

MIDTOWN COMMERCIAL AREA

MARKET ANALYSIS AND IMPLEMENTATION STRATEGIES

NORFOLK, VIRGINIA

PREPARED FOR:

**NORFOLK DEPARTMENT OF CITY PLANNING
NORFOLK, VIRGINIA**

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I. EXECUTIVE SUMMARY

The following section presents the conclusions of our market work, which has involved field surveys, interviews, background data collection and research, market area definition, economic and demographic analysis, and market analyses:

- **Overall Environment for Retail Revitalization:** *The Midtown market areas (as defined by the consultant) represent small portions of the City of Norfolk retail market, a market that has lost significant share of total retail sales to other South Hampton Roads jurisdictions over the past four years.*

Summary findings follow:

- Norfolk's share of regional retail sales fell from 19.9 percent in 1991 to 17.7 percent by 1994.
- Sales in each major retail store category, when adjusted for inflation, experienced a decline between 1987 and 1992, and there were 117 fewer retail stores in Norfolk in 1992 than in 1987.
- Norfolk consumer expenditures in 1995 represented about 24 percent of the South Hampton Roads market. Expenditures by Riverview Village market area consumers represented 21 percent of Norfolk's expenditures, and expenditures by residents of the slightly smaller local 35th Street market area represented 5 percent of City expenditures.
- Combined sales volumes for 1995 in all of the study areas (35th Street, Riverview, and Upper Colley) were approximately one-fourth those reported for Ward's Corner, and approximately 1 percent of total retail sales in Norfolk.

The recent decline in the strength of the retail sector in Norfolk, as well as the relatively small sales and expenditure base of the market areas, will require that revitalization strategies focus on small scale, incremental redevelopment.

INTRODUCTION

The main body of the following report presents the findings of our work (organized by study area). The main body of the report is preceded by a brief Executive Summary that presents key conclusions of our market testing work.

Brief descriptions of each of the subsequent report sections are provided below:

- Section II presents a brief overview of the environment for retail sales in the Norfolk MSA, South Hampton Roads, Norfolk, and the market areas.
- Section III presents a analysis and assessments pertaining to Riverview Village (Granby Street from 38th to the Bridge);
- Section IV offers analysis and assessment of the 35th Street study area (from Hampton to Granby); and
- Section V provides assessment and recommendations for the Upper Colley area.
- Section VI presents implementation strategies for all three areas, with related tables and exhibits providing an overview of recommended action steps and organizational strategies. An appendix is attached presenting detailed steps in the strategies.

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- **Riverview Village "Ethnic Restaurant Row" Theme:** *Our analysis to determine initial market feasibility for an "ethnic restaurant row" theme for Riverview Village returns a qualified "yes".*

Summary findings follow:

- Approximately \$75 million of net expenditures (at selected retail stores) made by households in the Riverview Village market area are not made at stores in that market area. These expenditures are termed "outflow".
- Substantial "outflow" was found, in particular, for eating establishments (\$19.6 million) and apparel stores (\$10.7 million).
- Capture of a percentage of these "outflow" dollars could support additional retail space. A 15 percent capture of the expenditure outflow for "eating establishments" could support an estimated 26,200 square feet of new restaurant space. A 5 percent capture of apparel store "outflow" could support about 3,600 square feet of clothing stores.
- Other uses that may be supportable include a small specialty food market, a cantina, and a souvenir shop to capture spin-off traffic from the zoo.
- A look at the demographics for the market area, relative to other areas in the region, indicates that the market area is not as well-positioned as other local areas to attract restaurants. Based on demographics, Riverview Village would tend not to be a restaurant operator's "first choice" for a new location.
- Positive indicators (such as a well-educated and well-employed workforce) are balanced by data indicating a declining population, a decline in the number of families, small household sizes, a relatively high proportion of persons over the age of 45 (and low percentage between the ages of 25-44), and median incomes slightly below levels for the region.

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- Marketing strategies and active promotion will be needed to overcome demographic constraints, capitalize on the available expenditures, and attract new restaurant (and selected other retail) development.
- The high average daily traffic counts along Granby, the potential for new residential development along the waterfront (e.g. Lafayette Yacht Club), and the planned zoo expansion all should be emphasized in this strategy.
- A primary focus will need to be on establishing a coherent theme. The ethnic restaurants in the area do provide a foundation for creating an "international" theme.
- **35th Street "Africa Town" Theme:** *Analyses for the 35th Street Corridor found that the local market area could support little, if any, additional retail space. Analysis determined that marketing to the region, however, has the potential to yield positive results.*

Summary findings for the analysis follow:

- Market support for retail in the 35th Street market area is limited by physical boundaries, existing competition, neighborhood characteristics, limited current retail offerings, established shopping habits, and the relatively low volumes of "spendable dollars" in the area.
- Given the modest levels of available expenditures in the market area, area appears well-stored. In the market area, sales of area establishments are \$13 million greater than the expenditures of resident households. This condition is called "inflow", and indicates that there is not a large quantity of local expenditures available to support retail space.
- The only significantly understored retail category which could potentially support additional retail space is "apparel". Significant market area expenditure "outflow" of \$3.5 million was

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ascertained. A 15 percent capture of this "outflow" could support 2-3 stores.

- Demographics for the 35th Street market area tend to suggest insufficient demand to support additional retail space.
- The area has experienced declines in population, and more significant declines in the numbers of married-couple families. This declining population also has a relatively high percentage of persons over the age of 45, and a high percentage of persons lacking a high school diploma. Both per capita and median incomes are substantially lower than the average for Norfolk.
- Given the nature of the "Africa Town" concept and characteristics of the regional market, however, it may be possible for regional African-American expenditures to serve as the catalyst for new retail construction. "Re-capture" of market area expenditures, non African-American demand at the regional level, and the tourist market could then serve as additional sources of demand.
- Estimated expenditures made by African-American households in Norfolk outside of the 35th Street market area during 1995 were \$289.9 million. In South Hampton Roads exclusive of Norfolk, we estimate expenditures of almost \$555 million. For the areas in the Norfolk MSA outside of South Hampton Roads, we estimate expenditures of just over \$1 billion.
- Targeting these available regional African-American expenditures (in selected product categories) could provide market support for additional "Afrocentric" retail space on 35th Street.
- Research into other presently successful or currently redeveloping ethnic shopping areas in cities like Washington, Philadelphia, and Atlanta suggests that restaurants and apparel are frequently the retail establishments that succeed most frequently in these areas.

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- Capturing 5 percent of the expenditures made by Norfolk's black households in selected target product categories could support almost 10,000 square feet of related store space. Capturing 2 percent of the comparable expenditures in South Hampton Roads would support an additional 9,000 square feet, and a 0.5 percent capture of Norfolk MSA demand could support another 4,000 square feet.
- Additional demand sources (as delineated above) could support an increment of 10,000 square feet of space, for a combined total of just over 33,000 supportable square feet.
- The next phase of the study will provide detail on the store types that might be suitable for 35th Street, and suggest marketing strategies (to help to attract available regional African-American consumer expenditures).
- **Upper Colley Area:** *We recommend that this area take on a service sector theme, preferably with a focus on business services, to increase compatibility of uses with the surrounding residential neighborhoods.*

The reasoning behind our recommendation is outlined below:

- Field surveys found a wide variety of businesses and use types in the area. Interviews with selected owners and managers subsequently found that most are relatively pleased with the health of their businesses, perceive that incremental improvements to area infrastructure are all that is needed to adequately enhance the area, and usually just "want to be left alone."
- Intensified retail development is not a viable strategy for all three of the study areas. Pursuing retail development for Upper Colley would tend simply to further deplete what little demand is available for capture in the overlapping market areas.

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- Norfolk's need to rebuild its service economy is as significant as its need to rejuvenate the retail sector. From 1981 to 1993, the percentage growth in both total service sector firms and total employees in Norfolk was less than half that recorded for South Hampton Roads.
- Upper Colley is well-positioned to serve as a focus for such efforts.
- Given Old Dominion University's plans to expand eastward, Upper Colley could serve as a location for personal and business support services. The area could provide locations for service businesses that might desire to relocate from either the Riverview Village or 35th Street areas as the specific retail "theming" strategies take hold.

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II. RETAIL ENVIRONMENT OVERVIEW

An overall assessment of the retail environment of the region is important in preparation for a consideration of whether demand for additional retail space exists in the designated market areas.

The following points should be noted, in order to provide context for the analysis that follows:

- Recent trends in retail sales levels for Norfolk have not been positive. Norfolk lost sales to other areas in Hampton Roads over the 1991-1994 period, falling from 19.9 percent of regional retail sales in 1991 to 17.8 percent in 1994. (see Table 1-- from the 1995 Planning District Commission Data Book). This decline has occurred primarily due to the growth of retail sales in Chesapeake. The shares of Hampton Roads retail sales held by the South Hampton Roads and Peninsula areas have remained relatively constant over the period.
- Table 2 indicates that the relative decline in the Norfolk retail sector has not been just a recent phenomenon. The growth of retail sales in Norfolk has been slow, relative to the region, since 1975, but hit a low in the 1990-1994 period. In these four years, there was 0 percent growth in Norfolk retail sales but 12 percent growth in Chesapeake (and 4 percent for the region as a whole).
- Table 3 tracks retail establishment and sales data for Norfolk over the 1977-1992 period. There was an overall decline in the number of retail establishments in the fifteen year period. Only the number of "eating and drinking establishments" increased.
- Table 3 also illustrates the degree of the recent slowdown in retail sales growth for Norfolk. For example, from 1982-1987, total retail sales grew 21 percent (in constant 1992 dollars), but the 1987-1992 growth rate (again in constant 1992 dollars) was negative, at -13.7 percent. Every major retail store category experienced a constant dollar decline in sales over the 1987-1992 period.
- Tables 4 and 5 provide a picture of consumer expenditures by product category and store type. These data provide a sense of the relative size of markets in the region. Data is presented for the Norfolk MSA, the aggregated cities of South Hampton Roads (NOTE: From this point on in the analysis, a reference to

TABLE 1
HAMPTON ROADS RETAIL SHARES

(Figures are in Percent of Regional Total)

