation for outlining the community's own identity, expectations, and ideals while confirming real and perceived perceptions, needs and opportunities. It also ensures that the vision is a true reflection of the diversity of the community. Whatever the vision, the goal is holistic transformation of Main Street, accompanied by rigorous outcome measurement to demonstrate results.

B. Create Community Transformation Strategies

A vision of success alone is not enough. Communities must work together to identify key strategies, known as **Community Transformation Strategies** that will provide a clear sense of priorities and direction for the revitalization efforts. Typically communities will address two to three Community Transformation Strategies that are needed to help reach a community vision. These strategies will focus on both long and short-term actions that will move a community closer to achieving its goals.

For example, if a Main Street decides that “aging in place” is a critical element of its community vision, the organization would develop a series of Community Transformation Strategies to help realize that vision. A short-term strategy could be to implement a special senior discount at cooperating businesses. A longer-term strategy could be to partner with other advocacy groups and the Department of Transportation to encourage Transit Oriented Development in the district.

Work on these strategies would align with the four key areas Main Streets have been using as a guiding framework for over 35 years: Economic Vitality, Promotion, Design, and Organization, known collectively as the Main Street Four Points.



Economic Vitality

Revitalizing a downtown district requires focusing on the underlying Economic Vitality of the district. This work is rooted in a commitment to making the most of a community's unique sense of place and existing historic assets, harnessing local economic opportunity and creating a supportive business environment for small business owners and the growing scores of entrepreneurs, innovators, and localists alike. With the nation-wide growing interest in living downtown, supporting downtown housing is also a key element of building Economic Vitality.

Promotion

Promoting Main Street takes many forms, but the ultimate goal is to position the downtown as the center of the community and the hub of economic activity, while creating a positive image that showcases a community's unique characteristics. This can be done through highlighting cultural traditions, celebrating and preserving important architecture and history, encouraging local businesses to market cooperatively, offering coordinated specials and sales, and hosting special events aimed at changing perceptions of the district and communicating to residents, investors, businesses, and property-owners that this place is special.

Design

A focus on Design supports a community's transformation by enhancing the physical elements of downtown while capitalizing on the unique assets that set the commercial district apart. Main Streets enhance their appeal to residents and

visitors alike with attention to public space through the creation of pedestrian friendly streets, inclusion of public art in unexpected areas, visual merchandising, adaptive reuse of older and historic buildings, more efficiently-designed buildings, transit oriented development, and much more.

Organization

A strong organizational foundation is key for a sustainable Main Street revitalization effort. The focus is on ensuring that all organizational resources (partners, funding, volunteers, etc.) are mobilized to effectively implement the Community Transformative Strategies. Organization establishes consensus and cooperation by building partnerships among the various groups that have a stake in downtown. This will allow the Main Street revitalization program to provide effective, ongoing management and advocacy of the commercial district. Diverse groups from the public and private sectors (city, property owners, bankers, business owners, community leaders, and others) must work together to create and maintain a successful program.

IV. Market Analysis Review – Key Points

In October 2015, the City of Ferndale commissioned Gibbs Planning Group to conduct a Retail Market Analysis. The report focused on key market attributes such as trade area definitions, key demographic and psychographic characteristics, sales leakages and surpluses and supported retail classifications for possible new investment in downtown. After a review by the NMSC, provided below are key take away points of note from the report:

- Downtown is likely destination oriented based on driving patterns.
- Primary trade area (60-70%) of defined consumers are within 3-5 mile trade area.
- Market analysis suggests 118,000 sqft of new retail/restaurants. Unclear however as to what the capture rate is that was used to calculate.
- 83,900 employees within 10 minute drive time
- Large primary trade area population of 260,600 but with slightly lower than average incomes in comparison to state and national.
- Psychographics suggest “Family Foundations” – older children at home and little financial investments.
- Regionally there is a great deal of retail competition with more than 12.5 million sq/ft of retail space.

