



City of Cudahy Retail Market Analysis

Presented by



Basile Baumann Prost Cole & Associates, Inc.
177 Defense Highway, Suite 10
Annapolis, Maryland 21401

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Agenda

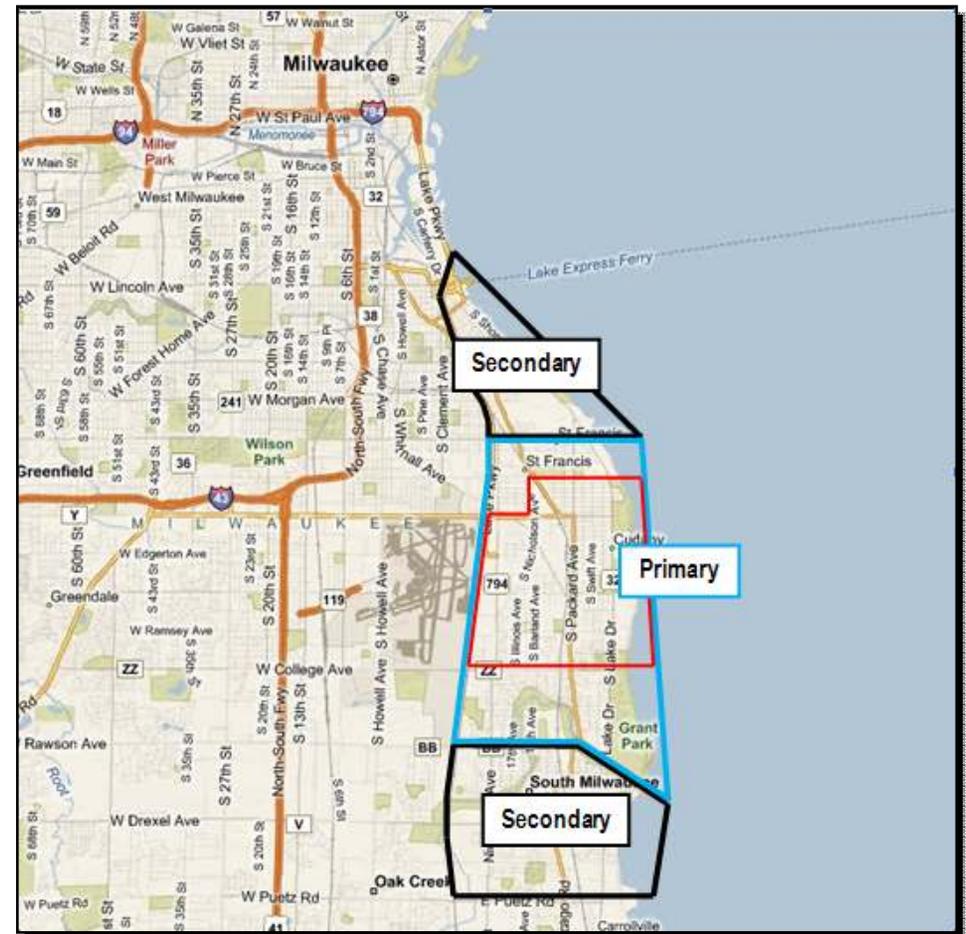
- Welcome & Introductions
- Overview of the BBPC Work Performed
- Cudahy Retail Trade Analysis
- Retail Shopper Surveys
- Supportable Retail Demand
- Proposed Cudahy Retail Strategy
- Discussion

Overview of the BBPC Assignment

- Study Purpose: Examine the City of Cudahy's Retail Development Potential
 - Demographic and Economic Profile
 - Tapestry Segmentation
 - Retail Competition
 - Retail Leakage Analysis
 - Retail Shopper Surveys
 - Supportable Demand/Retail Mix
 - Seasonal Opportunity Potential
 - Recommended Retail Mix

City of Cudahy Retail Trade Areas

- Primary Trade Area
 - Geographic Description: Encompasses the City of Cudahy and portions of the City of St. Francis and the City of South Milwaukee
 - Estimated Capture: 70 percent of the City of Cudahy's retail demand
- Secondary Trade Area
 - Geographic Description: Includes much of the area of St. Francis and Bayview to the north and South Milwaukee to the south
 - Estimated Capture: 15 percent of the retail demand.