	1991	1992	1993	1994
HAMPTON ROADS	100.0%	100.0%	100.0%	100.0%
SOUTHEASTERN VIRGINIA	68.0%	66.7%	67.5%	67.9%
SOUTH HAMPTON ROADS	65.7%	64.4%	65.4%	65.6%
Chesapeake	11.1%	12.0%	13.5%	14.1%
Norfolk	19.9%	18.9%	18.1%	17.8%
Portsmouth	4.9%	4.5%	4.1%	3.8%
Suffolk	2.4%	2.4%	2.4%	2.5%
Virginia Beach	27.4%	26.6%	27.3%	27.3%
NON-METRO	2.3%	2.2%	2.1%	2.3%
Franklin	0.8%	0.8%	0.8%	0.8%
Isle of Wight County	1.2%	1.1%	1.1%	1.2%
Southampton County	0.3%	0.3%	0.3%	0.3%
PENINSULA	32.0%	33.3%	32.5%	32.1%
Hampton	10.7%	11.0%	10.0%	9.8%
James City County	4.2%	4.2%	3.9%	4.0%
Newport News	9.9%	10.7%	10.7%	10.2%
Poquoson	0.3%	0.3%	0.3%	0.2%
Williamsburg	2.9%	2.9%	3.1%	3.2%
York County	2.6%	2.7%	2.9%	3.2%
Gloucester County	1.5%	1.5%	1.5%	1.6%

TABLE 2
 RETAIL SALES COMPOUND ANNUAL GROWTH RATES

	1975- 1980	1980- 1990	1990- 1994	1975- 1994
HAMPTON ROADS	9.6%	7.7%	4.0%	7.4%
SOUTHEASTERN VIRGINIA	9.6%	7.7%	4.0%	7.4%
SOUTH HAMPTON ROADS	9.5%	7.8%	3.9%	7.4%
Chesapeake	12.6%	12.8%	11.9%	12.6%
Norfolk	7.7%	4.8%	0.0%	4.5%
Portsmouth	7.2%	3.2%	-3.1%	2.9%
Suffolk	6.9%	5.9%	5.5%	6.1%
Virginia Beach	12.8%	10.6%	4.3%	9.8%
NON-METRO	10.4%	5.9%	4.8%	6.8%
Franklin	7.1%	7.6%	5.3%	7.0%
Isle of Wight County	13.9%	5.9%	5.3%	7.8%
Southampton County	7.4%	2.3%	1.5%	3.4%
PENINSULA	9.7%	7.7%	4.0%	7.4%
Hampton	9.9%	6.4%	1.9%	6.3%
James City County	18.4%	10.7%	5.5%	11.5%
Newport News	7.2%	7.3%	4.7%	6.7%
Poquoson	33.8%	15.0%	0.3%	16.3%
Williamsburg	6.8%	7.0%	1.9%	5.9%
York County	15.5%	11.2%	9.3%	11.9%
Gloucester County	14.7%	8.2%	6.1%	9.4%

TABLE 3
RETAIL ESTABLISHMENT AND SALES TRENDS BY TYPE OF STORE
CITY OF NORFOLK: 1977-1992
CONSTANT 1992 DOLLARS*

Store Type	1977		1982		1977-1982		1987		1982-1987	
	Number	Sales	Number	Sales	Change in Number	% Sales Growth	Number	Sales	Change in Number	% Sales Growth
Building Materials	46	\$59,119	38	\$51,201	-8	-13.4%	36	\$60,537	-2	18.2%
General Merchandise	48	\$347,580	35	\$221,887	-13	-36.2%	32	\$328,786	-3	48.2%
Food Stores	229	\$388,044	187	\$311,081	-42	-19.8%	212	\$386,905	25	24.4%
Auto Dealers	127	\$430,462	101	\$332,240	-26	-22.8%	120	\$482,684	19	45.3%
Gasoline Service Stations	139	\$133,874	90	\$132,100	-49	-1.3%	84	\$104,459	-6	-20.9%
Apparel and Accessory	143	\$145,422	156	\$123,908	13	-14.8%	167	\$122,705	11	-1.0%
Furniture/ Home Furnishings	132	\$102,588	121	\$95,854	-11	-6.6%	133	\$117,540	12	22.6%
Eating and Drinking	453	\$197,571	412	\$193,062	-41	-2.3%	460	\$225,502	48	16.8%
Drug and Proprietary Stores	45	\$47,153	42	\$43,117	-3	-8.6%	49	\$65,304	7	51.5%
Miscell. Retail	379	\$211,040	270	\$192,032	-109	-9.0%	288	\$174,591	18	-9.1%
TOTAL	1,741	\$2,063,140	1,696	\$1,708,237	-45	-17.2%	1,581	\$2,068,990	-115	21.1%

Store Type	1992		1987-1992		1977-1992	
	Number	Sales	Change in Number	% Sales Growth	Change in Number	% Sales Growth
Building Materials	30	\$53,922	-6	-10.9%	-16	-8.8%
General Merchandise	40	\$245,793	8	-25.2%	-8	-29.3%
Food Stores	173	\$310,463	-39	-19.8%	-56	-20.0%
Auto Dealers	111	\$438,683	-9	-9.1%	-16	1.9%
Gasoline Service Stations	80	\$85,055	-4	-18.6%	-59	-36.5%
Apparel and Accessory	160	\$91,298	-7	-25.6%	17	-37.2%
Furniture/ Home Furnishings	99	\$91,758	-34	-21.9%	-33	-10.6%
Eating and Drinking	486	\$218,725	26	-3.0%	33	10.7%
Drug and Proprietary Stores	39	\$64,959	-10	-0.5%	-6	37.8%
Miscell. Retail	286	\$186,890	-2	7.0%	-93	-11.4%
TOTAL	1,464	\$1,785,386	-117	-13.7%	-277	-13.5%

* Adjustments based on trends in Consumer Price Index for all urban consumers

Source: Basile Baumann Prost; Census of Retail Trade, Dept. of Commerce

TABLE 4

COMPARATIVE EXPENDITURES BY PRODUCT CATEGORY FOR REFERENCE AREAS AND MARKET AREAS
1995 ESTIMATES

Item	Norfolk MSA*		South Hampton Roads**		Norfolk City			35th Street Market Area		Granby Street Market Area	
	Expend	Expenditures	Percent MSA	Expenditures	Percent MSA	Percent SHR	Expenditures	Percent City	Expenditures	Percent City	
<i>By Product Category</i>											
Food at Home	\$2,236,754,000	\$1,048,107,000	46.9%	\$274,513,000	12.3%	26.2%	\$16,271,000	5.9%	\$56,647,000	20.6%	
Food Away from Home	\$1,436,038,000	\$696,370,000	48.5%	\$170,259,000	11.9%	24.4%	\$9,171,000	5.4%	\$36,445,000	21.4%	
Alc. at Home	\$144,463,000	\$70,713,000	48.9%	\$18,782,000	13.0%	26.6%	\$1,092,000	5.8%	\$3,979,000	21.2%	
Alc. Away from Home	\$95,559,000	\$47,918,000	50.1%	\$12,093,000	12.7%	25.2%	\$623,000	5.2%	\$2,615,000	21.6%	
Personal Care Products	\$203,112,000	\$97,163,000	47.8%	\$24,762,000	12.2%	25.5%	\$1,423,000	5.7%	\$5,210,000	21.0%	
Personal Care Services	\$185,029,000	\$89,089,000	48.1%	\$23,451,000	12.7%	26.3%	\$1,377,000	5.9%	\$5,023,000	21.4%	
Nonprescrip. Drugs	\$77,268,000	\$35,934,000	46.5%	\$9,348,000	12.1%	26.0%	\$506,000	5.4%	\$1,985,000	21.2%	
Women's Apparel	\$412,586,000	\$198,483,000	48.1%	\$48,744,000	11.8%	24.6%	\$2,659,000	5.5%	\$10,659,000	21.9%	
Men's Apparel	\$235,733,000	\$114,119,000	48.4%	\$27,509,000	11.7%	24.1%	\$1,509,000	5.5%	\$5,914,000	21.5%	
Girls' Apparel	\$45,972,000	\$21,876,000	47.6%	\$5,099,000	11.1%	23.3%	\$293,000	5.7%	\$998,000	19.6%	
Boys' Apparel	\$68,624,000	\$32,698,000	47.6%	\$7,814,000	11.4%	23.9%	\$469,000	6.0%	\$1,539,000	19.7%	
Infants' Apparel	\$55,629,000	\$26,933,000	48.4%	\$7,081,000	12.7%	26.3%	\$435,000	6.1%	\$1,439,000	20.3%	
Footwear	\$214,962,000	\$102,809,000	47.8%	\$26,000,000	12.1%	25.3%	\$1,523,000	5.9%	\$5,421,000	20.9%	
Housekeeping Supp.	\$258,453,000	\$122,000,000	47.2%	\$30,410,000	11.8%	24.9%	\$1,657,000	5.4%	\$6,470,000	21.3%	
Lawn/ Garden Supplies	\$43,489,000	\$20,523,000	47.2%	\$4,878,000	11.2%	23.8%	\$254,000	5.2%	\$1,080,000	22.1%	
Domestic Services	\$316,540,000	\$157,465,000	49.7%	\$36,065,000	11.4%	22.9%	\$1,811,000	5.0%	\$8,051,000	22.3%	
III Textiles	\$84,677,000	\$40,389,000	47.7%	\$9,265,000	10.9%	22.9%	\$479,000	5.2%	\$2,073,000	22.4%	
Furniture	276902,000	\$135,302,000	48.9%	\$31,656,000	11.4%	23.4%	\$1,748,000	5.5%	\$6,795,000	21.5%	
Floor Coverings	\$68,229,000	\$31,659,000	46.4%	\$6,110,000	9.0%	19.3%	\$278,000	4.5%	\$1,482,000	24.3%	
Major Appliances	\$118,832,000	\$55,438,000	46.7%	\$13,230,000	11.1%	23.9%	\$702,000	5.3%	\$2,805,000	21.2%	
Small App. & Houseware	\$55,742,000	\$26,794,000	48.1%	\$6,448,000	11.6%	24.1%	\$342,000	5.3%	\$1,406,000	21.8%	
TV, Radio, Sound Equip.	\$408,395,000	\$196,853,000	48.2%	\$49,214,000	12.1%	25.0%	\$2,765,000	5.6%	\$10,269,000	20.9%	
Other Ent. Equip/ Serv	\$403,676,000	\$193,862,000	48.0%	\$42,415,000	10.5%	21.9%	\$2,116,000	5.0%	\$9,057,000	21.4%	
Transportation	\$3,988,536,000	\$1,901,715,000	47.7%	\$454,461,000	11.4%	23.9%	\$24,768,000	5.4%	\$96,821,000	21.3%	
TOTAL	\$11,158,298,000	\$5,464,212,000	49.0%	\$1,339,607,000	12.0%	24.5%	\$74,271,000	5.5%	\$284,183,000	21.2%	

* South Hampton Roads and the Peninsula

** Defined here as independent cities of Norfolk, Va. Beach, Chesapeake, Suffolk, and Portsmouth.

Source: Basile Baumann Prost and Associates; Claritas, Inc.