V. Transformational Strategies

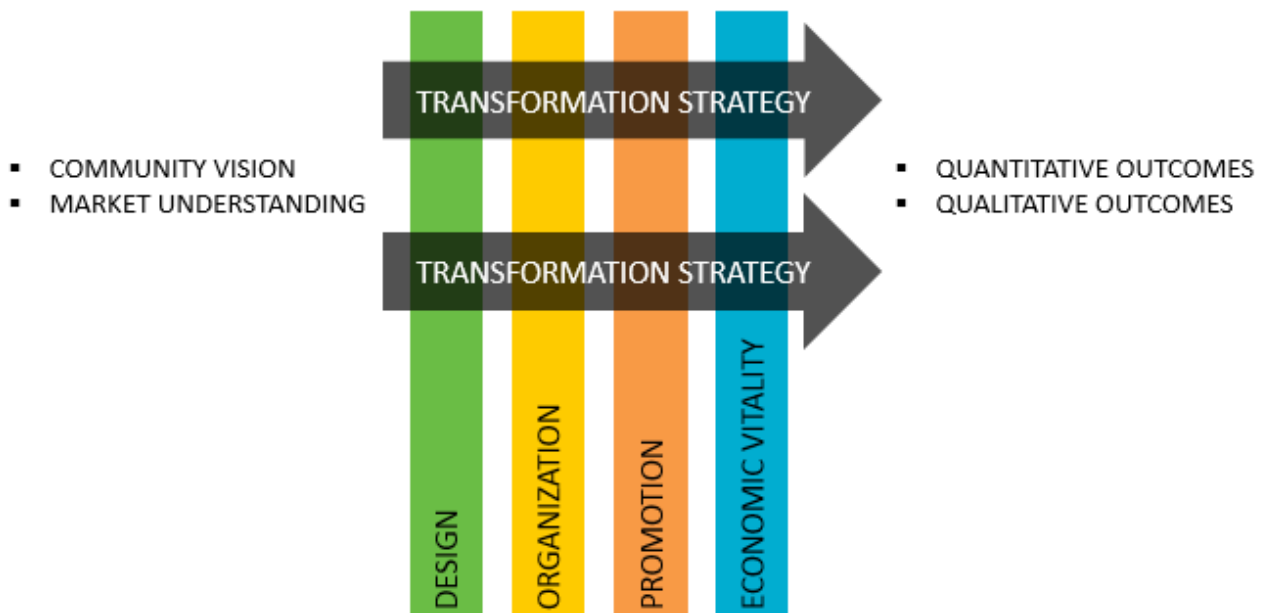
For Ferndale, we identified three primary transformation strategies that we felt bring about positive change for future development of downtown. These strategies represent an overarching, market-based tool for aligning Downtown

Ferndale DDA's work program that is reflective of both the market analysis and strengths of the downtown business mix and current consumer markets. Please note that each strategy is outlined in further detail as attachments to the this report.

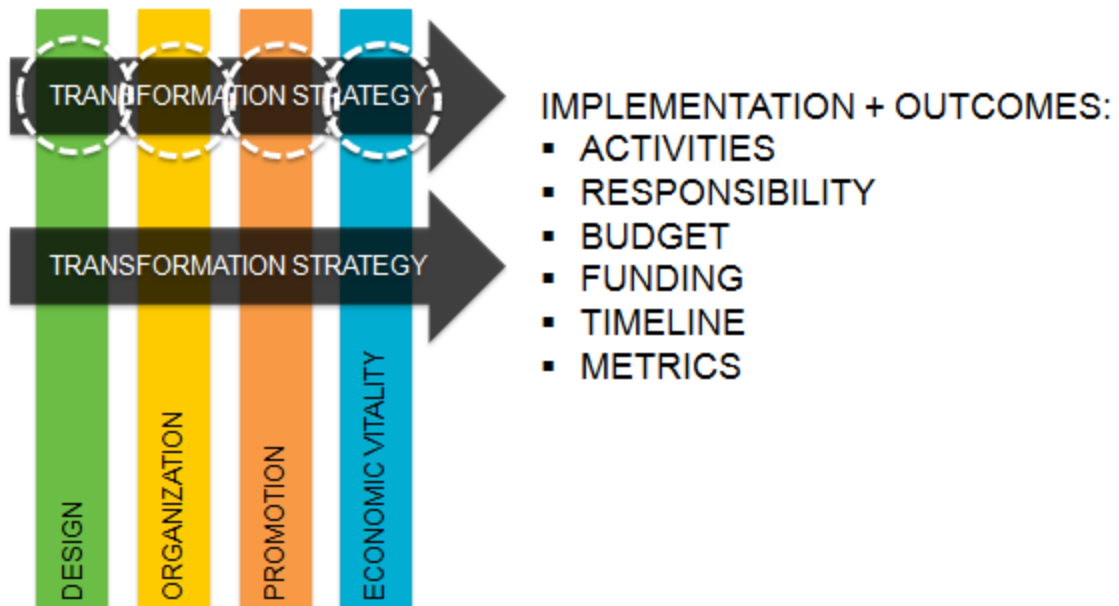
Strategy #1: Arts & Entertainment: A destination of activities people seek when they go out for enjoyment. It includes a combination of music and arts, as well as restaurant dining.

Strategy #2: Health and Wellness/Green Economy: A downtown that focuses on businesses and consumers that have a lifestyle reflective of sustainable products, and goods and services that increase their personal health and vitality.

Strategy #3: Residents: This is strategy is reflective of the need to build both market density of local consumers that are effectively "captured" for downtown businesses, as well as additional consumers that can be leveraged by downtown's existing convenience goods and services product node.



Each strategy will require cooperation and overlapping work by developing detailed work plans to guide your work with oversight and review by the Board of Directors.