Retail Composition

- The General Mitchell International Airport acts as a restricting barrier to residents in surrounding communities to the west of Cudahy, thereby limited demand for retail goods and services in the City
- Lake Michigan to the east creates the north / south only retail trade area
- Significant retail competition exists within a 5-mile radius of the City of Cudahy, but all serve a different primary market than that of the City of Cudahy
- The City's current mix of retailers contain fewer large anchor stores than in other retail areas
- An opportunity may exist for a large scale retailer to enter the local market due to the void of large anchor retailer in the City
- The City lacks full-service restaurants and limited-service options to serve area residents and employees

Retail Leakage Analysis

- **Step 1:** Identify retail trade areas
- **Step 2:** Analyze the existing retail demand (expenditures) and retail supply (sales) of each retail category (for both retail types described above)
- **Step 3:** Determine the retail gap of each retail category
- **Step 4:** Calculate the supportable square feet for the City of Cudahy.

Neighborhood Serving Retail

Neighborhood Serving Retail Total Trade Area - Surplus / Leakage by Retail Category				
Retail Category	Demand	Supply	Retail Gap	Leakage
Furniture Stores	\$12,135,000	\$7,000	\$12,128,000	√
Home Furnishing Stores	\$6,954,428	\$2,336,000	\$4,618,428	√
Electronics & Appliance Stores	\$15,869,000	\$4,291,000	\$11,578,000	√
Building Material & Supplies Dealers	\$17,697,000	\$7,104,000	\$10,593,000	√
Lawn & Garden Equipment	\$1,511,000	\$299,000	\$1,212,000	√
Grocery Stores	\$58,106,000	\$59,483,000	-\$1,377,000	
Specialty Food Stores	\$1,799,000	\$422,000	\$1,377,000	√
Beer, Wine, & Liquor Stores	\$5,897,000	\$2,466,000	\$3,431,000	√
Health & Personal Care Stores	\$23,208,000	\$21,651,000	\$1,557,000	√
Clothing Stores	\$23,211,241	\$3,288,000	\$19,923,241	√
Shoe Stores	\$3,324,000	\$317,000	\$3,007,000	√
Jewelry, Luggage, & Leather Goods Stores	\$2,773,000	\$1,122,000	\$1,651,000	√
Sporting Goods / Hobby / Musical Instrument Stores	\$2,457,000	\$1,538,000	\$919,000	√
Book, Periodical and Music Stores	\$3,468,000	\$712,000	\$2,756,000	√
Department Stores (excluding leased departments)	\$32,082,000	\$7,642,000	\$24,440,000	√
Florists	\$335,000	\$654,000	-\$319,000	
Office Supplies, Stationery & Gift Stores	\$2,326,000	\$807,000	\$1,519,000	√
Used Merchandise Stores	\$669,000	\$908,000	-\$239,000	
Other Miscellaneous Store Retailers	\$4,753,000	\$3,810,000	\$943,000	√
Full-Service Restaurants	\$31,520,000	\$18,462,000	\$13,058,000	√
Limited-Service Eating Places	\$44,325,000	\$24,132,000	\$20,193,000	√
Special Food Services	\$6,494,000	\$5,206,000	\$1,288,000	√
Drinking Places - Alcoholic Beverages	\$6,482,000	\$17,115,000	-\$10,633,000	

Source: ESRI Business Solutions

Neighborhood Serving Retail

- The primary and secondary trade areas for the City of Cudahy are underserved in the majority of the retail categories examined
- Only grocery stores and drinking places show significant over supply
- Major retail leakage categories where opportunities exist include:
 - Department Stores, Limited-Service Eating Places, Clothing Stores, Full-Service Restaurants, Furniture Stores, Electronics & Appliance Supplies Dealers, Home Furnishing Stores, Beer, Wine & Liquor Stores, Shoe Stores