TABLE 5
COMPARATIVE EXPENDITURES BY STORE TYPE FOR REFERENCE AREAS AND MARKET AREAS
1995 ESTIMATES

Item	Norfolk MSA*	South Hampton Roads**		Norfolk City			35th Street Market Area		Granby Street Market Area	
		Expend	Expenditures	Percent MSA	Expenditures	Percent MSA	Percent SHR	Expenditures	Percent City	Expenditures
<i>By Store Type</i>										
Building Materials & Supply	\$184,154,000	\$84,666,000	46.0%	\$17,220,000	9.4%	20.3%	\$860,000	5.0%	\$3,714,000	21.6%
Hardware Stores	\$53,185,000	\$24,938,000	46.9%	\$5,617,000	10.6%	22.5%	\$279,000	5.0%	\$1,223,000	21.8%
Retail Nursery/ Lawn & Garden	\$45,660,000	\$21,509,000	47.1%	\$4,913,000	10.8%	22.8%	\$241,000	4.9%	\$1,089,000	22.2%
Auto Supply Stores	\$198,826,000	\$94,912,000	47.7%	\$22,597,000	11.4%	23.8%	\$1,186,000	5.2%	\$4,873,000	21.6%
Gasoline/ Service Stations	\$1,103,526,000	\$519,130,000	47.0%	\$126,995,000	11.5%	24.5%	\$6,991,000	5.5%	\$26,537,000	20.9%
Grocery Stores	\$2,485,515,000	\$1,167,184,000	47.0%	\$303,928,000	12.2%	26.0%	\$17,746,000	5.8%	\$62,880,000	20.7%
Drug and Proprietary Stores	\$441,660,000	\$207,477,000	47.0%	\$53,283,000	12.1%	25.7%	\$2,898,000	5.4%	\$11,367,000	21.3%
Eating Places	\$1,256,537,000	\$612,537,000	48.7%	\$152,277,000	12.1%	24.9%	\$8,325,000	5.5%	\$32,240,000	21.2%
Drinking Places	\$68,189,000	\$33,721,000	49.5%	\$8,392,000	12.3%	24.9%	\$438,000	5.2%	\$1,818,000	21.7%
Department Stores	\$1,133,149,000	\$543,016,000	47.9%	\$130,887,000	11.6%	24.1%	\$7,109,000	5.4%	\$28,135,000	21.5%
Apparel Stores	\$425,058,000	\$204,567,000	48.1%	\$49,991,000	11.8%	24.4%	\$2,782,000	5.6%	\$10,692,000	21.4%
Shoe Stores	\$134,592,000	\$64,381,000	47.8%	\$16,262,000	12.1%	25.3%	\$951,000	5.8%	\$3,393,000	20.9%
Furniture	\$250,676,000	\$122,078,000	48.7%	\$28,598,000	11.4%	23.4%	\$1,566,000	5.5%	\$6,171,000	21.6%
Home Furnishings	\$124,506,000	\$59,095,000	47.5%	\$12,791,000	10.3%	21.6%	\$634,000	5.0%	\$2,948,000	23.0%
III Appliances	\$75,141,000	\$35,636,000	47.4%	\$8,500,000	11.3%	23.9%	\$452,000	5.3%	\$1,830,000	21.5%
Radio/ TV/ Computer	\$185,976,000	\$89,772,000	48.3%	\$21,457,000	11.5%	23.9%	\$1,164,000	5.4%	\$4,623,000	21.5%
TOTAL	\$3,653,824,000	\$1,764,803,000	48.3%	\$429,155,000	11.7%	24.3%	\$23,421,000	5.5%	\$91,850,000	21.4%

* South Hampton Roads and the Peninsula

** Defined here as independent cities of Norfolk, Va. Beach, Chesapeake, Suffolk, and Portsmouth.

Source: Basile Baumann Prost and Associates; Claritas, Inc.

Basile Baumann Prost & Associates, Inc.

South Hampton Roads unless otherwise noted refers to these aggregated cities of Norfolk, Virginia Beach, Portsmouth, Suffolk, and Chesapeake); Norfolk; and consultant-defined market areas for: (1) 35th Street and (2) Riverview Village.

- The tables indicate that the South Hampton Roads market, vv. expenditures on products in the selected categories, is approximately 49 percent the size of the MSA market. Norfolk constitutes approximately 24 percent of the South Hampton Roads market. The market areas of 35th Street and Riverview Village constitute an estimated 5 percent and 21 percent, respectively, of Norfolk expenditures.
- Table 6 presents 1994 and 1995 available sales tax data for the region, Norfolk, and selected "financial districts". The "financial districts" for 35th Street and Riverview Village are significantly smaller than the market areas defined for each area for the purposes of this market analysis.
- Sales in all of the study areas are "dwarfed" by sales at shopping areas like Ward's Corner (whose 1995 total retail sales was more than 4 times the total amount of retail sales in the redevelopment areas) and 21st Street (total 1995 retail sales more than 3 times the sum of redevelopment area sales). Overall, retail sales in the financial districts represented only 1 percent of citywide retail sales in 1995, up only marginally from 0.9 percent in 1994. The area, however, represented a slightly larger percentage (2.2 percent) of Norfolk's restaurant sales.

TABLE 6

SELECTED FINANCIAL DISTRICTS: CITY OF NORFOLK; CITY; REGION
TAXABLE TOTAL AND RETAIL SALES: 1994-1995

1995 Data								
Area	Total <u>Sales</u>	Retail <u>Sales</u>	Retail as <u>% Tot. Sales</u>	Other <u>Sales</u>	Restaurant <u>Sales</u>	Rest. as % of <u>Retail Sales</u>	Non-Rest. <u>Retail</u>	Non-Rest <u>Retail as % Ret. Sales</u>
21st Street	\$179,603,097	\$66,516,506	37.0%	\$113,086,591	\$15,949,855	24.0%	\$50,566,651	76.0%
Colley Village*	\$6,152,263	\$5,987,513	97.3%	\$164,750	\$548,309	9.2%	\$5,439,204	90.8%
Ward's Corner	\$105,338,808	\$92,370,187	87.7%	\$12,968,621	\$8,521,582	9.2%	\$83,848,605	90.8%
Upper Colley**	\$30,068,046	\$10,704,527	35.6%	\$19,363,519	\$4,698,618	43.9%	\$6,005,909	56.1%
Riverview Village	\$19,051,201	\$7,771,299	40.8%	\$11,279,902	\$1,126,127	14.5%	\$6,645,172	85.5%
35th Street	\$2,581,617	\$732,230	28.4%	\$1,849,387	\$75,618	10.3%	\$656,612	89.7%
Redevelopment Areas	\$51,700,864	\$19,208,056	37.2%	\$32,492,808	\$5,900,364	30.7%	\$13,307,692	69.3%
---Percent City		1.0%			2.2%			
Norfolk City		\$1,925,763,253			\$264,045,509			
---Percent SHR		27.1%						
S. Hampton Roads		\$7,097,701,454						

* Segmented out in 1995

** aka "Highland Park"

1994 Data								
	Total <u>Sales</u>	Retail <u>Sales</u>	Retail as <u>% Tot. Sales</u>	Other <u>Sales</u>	Restaurant <u>Sales</u>	Rest. as % of <u>Retail Sales</u>	Non-Rest. <u>Retail</u>	Non-Rest <u>Retail as % Ret. Sales</u>
21st Street/ Colley Vill	\$185,756,777	\$72,624,936	39.1%	\$113,131,841	\$16,090,945	22.2%	\$56,533,991	77.8%
Ward's Corner	\$111,159,655	\$92,363,140	83.1%	\$18,796,515	\$8,521,582	9.2%	\$83,841,558	90.8%
Upper Colley**	\$27,799,074	\$8,914,771	32.1%	\$18,884,303	\$2,898,618	32.5%	\$6,016,153	67.5%
Riverview Village	\$19,021,201	\$7,741,299	40.7%	\$11,279,902	\$1,126,127	14.5%	\$6,615,172	85.5%
35th Street	\$2,577,495	\$732,230	28.4%	\$1,845,265	\$75,618	10.3%	\$656,612	89.7%
Redevelopment Areas	\$49,397,770	\$17,388,300	35.2%	\$32,009,470	\$4,100,364	23.6%	\$13,287,936	76.4%
---Percent City		0.9%			1.7%			
Norfolk City		\$1,831,167,711			\$240,964,727			
---Percent SHR		27.2%						
S. Hampton Roads		\$6,743,516,831						

Source: BBP Associates; Norfolk Commissioner of Revenue (1994; 1995)

III. RIVERVIEW VILLAGE

The thrust of our analysis for the Riverview Village area has been the evaluation of demographic and expenditure trends (for reference areas and a defined market area). This evaluation allowed us to make an assessment of the viability of the targeted theme of the Riverview Village Business Association: "international {i.e. ethnic} restaurants". A more secondary focus was the identification of possible niche opportunities for other types of retail. In undertaking this assessment, we completed the following:

- A. Field Surveys and Interviews: Field surveys of area businesses and nearby competition (21st and Colley; Colley Village; Ghent); meeting with business association representatives; interviews with restaurant operators in Riverview Village; interviews with area brokers handling sites formerly used by restaurants;
- B. Background Research: Assessment of recent and projected locational and sales trends in the restaurant industry; analysis of background data on the relative presence of and sales levels for ethnic restaurants in the state of Virginia in relation to the United States;
- C. Definition of primary local market area;
- D. Demographic and Economic Analysis: General and focused (i.e. on indicators specifically pertinent to restaurant demand) analysis of demographic data; related acquisition and analysis of restaurant purchase potential data for the South Hampton Roads area (i.e. the independent cities of Norfolk, Portsmouth, Chesapeake, Suffolk, and Virginia Beach); and
- E. Retail Expenditure Model and Analysis: Construction of retail expenditure model for the defined market area, and inflow/outflow analysis; preliminary estimates for supportable square feet by store type.

Brief discussion and summary findings for Tasks A-C are presented below. Tasks D-E are dealt with in greater detail below.

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A. Field Surveys and Interviews

Field surveys identified two "functioning" sit-down restaurants in the Riverview Village area (Veneziano's and Tabouli's), with one fast-food restaurant (McDonald's) that has presently been placed under new management. There are three prime restaurant properties that are presently vacant:

- the former Burger King site at the corner of Granby and Llewelyn near the bridge
- the IronWorks site, owned by Steve Brown, and
- the vacant Ho-Si-Ki space just to the south of the Tabouli location

The supply of restaurants in the general vicinity of Riverview Village is limited in comparison to other types of retail. The 21st Street and Colley area to the south and Hampton Boulevard to the west offer significant competition, in areas that the consumer might presently perceive as being "more attractive".