Arts and Entertainment Transformation Strategy

Current Market and Downtown Assets:

- The Oakland Art Novelty Company
- The Conserva
- The Ringwald Theater
- Orchid
- The Bosco
- Valentine Distillery Company
- Woodward Avenue Brewers
- Go Comedy
- Found Sound
- Color and Boldness of Building Exteriors
- Public Art/Murals
- Art Town brand
- Artist in You Promotion
- Funky Ferndale Art Fair
- Get Real Outdoor Movies

Business Recruitment Targets:

- Dance Studio
- Artist Maker Space (Example: 2112 facility in Six Corners)
<http://www.2112inc.com/about>

2112 is Chicago's first business incubator focused on the development of entrepreneurs in music, film/video and creative industry-focused technologies.

Through community, educational opportunities and access to capital, 2112 creates a truly fertile ground for the professional development and acceleration of its members.



- Professional Services
 - Graphic Artists/Designers
 - Video Production
 - Photographers/Photography Studio
 - Architects/Architectural Design
- Vintage Clothing
- Jazz Club/Speakeasy Club

Targeted Programming:

- Actively engage artists in the revitalization initiative's planning activities by placing on committees.
- Write up articles about Ferndale's performing arts and entertainment niche/seen and seek to place in key media outlets
- Create "This Place is Great for a (Fill-in Target Business)" Posters to display in key vacancies (Lansing, MI)



Health and Wellness/Green Economy Transformation Strategy

Current Market and Downtown Assets:

- Green Space Café
- Detroit Bubble Tree
- TV Fitness
- Pure Juice Bar and Café
- Schramm's Mead
- Om Café
- Little Lotus Wellness Studio
- Celestial Touch
- Natural Food Patch
- Organic Food and Vitamin Center
- Downtown Ferndale Bike Shop
- Green Thumb Garden Center
- Recycling Containers
- Flowers
- Funky/bold building color schemes

Business Recruitment Strategy:

- Architectural Salvage (NOTE: A good example is Architectural Salvage Warehouse in Detroit. <http://www.aswdetroit.org/about-2/> While they may not be able to start another location, they are commonly looking for retail showrooms for their products. Here's another list of potential targets:
<http://www.secondwavemedia.com/metromode/features/metrodetroit/upcycling0362.aspx>
- Habitat ReStore
- Upcycling Store (Housewares, Apparel)
- Sporting equipment (expansion perhaps for Bike Store)
- Running Store
- Health Spa
- Florist
- Pet Bakery/Supplies (Natural)
- Professional Services
 - Physical Therapists
 - Green Building Designers/Contractors

Targeted Programming:

- Shark Tank Event (Downtown Grand Forks Shark Tank)
<http://myemail.constantcontact.com/Chamber-2016-Shark-Tank---Go-Into-the-Shark-Tank-.html?soid=1108611279395&aid=jseddWpaXJg>



- Pop-Up Retail
Great resource for developing a sound process and structuring deals with property owners is Miles our of New York City. <http://www.miles.city/>
- Start-up – Idea Competition (Wytheville, VA) “Start-up Wytheville” has been wildly successful in helping to bring new businesses to the downtown. Last year alone there were 3 new businesses launched as a result of this partnership with the Joint Industrial Development Authority. In addition, winners received a mentor to help with further growth and development. This partnership has also proved valuable on a number of other fronts involving downtown economic vitality.

2016 Startup Wythe In Business Idea Competition

- Walking/Running Path Designated around Downtown (Shelby NC) – has a 3 mile marked loop around downtown.
- Develop a Brand Identity around this Strategy that promotes downtown as a great place for these kind of businesses (Starkville, MS) Great example of a comprehensive brand strategy based on a food based market.
<http://www.starkville.org/visit/savor-starkville/>



- Host a bike and/or running event
- Targeted Incentives – Rental Subsidy to offset restaurant rent drag (Taylor Main Street, Texas)

<http://www.ci.taylor.tx.us/DocumentCenter/View/5190>

VI. Recruiting Businesses

There are two fundamental tactics to attracting new businesses to downtown Ferndale. The first involves an active recruitment process for targeted businesses. The second involves having a robust entrepreneurship ecosystem that creates a strong place based market for attracting and growing new ventures.

For Existing Businesses:

1. Take “Business Wish List” and explore within 1 hour drive time, existing businesses as quality targets. Use google searches and other social media outlets to gauge “top rated” prospects that already have good following and respect within the market. i.e. search “Top Running Stores in Detroit region.”
2. Create Market Sheets (1-2 pages) that list out your assets; key market data; locations; incentives (Graphically enhanced to reflect market branding/niche) Place on your website and distribute through local entrepreneurship resource providers. Here is an example from Downtown Lansing, MI - <http://www.downtownlansing.org/publicDocuments/MarketingFactSheet5-16-12x.pdf>
3. Go to their location, take notes of quality attributes
4. Leave letter and market sheets (letter should speak to those quality attributes)
5. Follow-up (7 no’s rule). What this simply means is that things can change. So keep in touch. If they say no or express only limited interest the first time, ask if you can follow-up in 6 months to check in again.