Retail Shopper Surveys

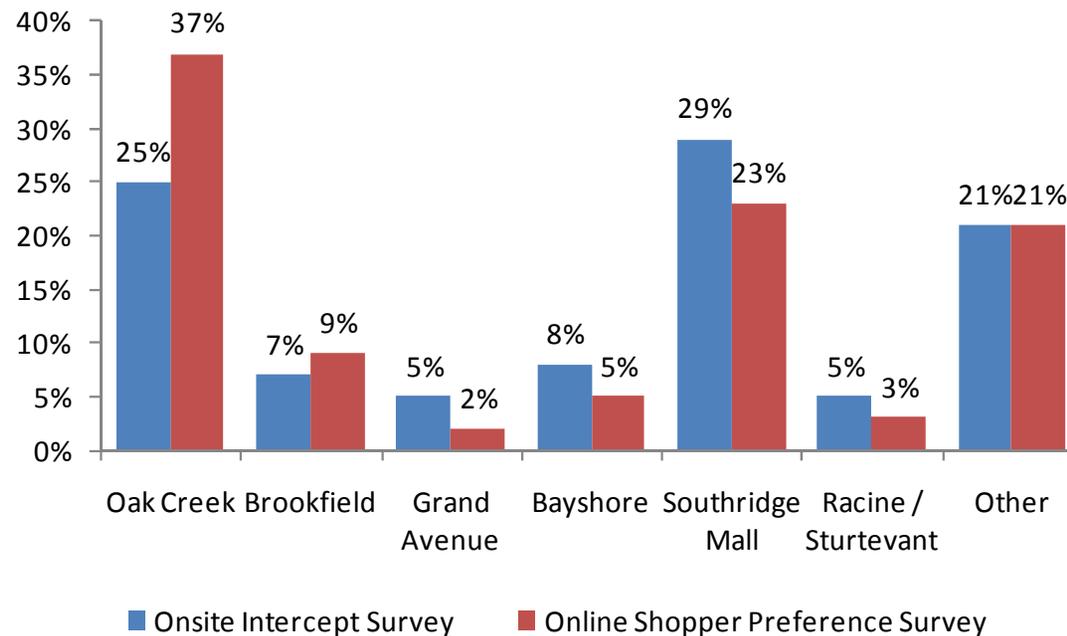
- Description of Survey Audience
 - Intercept Survey –
 - Located at two centers in Cudahy market: K-mart and Pick 'N Save
 - 66% of the individuals who participated in the onsite intercept survey were residents of 53110
 - Nearly all surveyed live within 10-miles of Cudahy
 - Online Survey –
 - 98 percent of the individuals who participated were residents of 53110