Interviews indicated that restaurateurs in Riverview Village have made substantial investments in facade and interior improvements to their facilities recently to enhance their marketability, and field surveys confirmed that these restaurant properties are among the most attractive in the area.

Both owners noted either a decline in sales or a struggle to turn a profit, and mentioned general access (parking and traffic) and security problems. These issues were mentioned by almost every business person interviewed. Nevertheless, there is continued enthusiasm for the potential market in the area, as both owners mentioned new marketing efforts that they were investigating, and one commented on his dream to expand one day from his present space. Also, both (again, as all other business owners) have high hopes for what the zoo expansion could mean in bolstering market demand.

In the case of the IronWorks, there appears to be serious recent interest on the part of a sit-down restaurant operator (an "O'Sullivan's" concept, according to Mr. Brown) in purchasing the business from the current lessee, although the owner noted that he was not completely committed to seeing the property re-used as a restaurant. There has also been interest expressed, again by independent operators, in the former Burger King site. Elements that may be "holding back" re-use of both properties are the relatively high price and/or lease rates being asked for the properties.

Basile Baumann Prost & Associates, Inc.**B. Background Research**

Summary findings of our background research into the restaurant industry in the United States and Virginia include the following:

- Analysis of the 1987 and 1992 Census of Retail Trade data indicated that most metropolitan areas in the United States saw growth in the number of eating establishments between 1987 and 1992. Eleven of the top twenty metropolitan areas for growth in number of eating establishments were in the South.
- However, the increasing number of eateries is not a particularly positive trend for many segments of the industry. As the typical consumer gets more pressed for time, fast-food restaurants are gaining in popularity relative to sit-down eateries. In 1994, for the first time, sales at fast-food restaurants exceeded those at sit-down restaurants. Sit-down eateries across the nation report growth only in take-out sales.
- A decline in aggregate spending at eating establishments has been the result. Analysis of recent trends in Consumer Expenditure Survey data found that household spending on all goods actually declined 1 percent from 1990 to 1994. The decline in food expenditures (9 percent) exceeded this overall decline. Most of this decline in food expenditures was caused by a 17 percent decline in expenditures on "food away from home". The speculation is that people are simply buying more frozen and prepared foods, and that they are going to less expensive restaurants when they do go out to eat.
- Future projections of retail sales present a more positive outlook for the restaurant industry, as (among major retail goods categories) the 38 percent constant dollar growth in spending at "eating and drinking establishments" is exceeded only by the 43 percent growth expected for spending in the "miscellaneous retail" category.
- Despite the above "light at the end of the tunnel", the balance of available data suggests that restaurants, as most retail establishments, will begin "micro-targeting" markets more, in terms of demographics, in the coming years. Operators will be looking for areas with high concentrations of, for instance, (1) those employed as managers and professionals; (2) households with multiple earners (i.e. areas with a large percentage of women working outside the home).

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- State of Virginia "eating establishments" (includes restaurants, cafeterias, and "other refreshment places") represented approximately 2.5 percent of all eating establishments in the United States in 1992, and 2.6 percent of U.S. sales, as shown on Table 7. The average sales for a Virginia eating establishment was approximately 4 percent higher than the national average for 1992. The average sales for "restaurants" (as opposed to cafeterias and "other refreshment places") was, however, slightly lower in Virginia than the national average (at \$483,618 compared with \$500,560) [NOTE: Table 7 also provides U.S. and Virginia breakdowns of eating establishments by principal menu type and type of facility].
- Table 8 shows that Virginia has relatively fewer ethnic restaurants (i.e. estimated from establishments of certain principal menu types) than does the United States as a whole. While principal menu types such as "seafood" and "pizza" represent relatively high percentages of the State total (compared with national percentages), there are relatively few Italian, Mexican, and other ethnic restaurants in the State.
- While average sales at Chinese and "Other Ethnic" restaurants in the State are far lower than the overall state average, average sales for Italian and Mexican restaurants exceed the state average. This is very similar to the situation at the national level.

C. Definition of Market Area

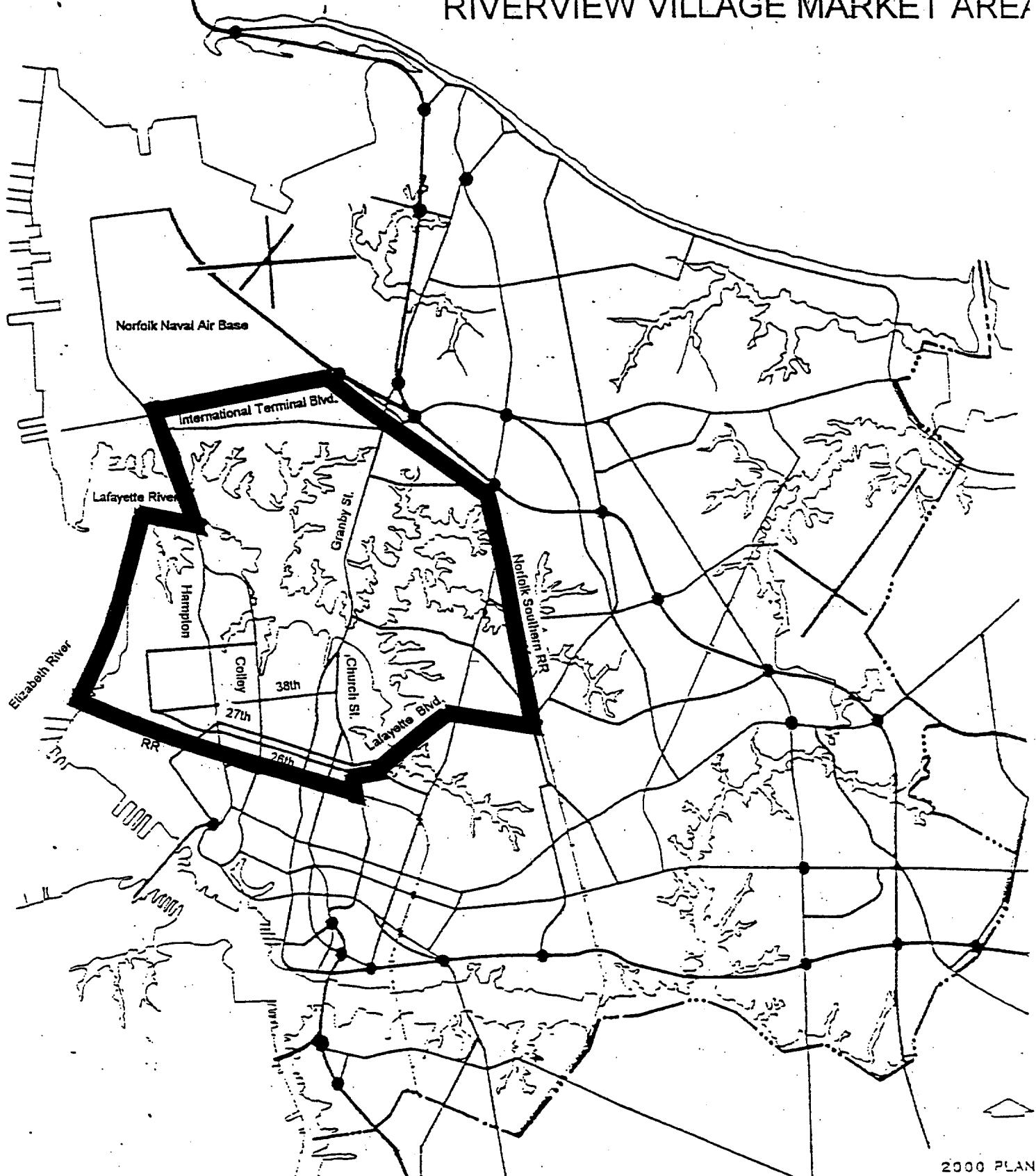
Based on conversations with area businesses and demographic considerations, we defined the following primary market area for Riverview Village, as shown on Map 1.

The northern boundary is (to the west) International Terminal Blvd. running along the southern edge of the Norfolk Naval Air Base to its connection with the rail line (Norfolk Southern) in the east. The eastern boundary is then this rail line southward to Chesapeake Blvd (247). The southern boundary of the area is the following:

- Lafayette Blvd (247) west to Church Street
- Church Street south to the rail line
- Rail line all the way west to the water (Elizabeth River)