For Entrepreneurs:

- Meet with area Technical Assistance groups and present your “Business Wish List”
- Ask to present to any Technical Assistance workshops/classes in which new entrepreneurs are building their business plans.
- Hold Entrepreneurship Programming/Events
- Work with your existing businesses to see if they know of other entrepreneurs
- Analysis and build up your entrepreneurship ecosystem. See attached Resource Guide.

VII. Summary

In conclusion, downtown Ferndale has a wonderful business mix of local entrepreneurs that provide a strong identity in the area of dining, arts and entertainment, health and the green economy. The key moving forward is to remain targeted and comprehensive in your efforts at securing new business investment. Included in the appendix are two documents with more details on the Arts and Entertainment, as well as Health and Wellness transformation strategies.

APPENDIX ITEMS:

1. Arts Transformation Strategy Brief
2. Health and Wellness Strategy Brief

TRANSFORMATION STRATEGY BRIEF ARTS

The Main Street program helps communities rebuild and preserve economic vitality in their historic and older downtowns and neighborhood commercial centers. The Main Street Approach consists of three essential, tightly integrated tools:

1. **Community vision** that is informed by broad and inclusive community input *and* market understanding.
2. **Transformation Strategies** that incrementally create positive changes in the district's economy. These are implemented through simultaneous activity in four broad areas of work that, together, constitute the "**Four Points**." In brief:
 - › **Design** encompasses improving all the physical and visual aspects of the district.
 - › **Organization** involves cultivating partnerships and resources for the district.
 - › **Promotion** is about marketing the district.
 - › **Economic Vitality** focuses on capital, incentives, and other economic and financial tools for business and property development.
3. **Impact measurement** includes monitoring quantitative and qualitative outcomes.

A *Transformation Strategy* is a statement that guides a district's revitalization initiative and is based on a solid understanding of the district's economy and its position in the regional market. A *Catalyst Strategy* is an off-the-shelf Transformation Strategy. A Catalyst Strategy is generic, in that it can be adapted to a variety of places and circumstances – and it can be refined and customized over time. A Catalyst Strategy is a place to start, and the Four Points provide a framework for putting the strategies into action.

THE "ARTS" STRATEGY IN A NUTSHELL

"Arts" encompasses a very broad range of creative industry businesses, including design, performing, broadcast, and even culinary arts – film, music, dance, sculpture, painting, photography, architecture, live theatre, catering, printing, furniture making, and much more. It also encompasses many other arts-related

education, production, and distribution businesses and activities. In essence, it involves all *creative industries*.

“Arts” and “entertainment” are often grouped together – and, while there are some areas of overlap, they are different industries and therefore need different strategies. In essence, “arts” involve creating products and services, while “entertainment” involves engaging people in something fun. Entertainment includes looking at or experiencing art – but it includes many other things, also, like playing games, watching and participating in sports, and touring historic places.

People who work in arts disciplines and in arts-related businesses are likely to have fairly specific space requirements and to have specialized equipment needs. A furniture maker might need large space with a loading dock and with fairly hefty electrical service, for instance, while a painter might need a smaller space with lots of natural daylight. Some arts-related businesses depend on walk-by traffic and will need storefront space (art galleries, for example), while others prefer to be tucked away out of public view. Many people who work in arts disciplines are drawn to older and historic commercial districts, though – they like the one-of-a-kind spaces and unique architecture. And they like working around other creative people.

Districts with significant concentrations of arts-related businesses are likely to also have plenty of upper-floor housing and housing in nearby neighborhoods, as people who work in creative industries often like to live near where they work. In fact, there are development companies that specialize in creating “live/work” space for artists. They are also likely to be active throughout the day and evening – in part because creative-sector workers often set their own hours and work whenever they wish, and in part because arts businesses that offer live performances (like theatrical companies, jazz clubs, and orchestras) usually operate in the evening and on weekends. These businesses can generate useful (and often essential) business for restaurants, B&Bs, hotels, food stores, and convenience stores – and for other businesses that choose to capitalize on the evening traffic by extending their store hours.

Many creative-industry businesses function as regional destinations. Businesses such as musical instrument stores, art galleries, performing arts theatres, for example, tend to attract customers from 50 miles or more. This could provide opportunities for the district to provide exposure for other types of businesses in the district to people visiting the district’s arts-related businesses.

To maximize this strategy’s success, you will need to learn about the types of work places that artists want, about the types of services and amenities they want and need nearby, and about how they currently exhibit or distribute their work. You will also need to learn something about the people who are likely to support their work – the people who buy their work, who distribute it, and who simply enjoy it. Marketing activities and public space improvements can capitalize on

the presence of arts to enliven the district, reinforcing its creative energy and distinguishing it from other commercial centers within the region.