Frequency of Shoppers in Cudahy

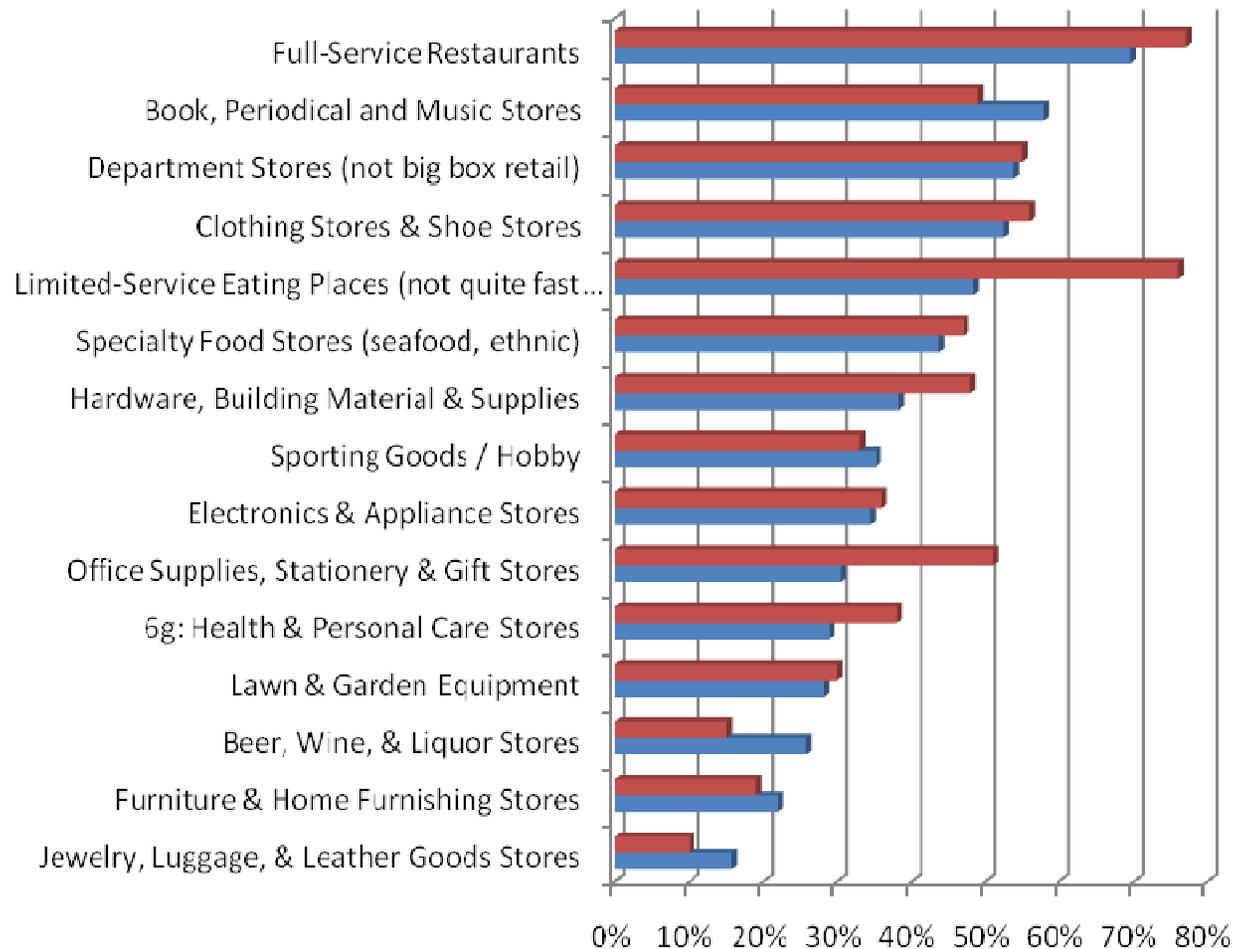
- Approximately 52% of the individuals who participated in the onsite survey shop in Cudahy several times a week
- Only 14% of the online survey respondents shop in Cudahy less than once a month
- Similar shopping preferences in both the onsite intercept survey and online survey