MAP 1

RIVERVIEW VILLAGE MARKET AREA



Freeway
Arterial
Interchange



MARKET AREA

TABLE 7
SUMMARY RESTAURANT DATA FOR U.S. AND VIRGINIA
RESTAURANTS BY PRINCIPAL MENU TYPE
CENSUS OF RETAIL TRADE 1992

By Principal Menu Type	United States Data			Virginia Data		
	Restaurants	Cafeterias	Other Eating	Restaurants	Cafeterias	Other Eating
<i>Italian</i>						
Number	15,112	85	3,154	250	0	20
Sales (\$000s)	\$7,981,733	\$36,900	\$913,386	\$125,250	\$0	\$7,609
Ave. Sales	\$528,172	\$434,118	\$289,596	\$501,000	\$0	\$380,450
<i>Mexican</i>						
Number	10,775	146	10,003	111	0	107
Sales (\$000s)	\$5,745,093	\$118,785	\$5,150,054	\$95,423	\$0	\$78,851
Ave. Sales	\$533,187	\$813,596	\$514,851	\$859,667	\$0	\$736,925
<i>Chinese</i>						
Number	17,263	114	5,273	480	3	169
Sales (\$000s)	\$4,366,882	\$21,342	\$941,979	\$117,562	\$580	\$37,139
Ave. Sales	\$252,962	\$187,211	\$178,642	\$244,921	\$193,333	\$219,757
<i>Other Ethnic</i>						
Number	13,548	196	2,071	221	3	16
Sales (\$000s)	\$4,546,604	\$31,277	\$579,700	\$68,146	NA	\$6,752
Ave. Sales	\$335,592	\$159,577	\$279,913	\$308,353	NA	\$422,000
<i>Seafood</i>						
Number	11,394	81	4,640	539	0	108
Sales (\$000s)	\$8,747,708	\$21,245	\$2,099,426	\$321,074	\$0	\$60,272
Ave. Sales	\$767,747	\$262,284	\$452,463	\$595,685	\$0	\$558,074
<i>Steak</i>						
Number	6,903	133	3,387	210	10	97
Sales (\$000s)	\$4,463,915	\$72,099	\$3,234,104	\$133,695	\$5,134	\$89,644
Ave. Sales	\$646,663	\$542,098	\$954,858	\$636,643	\$513,400	\$924,165
<i>Pizza</i>						
Number	8,920	16	36,095	324	0	690
Sales (\$000s)	\$4,128,010	\$5,818	\$11,683,550	\$143,901	\$0	\$272,289
Ave. Sales	\$462,781	\$363,625	\$323,689	\$444,139	\$0	\$394,622
<i>Chicken</i>						
Number	1,237	40	12,350	4	1	446
Sales (\$000s)	\$589,043	\$13,411	\$6,860,195	\$2,677	NA	\$216,632
Ave. Sales	\$476,187	\$335,275	\$555,481	\$669,250	NA	\$485,722
<i>Hamburger</i>						
Number	4,246	37	45,588	62	0	1,111
Sales (\$000s)	\$1,475,965	\$8,043	\$33,840,926	\$14,831	\$0	\$1,052,612
Ave. Sales	\$347,613	\$217,378	\$742,321	\$239,210	\$0	\$947,446
<i>Sub Shop</i>						
Number	2,364	261	21,365	97	4	637
Sales (\$000s)	\$548,078	\$52,704	\$5,440,356	\$29,515	\$579	\$135,235
Ave. Sales	\$231,843	\$201,931	\$254,639	\$304,278	\$144,750	\$212,300
<i>American</i>						
Number	4,300	438	7,369	28	0	255
Sales (\$000s)	\$1,890,243	\$266,574	\$2,158,264	\$17,605	\$0	\$46,334
Ave. Sales	\$439,591	\$608,616	\$292,884	\$628,750	\$0	\$181,702
<i>Other</i>						
Number	74,121	3,966	13,046	1,936	113	308
Sales (\$000s)	\$40,695,082	\$2,970,974	\$4,783,590	\$991,134	\$90,371	\$83,840
Ave. Sales	\$549,036	\$749,111	\$366,671	\$511,949	\$799,743	\$272,208
TOTAL						
Number	170,163	5,513	164,341	4,262	134	3,964
Sales (\$000s)	\$85,178,358	\$3,619,172	\$77,685,530	\$2,061,264	\$99,238	\$2,089,209
Ave. Sales	\$500,569	\$656,480	\$472,709	\$483,638	\$740,582	\$527,046

Selected Summary Data			
Total U.S. Restaurants	340,017	Virginia as Percent of US	
Total Sales	\$166,483,060	Total Establishments	2.5%
Ave. Sales	\$489,632	Total Sales	2.6%
Total VA Restaurants	8,360	Average Sales	103.8%
Total Sales	4,249,711		
Ave. Sales	\$508,339		

Source: Basile Baumann Prost and Associates; Census of Retail Trade--Misc. Subjects

TABLE 8

SUMMARY RESTAURANT DATA FOR U.S. AND VIRGINIA
PERCENTAGE OF TOTAL RESTAURANTS BY PRINCIPAL MENU TYPE AND TYPE OF FACILITY
CENSUS OF RETAIL TRADE 1992

By Principal Menu Type	U.S. as Percent of U.S. Total			Virginia as Percent of VA Total		
	Restaurants	Cafeterias	Other Eating	Restaurants	Cafeterias	Other Eating
<i>Italian</i>						
Number	8.9%	1.5%	1.9%	5.9%	0.0%	0.5%
Sales (\$000s)	9.4%	1.0%	1.2%	6.1%	0.0%	0.4%
Ave. Sales	105.5%	66.1%	61.3%	103.6%	0.0%	72.2%
<i>Mexican</i>						
Number	6.3%	2.6%	6.1%	2.6%	0.0%	2.7%
Sales (\$000s)	6.7%	3.3%	6.6%	4.6%	0.0%	3.8%
Ave. Sales	106.5%	123.9%	108.9%	177.8%	0.0%	139.8%
<i>Chinese</i>						
Number	10.1%	2.1%	3.2%	11.3%	2.2%	4.3%
Sales (\$000s)	5.1%	0.6%	1.2%	5.7%	0.6%	1.8%
Ave. Sales	50.5%	28.5%	37.8%	50.6%	26.1%	41.7%
<i>Other Ethnic</i>						
Number	8.0%	3.6%	1.3%	5.2%	2.2%	0.4%
Sales (\$000s)	5.3%	0.9%	0.7%	3.3%	NA	0.3%
Ave. Sales	67.0%	24.3%	59.2%	63.8%	NA	80.1%
<i>Seafood</i>						
Number	6.7%	1.5%	2.8%	12.6%	0.0%	2.7%
Sales (\$000s)	10.3%	0.6%	2.7%	15.6%	0.0%	2.9%
Ave. Sales	153.4%	40.0%	95.7%	123.2%	0.0%	105.9%
<i>Steak</i>						
Number	4.1%	2.4%	2.1%	4.9%	7.5%	2.4%
Sales (\$000s)	5.2%	2.0%	4.2%	6.5%	5.2%	4.3%
Ave. Sales	129.2%	82.6%	202.0%	131.6%	69.3%	175.3%
<i>Pizza</i>						
Number	5.2%	0.3%	22.0%	7.6%	0.0%	17.4%
Sales (\$000s)	4.8%	0.2%	15.0%	7.0%	0.0%	13.0%
Ave. Sales	92.5%	55.4%	68.5%	91.8%	0.0%	74.9%
<i>Chicken</i>						
Number	0.7%	0.7%	7.5%	0.1%	0.0%	11.3%
Sales (\$000s)	0.7%	0.4%	8.8%	0.1%	0.0%	10.4%
Ave. Sales	95.1%	51.1%	117.5%	138.4%	0.0%	92.2%
<i>Hamburger</i>						
Number	2.5%	0.7%	27.7%	1.5%	0.0%	28.0%
Sales (\$000s)	1.7%	0.2%	43.6%	0.7%	0.0%	50.4%
Ave. Sales	69.4%	33.1%	157.0%	49.5%	0.0%	179.8%
<i>Sub Shop</i>						
Number	1.4%	4.7%	13.0%	2.3%	3.0%	16.1%
Sales (\$000s)	0.6%	1.5%	7.0%	1.4%	0.6%	6.5%
Ave. Sales	46.3%	30.8%	53.9%	62.9%	19.5%	40.3%
<i>American</i>						
Number	2.5%	7.9%	4.5%	0.7%	0.0%	6.4%
Sales (\$000s)	2.2%	7.4%	2.8%	0.9%	0.0%	2.2%
Ave. Sales	87.8%	92.7%	62.0%	130.0%	0.0%	34.5%
<i>Other</i>						
Number	43.6%	71.9%	7.9%	45.4%	84.3%	7.8%
Sales (\$000s)	47.8%	82.1%	6.2%	48.1%	91.1%	4.0%
Ave. Sales	109.7%	114.1%	77.6%	105.9%	108.0%	51.6%

Source: Basile Baumann Prost and Associates: Census of Retail Trade--Misc. Subjects

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The western boundary is comprised by the bank of the Elizabeth River north to the Lafayette River, then the bank of the Lafayette River west until its "intersection" with Hampton Blvd. From this point, the western boundary would be Hampton Blvd. until its intersection with International Terminal Blvd. to the north.

D. Economic/ Demographic Overview: Other Market Data

Key points from general demographic and economic analysis of the trade area, as well as of additional demographic analyses focused on restaurants, are the following:

Population Characteristics (Table 9)

- The population of the Riverview Village trade area for 1995 (43,808) represents roughly 18 percent of Norfolk's estimated 1995 population of 239,184 (see Table 9).
- The population in both Norfolk and the market area has declined significantly since 1980, while population growth has been positive for South Hampton Roads, and even stronger for the Norfolk MSA as a whole.
- Although the market area population has declined at a slower rate than Norfolk's population in the early 1990s (7.3 percent compared to 8.4 percent), the market area's projected 8.7 percent decline in population from 1995-2000 in the market area exceeds that expected in Norfolk.
- A decline in the number of families is also indicative of the recent unfavorable demographic trends (v.v. restaurants) in the market area, as in Norfolk as a whole. While the number of families in the market area is expected to decline at a faster rate (8.9 percent decline) than population (8.7 percent decline) over the 1995-2000 period, the situation is actually better than that in Norfolk, where a 9.0 percent decline in the number of families is expected for the 1995-2000 period.

National data indicate that large married-couple families are more likely than other population segments to eat away from home, and the relatively low average household size for Riverview Village (2.40 for 1995 compared to 2.53 for Norfolk and 2.65 for South Hampton Roads), combined with the relatively high percentage of "non-family" households are not positive indicators.

TABLE 9
SUMMARY POPULATION DATA AND PROJECTIONS
GRANBY ST. (RIVERVIEW VILLAGE) TRADE AREA AND REFERENCE AREAS

Key Summary Pop. Variables	Comparative Areas			
	Norfolk MSA	South Hampton Roads	Norfolk City	Riv. Village Trade Area
<i>Population</i>				
*1980	1,368,375	681,376	266,979	48,422
*1990	1,621,790	810,346	261,229	47,234
% Change 1980-90	18.5%	18.9%	-2.2%	-2.5%
*1995	1,732,947	834,827	239,184	43,808
% Change 1990-95	6.9%	3.0%	-8.4%	-7.3%
*2000	1,846,162	861,160	220,167	39,978
% Change 1995-00	6.5%	3.2%	-8.0%	-8.7%
% Change 1990-00	13.8%	6.3%	-15.7%	-15.4%
<i>Percent Population by Race (1995)</i>				
White (Not Hispanic)	65.4%	64.9%	53.0%	55.1%
Black (Not Hispanic)	29.4%	28.2%	40.4%	39.1%
Asian (Not Hispanic)	2.5%	3.5%	3.0%	2.7%
All Other (Not Hispanic)	0.4%	0.4%	0.5%	0.5%
Hispanic	2.3%	3.0%	3.1%	2.6%
<i>Average HH Size (Persons)</i>				
*1990	2.68	2.7	2.55	2.42
*1995	2.66	2.68	2.53	2.4
*2000	2.63	2.65	2.49	2.36
<i>Families</i>				
*1990	420,290	201,502	57,640	10,886
*1995	452,181	209,329	53,660	10,140
% Change 1990-95	7.6%	3.9%	-6.9%	-6.9%
*2000	483,635	216,615	48,837	9,242
% Change 1995-00	7.0%	3.5%	-9.0%	-8.9%
% Change 1990-00	15.1%	7.5%	-15.3%	-15.1%
<i>1995 Percent Population By Age</i>				
0-5 years old	8.2%	8.6%	8.4%	7.5%
5-15 years old	14.8%	14.6%	12.4%	11.3%
15-25 years old	15.6%	17.3%	23.4%	21.8%
25-44 years old	33.5%	34.4%	30.9%	28.9%
45-64 years old	17.9%	16.2%	14.1%	16.1%
65 years old+	9.9%	8.9%	10.7%	14.5%
<i>1990 Percent Households by HH Type</i>				
Male No Wife No Child	1.8%	1.9%	2.2%	2.2%
Female No Husband No Child	5.2%	5.2%	6.4%	5.8%
Married-Couple Family	57.3%	55.6%	46.0%	42.5%
Other Family Hhold w/ Child	8.9%	9.2%	10.6%	8.7%
Non-Family	26.8%	28.0%	34.9%	40.7%

Source: Basile Baumann Prost and Associates: Claritas, Inc.