Customer characteristics

The people who work in arts-related businesses and disciplines are demographically diverse, and their customers are often equally diverse. Certain types of arts are likely to appeal to younger people, while others attract older people. Art preferences are also shaped by ethnicity, income, education, and many other factors. And some creative industries sell their products primarily to other businesses, rather than selling them directly to consumers. Businesses such as neon sign makers and silk screen printers, for example, often sell the majority of their products to companies.

Benefits and trade-offs

An Arts strategy can offer many benefits. For example, with the exceptions of arts-related retailers (like galleries and music stores), many creative industry businesses prefer upper-floor spaces and other peripheral spaces in the district (such as warehouses and garages) that might otherwise be difficult to rent. Because artists, designers, and others who create products often work late into the evening, the district is likely to look and feel livelier on a 24/7 basis. And, these businesses' creative energy often makes the district more attractive to other types of businesses and to residents, offering the potential to boost the district's occupancy.

There are not many trade-offs involved in an Arts strategy. The most significant drawback is that, because artists and other creative industry workers are often very price-sensitive, increasing rents can sometimes make the district unaffordable for them.

IS THIS STRATEGY A GOOD FIT FOR YOUR DISTRICT?

The following questions are intended to help "take the temperature" of your commercial district. In order to answer them, you simply need to be familiar with your district and its environs. The questions are qualitative, and we want you to answer them in the context of what you already know. We are asking you to simply mark the scale in order to help you visualize whether your district is well-suited for pursuing an Arts strategy. Remember, this strategy is a starting point. As you do more research in the future, you can make it more nuanced and focused.

Knowing what you already know about your district, how would you rate it according to each of these characteristics?

COLD

HOT

← Starting a new market niche

Building on an existing niche or cluster

→

← The potential market is relatively small

The potential market is relatively large

→

← The district has many competitors in this

The district has few competitors in this

→

← We would need new buildings/infrastructure

Our existing buildings/infrastructure are a good fit →

← Small number of artists in the area

Large number of artists in the area →

← Few active arts institutions

Many active arts institutions →

If most of your scores fall into the right-hand side of the scoring boxes, this strategy is likely to be a good fit for your district. However, a low score for one or more of these characteristics does not necessarily mean that this strategy isn't an option for your district; it might simply mean that your organization and its partners might need to work a little harder to make this strategy succeed.

INFORMATION YOU'LL NEED FOR THIS STRATEGY

As mentioned earlier, the important thing about a Starter Strategy is to *get started*. There are a few market research tasks you should begin now. These include:

Inventory: You will need an inventory of all existing businesses in the district. Arts-related businesses and other businesses that create things should be grouped, and you should create a tally of the number of people employed by each business.

Customers: Some creative-industry businesses do not need walk-in traffic in order to succeed; they might sell directly to other businesses (like the neon sign maker, for example), or work on a contract basis (a landscape architect, for instance), or do business with customers online. But some creative-industry businesses DO need walk-in traffic and street exposure – particularly those businesses that sell art works, art supplies, or other retail goods and services. And, given that some creative-industry businesses serve as regional magnets, you should speak with the owners of these businesses to find out where their customers come from and something about their demographic characteristics and interests.

Competition: Are there other commercial centers or commercial strips nearby that serve the district’s workers and residents? Inventory and map these competitive commercial centers. Begin to articulate how your Arts strategy is (or can be) differentiated from competing commercial areas. You should also carefully articulate the threats posed by these competing areas.

Potential barriers: Identify potential barriers to pursuing this strategy. Barriers might exist across a range of issues, including economic, regulatory, public perception, physical facilities (e.g., storefront sizes, quality of public spaces, lighting, or lack of loading docks), and others.

TAKING THE NEXT STEP

Over the next year or two, after your Starter Strategy has begun taking root, you should plan to conduct additional research that can help you refine the strategy and adapt it more precisely to your district’s particular circumstances. You may tackle some aspects of the market research on your own, or you may choose to engage professional assistance. Whichever route you choose, this additional research should help you answer questions like these:

- › What is the trade area for this strategy? From where do your district’s arts-related businesses draw customers? What characteristics do these people share? What is their collective retail buying power? What other businesses might they patronize in the district in conjunction with arts-related visits?
- › If there is a theatre or arts center in the district that operates in the evenings, which nearby businesses are also open? Are there adequate opportunities for patrons of these facilities to dine and browse? Are there lodging facilities nearby for out-of-town patrons?
- › Are there opportunities to create new or additional housing in the district for creative-sector workers?
- › What rents do the district’s creative-sector businesses currently pay? Are they at risk of being displaced if rents increase?

- › What might help the district's artists increase their sales? Do they need help with reaching new audiences, cross-merchandising with other district businesses, managing their accounting, controlling expenses, or other business practices?

SAMPLE ACTIVITIES

There are many different activities that your organization and its partners might do to successfully implement this strategy. The activities you choose should address problems and opportunities that are specific to your district. Start with activities that are relatively easy, then gradually tackle more challenging ones. Be sure to include activities in all Four Points of the Main Street Approach; this is essential!