Competitive Retail Facilities

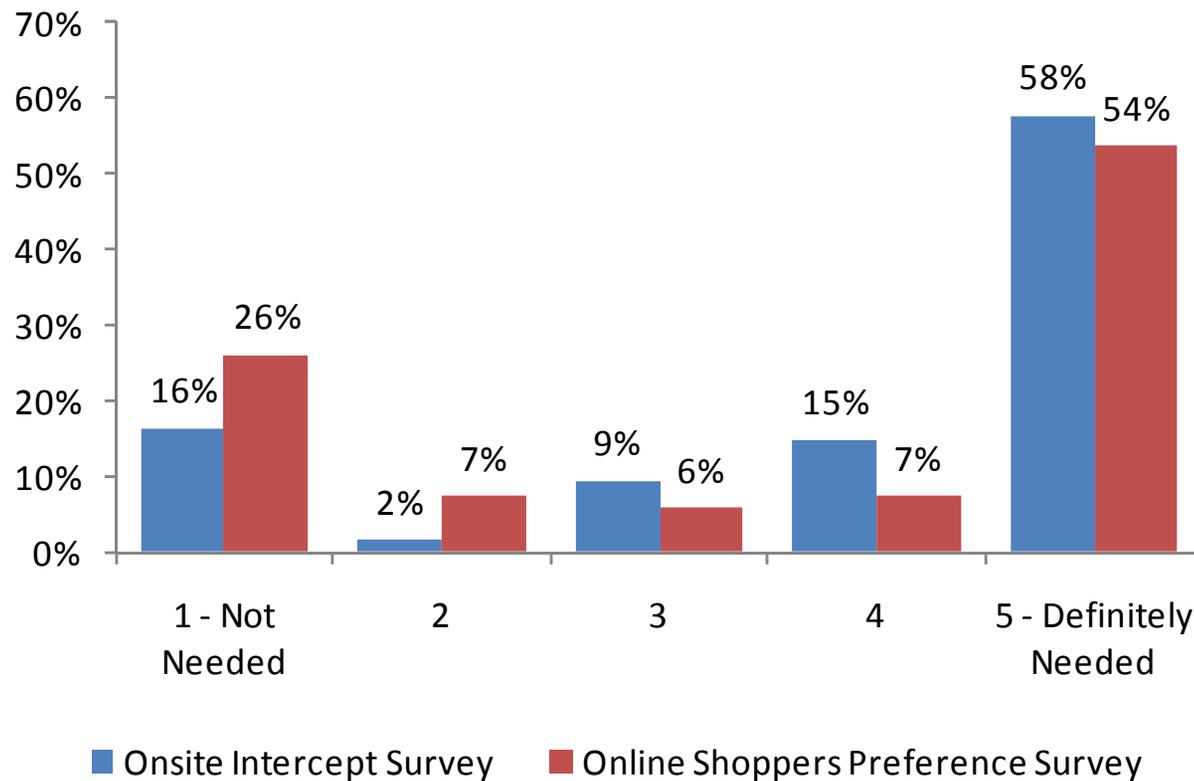
- Individuals who participated in surveys who frequently shop at other nearby competitive retail facilities:



Retail Stores Needed in Cudahy



Super Center Preference



Neighborhood Serving Retail Supportable Demand/Mix Analysis

- Total capture from primary market is just over 200,000 SF
- A successful retail project in Cudahy could see this capture increase to support another 25,000 – 40,000 SF
- Total capture is projected to exceed 206,000 SF across 17 different retail categories

Neighborhood Serving Retail Total Trade Area - Supportable Retail Mix			
Retail Category	Supportable SF (70% Capture)	Supportable SF (15% Capture)	Total Capture
Furniture Stores	28,148	5,630	33,778
Home Furnishing Stores	11,166	815	11,980
Electronics & Appliance Stores	12,053	3,168	15,221
Building Material & Supplies Dealers	8,073	2,365	10,439
Lawn & Garden Equipment	2,018	256	2,274
Specialty Food Stores	2,964	441	3,405
Beer, Wine, & Liquor Stores	3,829	479	4,308
Health & Personal Care Stores	338	472	810
Clothing Stores	28,144	5,120	33,264
Shoe Stores	5,230	1,266	6,496
Jewelry, Luggage, & Leather Goods Stores	3,179	136	3,315
Sporting Goods / Hobby / Musical Instrument Stores	140	597	737
Book, Periodical and Music Stores	4,174	786	4,960
Department Stores (excluding leased departments)	26,079	9,498	35,577
Office Supplies, Stationery & Gift Stores	1,670	770	2,440
Full-Service Restaurants	9,218	3,511	12,729
Limited-Service Eating Places	19,787	5,080	24,867
Total	166,209	40,390	206,599

Source: ESRI Business Solutions & Urban Land Institute: Dollars & Cents of Shopping Centers 2008

Regional Big Box Retail Supportable Demand/Mix Analysis

- Separate analysis (not included in contract), which was predicated upon key stakeholder interviews and shopper survey results.
- Research indicates that the big box retail trade area is typically a five-mile radius.
- Regional Big Box Retail Conclusions: Sufficient demand to support a big box center

Regional Big Box Retailer Trade Area - Surplus / Leakage by Retail Category				
Retail Category	Demand	Supply	Retail Gap	Leakage
Other General Merchandise	\$263,149,096	\$222,032,630	\$41,116,466	√
<i>Source: ESRI Business Solutions</i>				