Basile Baumann Prost & Associates, Inc.

- The relatively high proportion of persons over the age of 45 in the trade area also would not be viewed positively by restaurant operators, as studies have shown that population in the 25-44 age group is most likely to eat out. Approximately 28.6 percent of the market area population is older than 45, compared to 25.1 percent of the South Hampton Roads population, and just 24.7 percent of Norfolk's population. The 28.9 percent of the market area's population aged 25-44 is lower than the relative percentage of "adult middle-aged" population in any of the reference areas.
- The racial mix in the Riverview Village trade area is quite similar to the overall racial mix for Norfolk. The percentage of total population represented by whites is slightly higher (55 percent to Norfolk's 53 percent) in the market area, and there is a relatively smaller ethnic population in the market area (fewer Asian and Hispanic residents in the market area than in the city as a whole).

Income Characteristics (Table 10)

A comparative look at income levels in the market area is somewhat more encouraging, vv. the potential for the market area to attract restaurant operators and successfully pursue its chosen "theme". Key points of our analysis (as illustrated by Table 10) are the following:

- Per capita incomes in the Riverview Village trade area were higher in both 1989 (at \$13,856) and 1995 (at \$18,551) than in any of the reference areas, and grew at a faster rate (approximately 34 percent increase in constant dollars) than per capita incomes in any of the reference areas between 1989-1995.
- Median household incomes were slightly lower in the market area than those in all of the reference areas for both 1989 and 1995 (at \$23,554 and \$27,568 respectively), likely because of the influence of several lower income areas within the zone. Also, median household wealth is significantly lower than in the South Hampton Roads area and the region. However, the growth rate in constant dollars for median household income did exceed that experienced in both the MSA and South Hampton Roads.

TABLE 10
SUMMARY INCOME DATA
GRANBY ST. (RIVERVIEW VILLAGE) TRADE AREA AND REFERENCE AREAS

<u>Key Summary Variables</u>	<u>Comparative Areas</u>			
	Norfolk MSA	South Hampton Roads	Norfolk City	Granby St. Trade Area
<u>Per Capita Income</u>				
*1989	\$13,166	\$13,316	\$11,643	\$13,856
*1995	\$16,384	\$16,754	\$15,183	\$18,551
% Change 1989-1995	24.4%	25.8%	30.4%	33.9%
<u>Median HH Income</u>				
*1989	\$29,858	\$30,112	\$23,649	\$23,554
*1995	\$34,103	\$34,935	\$28,369	\$27,568
% Change 1989-1995	14.2%	16.0%	20.0%	17.0%
<u>1995 Median HH Wealth</u>	\$49,822	\$42,112	\$22,929	\$26,224
<u>1995 HH Income Distribution (%)</u>				
Less Than \$10,000	11.7%	10.5%	15.6%	16.9%
\$10,000-\$19,999	14.2%	13.6%	17.3%	18.7%
\$20,000-\$24,999	8.6%	8.8%	10.5%	9.8%
\$25,000-\$34,999	16.7%	17.2%	17.3%	14.8%
\$35,000-\$49,999	19.3%	19.7%	17.6%	13.7%
\$50,000-\$74,999	18.3%	18.5%	13.4%	10.5%
\$75,000-\$99,999	6.6%	6.8%	4.6%	4.3%
\$100,000+	4.6%	5.0%	3.6%	4.4%

Source: Basile Baumann Prost and Associates; Claritas, Inc.

Basile Baumann Prost & Associates, Inc.

Employment (Table 11)

Table 11 displays a number of positive demographic indicators for the Riverview Village area, in terms of the area's attractiveness to restaurant operators. The area has a high percentage of the well-employed and well-educated persons that are typically attracted to the ethnic "sit-down" restaurants desired by the Business Association. The presence of such a population is particularly critical in the absence of ethnic population in the market area.

- The market area has a relatively high percentage of its workforce in managerial and professional specialist occupations (31.3 percent compared to 23.3 percent) for Norfolk. National surveys have indicated that this occupational group is most likely to have the larger families and longer work hours that are incentives to eating out more.
- A very high 27.3 percent of the market area population over the age of 25 has either a graduate or bachelors degree. This compares to only 16.9 percent in Norfolk, and to 20 percent in South Hampton Roads.
- A very low percentage (relatively) of market area workers work at home, and 70.4 percent drive alone to work. Thus, market area population is on the road more often than comparable populations (greater exposure to establishments), and more "free" to pull in for take-out food or sit-down dining (driving alone).
- Only the relatively high unemployment rate for the market area (likely increased by the 11.3 percent rate reported for the 35th Street trade area) impacts the picture.

Modified Restaurant Growth Opportunity Index (Table 12)

Market Statistics, a New York City firm, has developed a ranking system for the suitability of a given region or area for new restaurant activity, based on many of the demographic variables that are discussed above.

The index assigns a weighting to designated data variables, based on their supposed significance to profitable restaurant operations. The scores are then adjusted to reflect their relationship to the average score for the United States. If the score for a given area exceeds 100 (the U.S. score), that given area is more attractive than the average for restaurant operations, and vice versa.

TABLE 11
SUMMARY EMPLOYMENT-RELATED DATA
GRANBY ST (RIVERVIEW VILLAGE) TRADE AREA AND REFERENCE AREAS

Key Summary Variables	Comparative Areas			
	Norfolk MSA	South Hampton Roads	Norfolk City	Granby St. Trade Area
<u>1990 Unemployment Rate</u>	5.2%	5.1%	6.1%	7.8%
<u>1990 Emp. By Occupation (%)</u>				
Managerial/ Prof. Spec.	25.9%	26.7%	23.3%	31.3%
Tech/ Sales/ Admn. Support	31.3%	33.3%	31.6%	31.0%
Service Occupations	14.2%	14.5%	17.5%	17.4%
Farming/ Forestry/ Fishing	1.9%	1.2%	1.2%	1.2%
Precision Craft/ Repair	13.8%	12.6%	12.4%	7.0%
Operator/ Fabricator/ Laborer	12.8%	11.8%	14.1%	12.0%
<u>1990 Educational Attainment (%) 1/</u>				
No High School Diploma	23.1%	21.3%	27.3%	25.6%
High School Diploma Only	29.6%	29.4%	30.7%	23.3%
Some College	22.4%	23.5%	20.7%	20.0%
Associate Degree	6.0%	5.8%	4.5%	3.8%
Bachelors Degree	12.8%	13.7%	11.1%	16.6%
Graduate or Prof. Degree	6.1%	6.3%	5.8%	10.7%
<u>1990 Pop. By Transport to Work (%)</u>				
Driving Alone	72.5%	69.9%	56.0%	70.4%
Carpool	14.9%	13.7%	13.9%	12.5%
Public Transit	2.0%	2.4%	4.7%	5.8%
Walking Only	3.6%	4.0%	4.8%	7.2%
Other Means	1.9%	2.2%	2.5%	2.9%
Working at Home 2/	5.0%	7.8%	18.2%	1.3%
<u>1990 Households By # of Vehicles</u>				
0 Vehicles	10.2%	10.8%	17.7%	19.3%
1 Vehicle	33.4%	34.8%	41.6%	39.5%
2 or More Vehicles	56.4%	54.4%	40.7%	41.2%

1/ Population 25 years and over

2/ The 18.2 percent for Norfolk City may be a result of Census Bureau error

Source: Basile Baumann Prost and Associates; Claritas, Inc.

Basile Baumann Prost & Associates, Inc.

We have adapted the Market Statistics index for use in the preliminary assessment of the market feasibility of the Riverview Village "ethnic restaurant theme". The data variables that we have considered is a slightly abridged set, limited by data availability. We have calculated the aforementioned "scores" for several reference areas (the Norfolk MSA, South Hampton Roads, and Norfolk) in order that the Granby Street market area can be assessed not only in comparison to the U.S., but in relation to its region.

The variables used, the values for each, analysis methodology, and the rankings for each reference area are shown on Table 12. The summary conclusions are the following:

- All of the reference areas in the Hampton Roads area have scores of over 100, meaning that all are more attractive than the average locale in the United States for restaurant development.
- The Riverview Village market area has a score of 107.1. This score is the lowest among the reference areas, but still means that the market area is more attractive than the average place in the United States for restaurant development. The score for the market area is helped by relatively high percentages of food consumed outside the home and women between the ages of 16 and 64 that are working, but harmed by relatively few households in the middle-income (\$25,000-\$50,000) category and a relatively high unemployment rate.
- "South Hampton Roads" is the most attractive area for new restaurants, with a score of 121.5 (compare 100 United States average). South Hampton Roads is followed closely by the Norfolk MSA as a whole, with a score of 120.8.
- The score for South Hampton Roads is driven up by relatively high percentages of "women between the ages of 16 and 64 that are working" and high percentages of persons employed. While the Norfolk MSA has a relatively low percentage of women aged 16-64 working, it has a large proportion of its population aged 25-44 (restaurant target market)

While the analysis appears to indicate that the market area demographics will not provide it with a distinct competitive advantage in attracting restaurateur interest within the region, the score of 107.1 indicates that the area is comparatively advantaged relative to the nation as a whole, and not at a distinct demographic disadvantage within its own region

TABLE 12
MODIFIED RESTAURANT OPPORTUNITY INDEX (1/)
GRANBY MARKET AREA AND REFERENCE AREAS

Weight	Indicator	Base Value (Percent of Total for Area)					Adjusted Indices 1/				
		Norfolk		South	Norfolk	Granby	Norfolk		South	Norfolk	Granby
		USA	MSA	IIR	City	Mkt. Area	MSA	IIR	City	Mkt. Area	
3	% Households with After-Tax Income of \$50,000+	32.4	29.5	30.3	21.6	25.1	91.0	93.5	66.7	77.5	
3	Share of Food Consumed Outside the Home	38.8	39.1	39.9	38.3	39.1	100.7	102.8	98.6	100.8	
2	Percent of Women 16-64 Working	61.5	58.2	68.4	60.9	63.3	94.6	111.4	99.0	103.0	
2	% Households with After-Tax Income of \$35,000-\$49,999	17.3	19.3	19.7	17.6	14.5	111.6	113.9	101.7	83.8	
2	Percent of Persons Employed	93.8	94.8	94.9	93.9	92.2	101.1	101.1	100.1	98.3	
1	% of Households with After-Tax Income of \$25,000-\$34,999	14.2	16.7	17.2	17.3	15.1	117.6	121.1	121.8	106.3	
1	% of Population Aged 25 to 44	31.7	42.1	34.4	30.9	28.9	132.8	108.5	97.5	91.2	