Here are some examples:

Sample Design activities:

- › Create a public art strategy for the district, tapping into the skills of the district's creative-sector businesses.
- › Pair district artists with retailers to design unique storefront window displays.
- › Review the city's zoning laws to ensure that they do not inadvertently discourage development and growth of creative-sector businesses.

Sample Organization activities:

- › Actively engage artists in the revitalization initiative's planning activities.
- › Encourage collaboration between artists and other district businesses for cross-merchandising,

Sample Promotion activities:

- › Launch an annual tour of artists' studios, galleries, and other creative-industry work spaces in the district.
- › Exhibit artists' works in district businesses and display windows.
- › Organize a culinary arts event, highlighting district restaurants.

Sample Economic Vitality activities:

- › Create and offer incentives to encourage artists to live in and near the district.

- › Put together and implement a development strategy to create a small hotel or inn within the district to support evening arts-related activities like theatre and music.
- › Develop a coworking space for artists.

POTENTIAL PRODUCTS AND SERVICES

Arts is one of the broadest of all industries. This is by no means an exhaustive list, but it illustrates the range of possible businesses, products, and services that might be part of the Arts strategy:

- › 3D printing shops
- › Architects and architectural design services
- › Arts centers
- › Arts-focused coworking spaces
- › Art galleries
- › Art restoration services
- › Art supplies
- › Cartoonists
- › Costume rentals and sales
- › Craft supplies
- › Custom apparel and jewelry
- › Custom sign makers
- › Custom woodworking
- › Dance costumes, shoes, and supplies
- › Dance studios
- › Editors
- › Fabric stores
- › Fashion designers
- › Film producers and film production studios
- › Freelance musicians
- › Graphic artists and graphic art services
- › Live performance booking agencies
- › Metal fabricators
- › Movie theatres
- › Music production studios
- › Musical instruments
- › Musical instrument repair services
- › Museums
- › Orchestras
- › Performing arts centers
- › Photographers and photography studios
- › Photographic equipment and supplies
- › Picture frames and framing services
- › Portrait painters and painting studios
- › Pottery studios and supplies
- › Publishers
- › Recorded music (vinyl albums, CDs)
- › Silk screening services
- › Song writers
- › Sheet music
- › Tailors
- › Theatrical equipment (lighting, scenery, sound equipment, etc.)
- › Theatrical performance groups
- › Visual arts, dance, music, and theatrical schools and instructional programs
- › Writers
- › Yarn, knitting, and weaving supplies

MEASURING PROGRESS

- › Every two years, update the number of square feet used by creative-industry businesses.
- › Conduct pedestrian traffic counts at arts-related promotional events in the district and measure changes in traffic counts throughout the year and from year to year.
- › Through periodic focus groups with a range of artists, business owners, residents, customers, and potential customers, gauge the level of awareness of the presence of arts and creative industries in the district.

TRANSFORMATION STRATEGY BRIEF

HEALTH AND WELLNESS (Green Economy)

The Main Street program helps communities rebuild and preserve economic vitality in their historic and older downtowns and neighborhood commercial centers. The Main Street Approach consists of three essential, tightly integrated tools:

1. Community vision that is informed by broad and inclusive community input *and* market understanding.

2. Transformation Strategies that incrementally create positive changes in the district's economy. These are implemented through simultaneous activity in four broad areas of work that, together, constitute the "**Four Points.**" In brief:

- › **Design** encompasses improving all the physical and visual aspects of the district.
- › **Organization** involves cultivating partnerships and resources for the district.
- › **Promotion** is about marketing the district.
- › **Economic Vitality** focuses on capital, incentives, and other economic and financial tools for business and property development.

3. Impact measurement includes monitoring quantitative and qualitative outcomes.

A *Transformation Strategy* is a statement that guides a district's revitalization initiative and is based on a solid understanding of the district's economy and its position in the regional market. A *Catalyst Strategy* is an off-the-shelf Transformation Strategy. A Catalyst Strategy is generic, in that it can be adapted to a variety of places and circumstances – and it can be refined and customized over time. A Catalyst Strategy is a place to start, and the Four Points provide a framework for putting the strategies into action.

THE "HEALTH AND WELLNESS" STRATEGY IN A NUTSHELL

A Health and Wellness strategy pulls together retail, recreational, educational, and professional businesses (including social service organizations) and organizes them around improving people's wellbeing. Businesses like pharmacies, urgent care centers, and doctors' and dentists' offices are obvious components of this strategy. Others may include gyms, yoga studios, spas, organic grocers, smoothie shops, health-and-beauty-aid stores, and more.

A Health and Wellness cluster can sometimes already exist yet not be visible or obvious (even to revitalization leaders) because the individual businesses may not explicitly promote health and wellness. For example, health and wellness may be *inherent* in what a business does (as a dance studio), or an *aspect* of what a business does (as a restaurant with healthy choices highlighted on their menu). Pursuing a Health and Wellness strategy often involves consciously cultivating these aspects of the district, highlighting them to make them more visible, and expanding the range of offerings. More than some other strategies, Health and Wellness relies on marketing and promotion to make the cluster apparent.