Regional Big Box Retail Supportable Demand/Mix Analysis

- Based on a conservative capture of 50% of the \$41 million leakage, the Cudahy market can support between **51,000-82,000 SF**.
- Considering the lack of competition in the primary 5-mile radius, and using a more optimistic capture of 75%, the Cudahy market could support as much as **50,000-125,000 SF** of big box retail space.
- Anchor Center Co-Tenants / Household Retail Preferences

Anchored Center Co-Tenants	
National Retailers	Other Retail Categories
Big Lots	Beauty and Nail Salons
Payless Shoe Source	Fast Food Restaurants
Dress Barn	Banks
Rent-a-Center	Gyms/Fitness
Dollar General	Full Service Restaurants
Dollar Tree	

- Big Box General Merchandise Anchor's attract other retailers

Target Attraction Strategy: Potential Retailers

- Criteria:
 - Income
 - Expansion Area
 - Types of Centers:
 - Community strip center
 - Neighborhood strip center
 - Outparcel/pad site
 - Lifestyle center
 - Mixed-use center
 - Downtown/central business district
 - Freestanding location
- Target retailer attraction strategy for each retailer identifies:
 - Number of stores
 - Preferred type of center
 - Minimum frontage
 - Demographic requirements
 - Desired square footage
 - Annual sales
 - Desired lease length
 - Expansion plans

Seasonal Opportunity Potential

■ Locations:

- Sheridan Park
- The Oak Leaf Trail
- Warnimont Park Golf Course
- Lake Michigan

■ Recommendations:

- Concerts in the Park
- Par 3 Golf or Skeet Tournaments
- Arts in the Park/Craft Fairs
- Historical/Cultural Fairs or Carnival
- Kiosk Coffee Shop/Refreshment Stand

Cudahy Retail Strategy

- Issues and Assets
 - Available Sites, Catalytic Projects
 - Available Sites, In-fill
 - Competition from Surrounding Retail Centers
 - Built-out Residential Core
 - Limited by Physical Constraints
 - Scarcity of Choices in Retail

Elements of the Strategy

- **Design of the public and private space:** streetscape, building facades, landscape treatment, public/community spaces, and signage
- **Transportation and parking:** bicycle, pedestrian, and vehicular access, and parking for public and private uses
- **Social:** pedestrian friendly community gathering space that can provide an increased sense of place, an enhanced community identity and venues for special events
- **Environmental sustainability:** green and low-impact design features, green spaces, and landscaping
- **Economic development:** promotion of new stores and restaurants, and flex/industrial spaces with associated employment opportunities

Preferred “Village Center” Location

- The Iceport site is more centrally located along the northern edge of the City and closer to the residential core
- The Iceport site is proximate to the major employers and the future rail stop, and other Cudahy amenities.
- Proximity to the downtown core will benefit both the Village Center and downtown if a pedestrian friendly plan is created that links the two centers together.
- The Pennsylvania Avenue site will have noise issues and height restrictions from the airport



Catalytic Project: Village Center Concept

- Anchor Strategy
- Quality Development Program
- Supporting Uses – Target Cudahy Leakage Categories
 - Shoe stores
 - Clothing stores
 - Electronics/appliance stores
 - Full service dining
 - Furniture and home furnishings

Catalytic Project: Village Center Concept

- Amenities
 - “Green” development concepts throughout
 - Walking trail linked to the Oak Leaf Trail
 - Benches and “picnic areas”
 - Open spaces for evening and weekend activities
 - Athletic fields
 - Environmentally friendly paving materials and plantings
- Create and promote a “Sense of Place” and excitement!!!

Discussion

Questions & Answers

Contact

Ralph Basile

Principal

rbasile@bbpa.com

Tim George, CEcD

Senior Consultant

tgeorge@bbpa.com

Basile Baumann Prost Cole & Associates

177 Defense Highway, Suite 10

Annapolis, MD 21401

410-266-7800

www.bbpa.com