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Weight	Indicator	Weighted Indices 3/					
		Norfolk		South	Norfolk	Granby	
		USA	MSA	IIR	City	Mkt. Area	
3	% Households with After-Tax Income of \$50,000+	300.0	273.1	280.6	200.0	232.4	
3	Share of Food Consumed Outside the Home	300.0	302.0	308.4	295.7	302.4	
2	Percent of Women 16-64 Working	200.0	189.3	222.7	198.1	206.0	
2	% Households with After-Tax Income of \$35,000-\$49,999	200.0	223.1	227.7	203.5	167.6	
2	Percent of Persons Employed	200.0	202.2	202.3	200.3	196.6	
1	% of Households with After-Tax Income of \$25,000-\$34,999	100.0	235.2	242.3	243.7	212.7	
1	% of Population Aged 25 to 44	100.0	265.6	217.0	195.0	182.3	

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Unadjusted Final Score 4/	1,400.0	1,690.6	1,701.0	1,536.1	1,500.1
Adjusted Final Score (Divided by Weights) 5/	100.0	120.8	121.5	109.7	107.1
Rankings	5	2	1	3	4

1/ Abbreviated methodology similar to that applied by Market Statistics of New York City--derives 1995 estimates from Claritas, Inc. data

2/ Takes U.S. Value as a base (100) and adjusts other indicators accordingly

3/ Multiplies Adjusted Score By Category Weight

4/ The sum of Weighted Indices divided by 14 (total number of weights)

5/ Divides Unadjusted Final Score by Number of Weights (14)

Source: Basile Baumann Prost and Associates; American Demographics Magazine

Basile Baumann Prost & Associates, Inc.

Restaurant Purchase Potential Data for South Hampton Roads (Fig.1)

The excellent "modified restaurant growth opportunity" index ranking of South Hampton Roads indicates that consumers in the area show a propensity to "eat out" that exceeds the national average. Figure 1 provides CACI, Inc's current estimate of the propensity of consumers in the aggregated cities of South Hampton Roads to exhibit certain types of "dining behaviors". Key items of note include:

- Less than 10 percent of South Hampton Roads residents have dined out once a month or less in the last twelve months. This is below the national average for "non-diners".
- Area residents are apparently very predisposed to dining at family restaurants, as the area comes in 10 index points above the national average for both "persons eating dinner at a family restaurant or steak house in the last 6 months" (53 percent of the area population) and "persons dining 2-3 times at a family restaurant in the last month" (almost 24 percent of the population).
- 90 percent of the population has purchased fast food in the last six months (4 points above the national index) and almost 59 percent have eaten lunch at a fast-food restaurant within the last 6 months.

E. Inflow-Outflow Analysis/Preliminary Supportable Square Feet Analysis***Inflow-Outflow Analysis***

Though, as shown above, industry assessments and demographic analyses present conflicting arguments (in instances) for the likely feasibility of pursuing an "ethnic restaurant" theme for Riverview Village, our retail expenditure model indicates that the vision may have defined market support.

Comparative analysis of retail sales and expenditures for the Riverview Village market area shows that a reasonably large outflow of dollars exists in a number of "store type" categories, particularly in the restaurant category. Application of relatively low Riverview Village "capture rates" to these outflows shows that a marketing effort for the available space and land could provide support for a substantial amount of added commercial space in the area, based on the extent of outflow from the market area alone (i.e. no consideration, yet, of possible capture of broader area demand).

FIGURE 1

CACI

RESTAURANTS
PURCHASE POTENTIAL

Page 1 of 2

TIDEWATER, VA AREA
AGGREGATED CITIES

SITE: Geographic Area

<u>Product/Consumer Behavior</u>	<u>Expected Number of Adults</u>	<u>%</u>	<u>PPI*</u>
Person dined out in last 12 months	350855	47.0	103
Dined out 1+ times a week in last 12 months	156175	20.9	104
Dined out 2 or 3 times a month in last 12 months	82003	11.0	105
Dined out once a month or less in last 12 months	73699	9.9	98
Dined at family restaurant/steak house -last 6 mo.	523503	70.1	106
Dined 4+ times: fam.rest./steak house-last 30 days	174638	23.4	105
Dined 2-3 times:fam.rest./steak house-last 30 days	175701	23.5	110
Dined <2 times: fam.rest./steak house-last 30 days	173182	23.2	103
Ate breakfast at fam. rest./steak house-last 6 mo.	97210	13.0	105
Ate lunch at family rest./steak house - last 6 mo.	165225	22.1	99
Ate dinner at family rest./steak house -last 6 mo.	392348	52.5	110
Ate at family rest./steak house on wkdy-last 6 mo.	291015	39.0	107
Ate at family rest./steak house on wknd-last 6 mo.	325578	43.6	110
Person purchased fast food in last 6 months	666167	89.2	104
Person purchased fast food 9+ times - last 30 days	249866	33.5	109
Person purchased fast food 4-8 times -last 30 days	235019	31.5	107
Person purchased fast food <4 times - last 30 days	181217	24.3	94
Purchased fast food for breakfast in last 6 months	172512	23.1	105
Purchased fast food for lunch in last 6 months	439584	58.9	104

These data are based upon national propensities to purchase fast food or eat in family restaurants, applied to local demographic composition. Purchase data were collected by Mediemark Research Inc. in a nationally representative survey of U.S. households. This work is comprised of copyrighted and confidential material.

* A PPI (Purchase Potential Index) measures the relative likelihood of the adults in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. average. A PPI of 100 represents the U.S. average.

FIGURE 1

CACI

RESTAURANTS
PURCHASE POTENTIAL

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TIDEWATER, VA AREA
AGGREGATED CITIES

SITE: Geographic Area

Product/Consumer Behavior

	Expected Number of Adults	%	PPI*
Purchased fast food for snacks in last 6 months	114109	15.3	104
Purchased fast food for dinner in last 6 months	394054	52.8	109
Purchased fast food during the week in last 6 mo.	509005	68.1	106
Purchased fast food on the weekend in last 6 mo.	383596	51.4	109
Person ordered fast food for eat-in in last 6 mo.	351035	47.0	99
Person ordered fast food for home deliv-last 6 mo.	105920	14.2	122
Person ordered fast food for take-out in last 6 mo	451564	60.5	111

Basile Baumann Prost & Associates, Inc.

A summary of key findings of our analysis to date follows (see Table 13):

- Households in the Riverview Village market area have a lot of dollars to spend, but do not typically spend money near home. While estimated 1995 sales for major store types in the market area are approximately \$106.6 million, expenditures total \$181.6 million, connoting a net outflow of \$75 million (or 70 percent) to other shopping areas in Norfolk.
- The most significant outflows (\$32.9 and 26.8 million, respectively) are identified for "grocery stores" and "department stores". These outflows are equivalent to almost 80 percent of the net expenditure outflow for the market area. These are store types that do not fit into the character of the area or the targeted theme. The department stores at Ward's Corner and area malls capture this segment of demand, and the grocery stores at both Ward's Corner, along 21st Street, and at Colley Village capture most of the supermarket demand.
- Outflow of expenditures at restaurants, however, is the next largest outflow, representing almost 26 percent of the net expenditure outflow. While the Ghent area (with established destination restaurants like Magnolia's, etc.) likely draws away a large amount of these dollars (with Ward's Corner and the Downtown also offering options) the nearby competition for the "food away from home" dollar is not nearly as strong as competition for department store and grocery store expenditures. There is also significant outflow (\$1.7 million) for "drinking establishments".
- The analysis also identified substantial expenditure outflow in the "apparel" store category, particularly for Men's and Boy's Apparel.

Preliminary Supportable Square Feet Analysis

The next stage in our analysis to date involves the estimation of the amount of square footage (of various store types) that the identified outflows might support. The total dollar volume of outflow for a given store type was divided by baseline sales per square foot numbers for the given store type (drawn largely from Urban Land Institute U.S. Neighborhood Shopping Centers data, with a regional adjustment applied) to yield total supportable gross square footage.

TABLE 13
GRANBY STREET (RIVERVIEW VILLAGE) MARKET AREA
RETAIL INFLOW/ (OUTFLOW) ANALYSIS

Store Type	1995 Sales	1995 Expenditures	Retail Inflow (Outflow)	Net Inflow
Building Materials and Supply	\$10,900,000	\$3,714,000	\$7,186,000	66%
Hardware Stores	\$2,500,000	\$1,223,000	\$1,277,000	51%
Lawn and Garden Supply	\$600,000	\$1,089,000	(\$489,000)	-82%
Auto Supply	\$6,900,000	\$4,873,000	\$2,027,000	29%
Grocery Stores	\$30,000,000	\$62,880,000	(\$32,880,000)	-110%
Drug Stores	\$11,000,000	\$11,367,000	(\$367,000)	-3%
 Eating Establishments	 \$12,600,000	 \$32,240,000	 (\$19,640,000)	 -156%
Drinking Establishments	\$100,000	\$1,818,000	(\$1,718,000)	-1718%
 <i>Department Stores</i>	 \$1,300,000	 \$28,135,000	 (\$26,835,000)	 -2064%
* Non-Apparel	\$937,300	\$20,285,335	(\$19,348,035)	-2064%
* Apparel (Aggregate) 1/	\$362,700	\$7,849,665	(\$7,486,965)	-2064%
 <i>Apparel Stores</i>	 \$400,000	 \$10,692,000		
* Men and Boys'	\$400,000	\$6,201,360	(\$5,801,360)	-1450%
* Women's	\$1,400,000	\$3,849,120	(\$2,449,120)	-175%
* Children's	\$0	\$641,520	(\$641,520)	
* Shoe Stores	\$1,600,000	\$3,393,000	(\$1,793,000)	-112%
<i>Subtotal, Apparel Stores</i>	\$3,400,000	\$14,085,000	(\$10,685,000)	-314%
 Home Furnishings/ Furniture	 \$1,100,000	 \$2,948,000	 (\$1,848,000)	 -168%
Household Appliances	\$200,000	\$1,830,000	(\$1,630,000)	-815%
Radio/ TV/ Music Stores	\$9,700,000	\$4,623,000	\$5,077,000	52%
 <i>Miscellaneous Retail</i>				
* Book Stores	\$4,400,000	\$1,290,713	\$3,109,287	N/A
* Stationery Stores	\$0	\$49,955	(\$49,955)	
* Souvenir Stores	\$1,400,000	\$1,662,014	(\$262,014)	-19%
* Jewelry Stores	\$500,000	\$2,157,082	(\$1,657,082)	-331%
* Sporting Goods	\$3,800,000	\$2,086,358	\$1,713,642	45%
* Hobby, Toy, Game	\$5,000,000	\$1,821,143	\$3,178,857	N/A
* Camera/ Photo	\$0	\$707,240	(\$707,240)	N/A
* Luggage	\$0	\$212,172	(\$212,172)	N/A
* Florists	\$1,200,000	\$813,326	\$386,674	32%
<i>Subtotal, Misc. Retail</i>	\$16,300,000	\$10,800,003	\$5,499,997	34%
 TOTAL MARKET AREA	 \$106,600,000	 \$181,625,003	 (\$75,025,003)	 -70%

BOLD TYPE INDICATES STORE TYPES WITH OUTFLOW

1/ 90% of the Apparel Expenditures Not Made in Apparel Stores

Source: Claritas; Bureau of Labor Statistics; BBP Associates

Basile Baumann Prost & Associates, Inc.