The Health and Wellness strategy is inherently diverse in its business mix, so business inventories will vary: A health and wellness district may be organized around a medical anchor (like a hospital); or it might center around relaxation, as in a spa or resort town. (Calistoga, California, for example, unites many of its downtown businesses – restaurants, bookstore, salons – around the town's historic spas and their famous natural hot springs.) *Incompatible* businesses – especially if they form a large presence in the district – include unhealthy fast food chains, tanning salons, an excessive number of liquor stores, and the like.

There are many ways to tie in public-space amenities with this strategy, too: fitness parks, tennis courts, running trails, and even water bowls for dogs and benches for people – to encourage walking.

WHO ARE THE CUSTOMERS FOR THIS STRATEGY?

Customers for the Health and Wellness strategy can range from young families to senior citizens and from “medical tourists” to vacationers. In some cases, customers may be unaware of their own participation in a health-and-wellness pursuit, such as someone who enrolls in a martial arts class with the goal of learning self-defense.

Not all people identify themselves as interested in a health and wellness lifestyle: People who make healthy eating and healthy living part of their identity are often highly educated and more affluent. (Whole Foods, for example, is known for looking at educational achievement data when identifying potential store locations.) The customer profile for someone who participates in Health and Wellness strategy is less price-sensitive than most other strategies.

There may be cases where public health or actuarial data show you have an unhealthy local population (such as an area with high rates of obesity) and you want to improve overall community health – and shape the business district to support that effort. Be aware that getting someone to buy a product that doesn't match their natural inclinations is harder to do than providing a product that they already want.

BENEFITS AND TRADE-OFFS

One of the great benefits of a Health and Wellness strategy is its ability to tie together diverse businesses, often by making subtle changes in business operations (e.g., by adding or adjusting some products or services). In order to make Health and Wellness a *driver* of your district's economy (and more than a promotional tie-in), it needs at least a couple of businesses that are clearly linked to the strategy. This might include a fitness center or YMCA, or a hospital or other anchor business or institution. In communities where there is a large health-related economic anchor, Health and Wellness may be a central strategy. In other cases, it may be more appropriately used as a secondary strategy. A benefit of a well-developed Health and Wellness strategy is it has the potential to attract customers from a regional trade area – or, even, national or international visitors, if it offers a unique product.

On the trade-off side, a district tightly focused on health and wellness (whether medical or spa/resort) may not provide the variety of retail offerings to fulfill residents' day-to-day needs.

IS THIS STRATEGY A GOOD FIT FOR YOUR DISTRICT?

The following questions are intended to help "take the temperature" of your commercial district. In order to answer them, you simply need to be familiar with your district and its environs. The questions are qualitative, and we want you to answer them in the context of what you already know. We are asking you to simply mark the scale in order to help you visualize whether your district is well-suited for pursuing a Health and Wellness strategy. Remember, this strategy is a starting point. As you do more research in the future, you can make it more nuanced and focused.

Knowing what you already know about your district, how would you rate it according to each of these characteristics?

COLD

HOT

← Starting a new market niche

Building on an existing niche or cluster

→

← The potential market is relatively small

The potential market is relatively large

→

← The district has many competitors in this

The district has few competitors in this

→

← We would need new buildings/infrastructure

Our existing buildings/infrastructure are a good fit

→

← Local population not well educated (e.g., some high school)

Local population very well educated (e.g., graduate degrees)

→

← Target population not very interested in health and wellness

Target population actively engaged and interested in health and wellness

→

If most of your scores fall into the right-hand side of the scoring boxes, this strategy is likely to be a good fit for your district. However, a low score for one or more of these characteristics does not necessarily mean that this strategy isn't an option for your district; it might simply mean that your organization and its partners might need to work a little harder to make this strategy succeed.

INFORMATION YOU'LL NEED FOR THIS STRATEGY

As mentioned earlier, the important thing about a Catalyst Strategy is to get started. Without undertaking a full market analysis, there are a few market research tasks you should begin now. These include:

- › **Inventory:** You will need an inventory of all existing businesses in the district. Health and wellness-related businesses should be grouped, and you

should create a tally of the approximate size of each strategy-related business (in square feet) and the number of people employed by each business.

- › **Customers:** You should also assemble current information about the demographic characteristics of regional residents, particularly information about household income, age, household size, ethnicity, number of earners, and education levels (you can get this information from the US Census website and/or from third-party geospatial data providers like ESRI or Claritas). Conduct pedestrian and vehicular counts on major blocks or entry points in your district, at key times of day.
- › **Competition:** Inventory and map competitive commercial centers in your region or trade area, including malls, shopping centers, and competing downtowns or commercial districts. Are other downtowns or commercial districts also trying to establish themselves as health and wellness destinations? Articulate how your Health and Wellness strategy is (or can be) differentiated from competing commercial areas. You should also articulate the threats posed by these competing areas.
- › **Potential barriers:** Identify potential barriers to pursuing this strategy. These may include factors as varied as a misalignment of consumer preferences or a lack of geographic cohesiveness among contributing institutions and businesses.

TAKING THE NEXT STEP

Over the next year or two, after your Catalyst Strategy has begun taking root, you should plan to conduct additional research that can help you refine the strategy and adapt it more precisely to your district's particular circumstances. You may tackle some aspects of the market research on your own, or you may choose to engage professional assistance. Whichever route you choose, this additional research should help you answer questions like these:

- › What are the boundaries of the primary trade area for this strategy? Are there other geographic areas that you should try to reach?
- › Of the businesses that exist in your district that support the Health and Wellness strategy, how many square feet do they comprise, in total? What are their estimated total annual sales, including all selling channels?
- › How much do households in the trade area spend on the types of retail goods and services related to Health and Wellness?
- › What is the estimated regional sales void (or surplus)? If additional sales were captured, how many additional square feet of retail space (if any) could those sales support?

- › What is the profile of the target customer? What are the profiles of secondary customers? How large is each customer segment, and approximately how much of each segment's spending do you think you can realistically capture in the future?
- › What are the population trends in your area? Is the population aging? Are young families moving in?
- › What are the nascent trends in this sector? What are the waning trends?

SAMPLE ACTIVITIES

There are many different activities that your organization and its partners might do to successfully implement this strategy. The activities you choose should address problems and opportunities that are specific to your district. Start with activities that are relatively easy, then gradually tackle more challenging ones. Be sure to include activities in all Four Points of the Main Street Approach; this is essential!

Depending how you have chosen to organize your Main Street initiative and the resources in your community, projects and activities may be carried out by a single committee, by staff specialists, by a consortium of partner organizations, or by some combination of these.

Here are some examples:

Sample Design activities:

- › Install signs and markers to create walking and running trails in and around the commercial district.
- › Install exercise equipment in a pocket park.

Sample Organization activities:

- › Initiate a meeting of representatives of local health-related institutions or businesses to establish a partnership for the strategy.

Sample Promotion activities:

- › Develop a brand identity that connects health and wellness to the district.
- › Hold a health fair, with healthy cooking demonstrations, physical activities, and opportunities to get screened for blood pressure and other health indicators.
- › Install parking signs that note number of steps to the center of district, making a challenge of parking farther away from one's destination, rather than closer.

Sample Economic Vitality activities:

- › Work with restaurants to offer healthy options on their menus and help them to distribute the menus through other businesses that are part of the Health and Wellness cluster.

- › Work with a local gym to run outdoor “boot camps” during warmer weather months.

POTENTIAL PRODUCTS AND SERVICES

Some businesses are inherently focused on health and wellness, but many other businesses can tie into the strategy by adapting their merchandising, services, or menus. This list is not exhaustive, but illustrates the range of businesses that can participate in the Health and Wellness strategy:

- › Acupuncturist
- › Bakeries (e.g., those offering specialty products, like gluten-free)
- › Dance studio
- › Doctors and dentists
- › Furniture for wellness (e.g., specialty desk chairs, mattresses, etc.)
- › Grocery store (esp. with a focus on natural products)
- › Gym
- › Health and Beauty Aids stores
- › Herbalist
- › Hospital
- › Juice bar
- › Martial arts
- › Massage therapist / studio
- › Medical devices store
- › Pharmacy
- › Physical therapists
- › Psychotherapists and counsellors
- › Restaurants with a special health-conscious menu
- › Spas
- › Sporting equipment
- › Urgent care
- › Vegetarian restaurants
- › Vitamin and supplement stores
- › Yoga studio

MEASURING PROGRESS

The following tools can be used to track your success in implementing the strategy and in measuring its impact on the commercial district as a whole:

- › Conduct on-street surveys when you implement this strategy – then, conduct surveys one year, three years, and five years later, asking the same questions. Are more people patronizing the district for its health-related businesses? Are their impressions and perceptions of the district improving?

Your surveys should include questions in four specific categories:

- Attitudes and perceptions about the district
 - Current shopping habits
 - Additional products and services shoppers would like to be able to buy within the district
 - Demographic characteristics of those participating in the survey, including home zip code
- › Track trends in the number of square feet of retail space devoted to health and wellness businesses.
 - › Ask the owners or managers of a representative sample of health-related businesses to keep an informal tally of foot traffic, average transaction amount, and gross sales. Interview the owners and managers at regular intervals and hold an annual focus group with them. Are the numbers increasing?
 - › Track the number of changes (in service offerings or product mix) that businesses have made to serve the health and wellness market.
 - › Choose several intersections or entry points in the district and count the number of people who walk by during 30 minute intervals. Do this at two or three key points in the day (e.g., morning, noon, and evening). Repeat the pedestrian counts at least twice a year, at the same times of day. Are the numbers increasing?