Riverview Village, because of the competition in the area, will be able to "capture" but a small percentage of this "excess demand". However, as the following bullet points indicate, even when low capture rates are applied, substantial amounts of new space that "fits in" with the theme and wish list of Riverview Village representatives may well be supportable along Granby in this area:

- As shown on Table 14, application of reasonably low capture rates to the identified outflows for sixteen (16) distinct store types yields enough "residual" expenditures to support an additional 39,304 square feet of retail. However, the square footage "captures" for eight store types (lawn and garden; drug stores; home furnishings/ furniture; household appliances; stationery stores; and jewelry stores; camera/photo; and luggage) were below the size threshold required for a store, and should be disregarded.
- Application of a 15 percent capture rate to "eating establishment" outflow yields approximately 26,200 square feet of supportable space, or five sit-down restaurants.
- A 5 percent capture of "drinking establishment" outflow expenditures would support a little over 1,800 square feet, more than enough for a cantina or other ethnically-oriented drinking establishment that might serve food as well.
- A 5 percent across-the-board capture of apparel expenditure outflow would support approximately 3,650 square feet of mixed apparel offerings (primarily, as stated above, of the men's and boys variety). The merchandise at these stores, however, would have to be carefully "niched" (along the lines of the Duce 2) to avoid duplicating merchandise that could be available for cheaper prices at Ward's Corner or become available at the pending MacArthur Center. Apparel stores also may have difficulty in "standing alone" without other stores offering similar types of shoppers goods.

TABLE 14
GRANBY STREET LOCAL MARKET AREA
PRELIMINARY SUPPORTABLE SQUARE FEET ANALYSIS—SCENARIO 1

Store Type	Net Inflow (Outflow)	Est. Req. Sales PSF	Supportable GSF	Est. % Capture	Site Capture (SF)	NOTES
Building Materials and Supply	\$7,186,000					
Hardware Stores	\$1,277,000					
Lawn and Garden Supply	(\$489,000)	\$116.91	4,183	5%	209	Insufficient demand
Auto Supply	\$2,027,000					
Grocery Stores	(\$32,880,000)	\$301.41	109,086	1%	1,091	Possibility for Specialty Food Market
Drug Stores	(\$367,000)	\$207.62	1,768	5%	88	Insufficient demand
Eating Establishments	(\$19,640,000)	\$112.37	174,775	15%	26,216	Approx. 5-6 restaurants
Drinking Establishments	(\$1,718,000)	\$137.36	12,507	15%	1,876	Possible cantina
Department Stores	(\$26,835,000)					
* Non-Apparel	(\$19,348,035)					
* Apparel (Aggregate)	(\$7,486,965)					
Apparel Stores						
* Men and Boys'	(\$5,801,360)	\$142.50	40,711	5%	2,036	
* Women's	(\$2,449,120)	\$150.71	16,251	5%	813	
* Children's	(\$641,520)	\$146.95	4,365	5%	218	
* Shoe Stores	(\$1,793,000)	\$153.16	11,707	5%	585	
Subtotal, Apparel Stores	(\$10,685,000)		73,034		3,652	Possibility for 1-2 stores
Home Furnishings/ Furniture	(\$1,848,000)	\$125.52	14,723	5%	736	Insufficient demand
Household Appliances	(\$1,630,000)	\$176.56	9,232	5%	462	Insufficient demand
Radio/ TV/ Music Stores	\$5,077,000					
Miscellaneous Retail						
* Book Stores	\$3,109,287					
* Stationery Stores	(\$49,955)	\$86.49	578	5%	29	Insufficient demand
* Souvenir Stores	(\$262,014)	\$102.20	2,564	30%	769	Possible, given Zoo plans
* Jewelry Stores	(\$1,657,082)	\$252.22	6,570	5%	328	Insufficient demand
* Sporting Goods	\$1,713,642					
* Hobby, Toy, Game	\$3,178,857					
* Camera/ Photo	(\$707,240)	\$245.45	2,881	5%	144	Insufficient demand
* Luggage	(\$212,172)	\$203.92	1,040	5%	52	Insufficient demand
* Florists	\$386,674	\$106.15				
Subtotal, Misc. Retail	\$5,499,997		13,633		1,323	

BOLD TYPE INDICATES STORE TYPES WITH OUTFLOW

Total Sq.Ft. Retail Demand*	39,304
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* With application of various capture rates

Source: Claritas: Bureau of Labor Statistics: 1995 Dollars and Cents of Shopping Centers
 (adjusted U.S. Neighborhood Center); BBP Associates

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- Applying a 30 percent capture to "souvenir shop" outflow yields enough supportable square footage for a small shop. It should be noted (1) that 30 percent is a relatively high capture rate, and (2) that the analysis does not explicitly take into account any souvenir sales in retail space at the zoo. However, given the scope of the Zoo's expansion plans, we feel that these assumptions are reasonable. It is possible that the shop could add space to offer a limited selection of camera-related merchandise to capitalize on the significant outflow that does exist in this category (while this outflow is not substantial enough to support a dedicated "camera" store in the market area).
- One could argue that, with careful merchandising and niche marketing to differentiate itself from competitors in Ghent, a specialty food market might be supportable. If only 1 percent of the outflow could be captured, even at sales per square foot requirements similar to those of a grocery store chain, just over 1,000 square feet of space is supportable.

Summary

Our initial market analyses indicates that there is potential for additional restaurant space in the Riverview Village area. Our inflow/outflow analysis reveals that a 15 percent capture of the present outflow of the expenditures made by market area residents at "eating establishments" could support approximately 26,200 square feet of restaurant space. The high average daily traffic counts along Granby (approximately 23,000 in 1994), the potential for new residential development along the waterfront (e.g. Lafayette Yacht Club), and the planned zoo expansion (projected annual attendance of 500,000 by 1999) all suggest that additional support for intensified restaurant and retail demand may be forthcoming. However, comparative analysis of market area demographics in relation to those of Norfolk, South Hampton Roads, and the MSA indicates that these other areas may currently have, overall, a competitive advantage in attracting restaurant operators.

The summary conclusion, then, is that defined marketing strategies and public policy directives will be needed for the market area to attract private sector interest and capitalize on the latent demand of its residents for restaurants and develop an international/ ethnic "restaurant row".

IV. 35TH STREET

Our work on the 35th Street market area has focused on undertaking the research and demographic/ expenditure analysis to assess the viability of the targeted theme of the 35th Street Merchants Association: the "Africa Town" concept. A more secondary focus was the identification of possible niche opportunities for other types of retail.

In completing this assessment, we completed the following:

- A. Primary Research: Field surveys of area businesses; meetings with community representatives and preparation of detailed meeting minutes; interviews with area business operators; discussions with key public officials involved in the revitalization efforts for Park Place; review of planning documents relating to the focus area;
- B. Background Secondary Research: Collection of extensive background information and data on the black consumer; preparation of a resource book containing these materials for the use of 35th Street community representatives;
- C. Definition of Primary Local Market Area;
- D. Local Market Area Analysis: General analysis of demographic data for the defined local market area; construction of retail expenditure model and inflow/outflow analysis; preliminary estimates of supportable square footage by store type; and
- E. Assessment of Capture Potential for Targeted Regional African-American Consumer Expenditures and Other Potential Demand Segments: Estimation of expenditures made by African-American households (Norfolk, South Hampton Roads, and the Norfolk MSA); estimates of possible additional demand from local area households, non African-American households at the regional level, and the tourist; subsequent market testing of reasonable captures that 35th Street area might expect from these sources of demand; preliminary estimates for supportable square feet by selected store type.

Brief discussion and summary findings for Tasks A-C are presented below. Tasks D-E are dealt with in greater detail below.

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A. Field Surveys and Interviews

An inventory of businesses was performed for the east-west 35th Street corridor between Granby and Hampton Boulevard. The areas to the far east and west of the Corridor (i.e. nearest to Granby and Hampton) respectively are almost entirely residential. There are scattered retail uses leading east and west towards an identified retail "core" in the two-block area between Gosnold and Colonial.

Interviews of area businesses and meeting with community representatives were performed both over the phone and in person during late January and February. The interviews and meetings indicated the presence of a resilient base of business people that have ideas for improvement of the area but are not experiencing growth in sales at present. Community representatives are concerned that their area is not perceived as a priority for City investment. Both independently operated (such as the Norfolk Trading Post and Community Music) and chain businesses (e.g. Dollar General) that offer more traditional retail goods and services report that the majority of their customers come from the local community. However, the retailers that offer more "Afrocentric" goods that have been defined as the focus of the community strategy for retail revitalization (e.g. Africa House, Self-Improvement Educational Bookstore) report that they do draw customers (primarily African-American) from a regional base. [NOTE: "Afrocentric" goods, broadly defined, might include any product designed or marketed to appeal to the African-American consumer. Examples may include, but not be limited to, traditional clothing, spices, incense, oils, crafts, books, gifts, etc.]

B. Background Data on Marketing to the Black Consumer/ Ethnic Shopping Districts

A copy of the full resource book has been delivered to City Planning and to selected community representatives. At the request of other community members, following a February 14 meeting at Betty's Den, BBP Associates sent out additional copies via first-class mail. Additional data was collected on black consumer expenditure patterns from the Bureau of Labor Statistics, and was utilized in the estimation of black household expenditures at the City, regional (South Hampton Roads), and MSA level. This data and analysis are dealt with in detail in the Section F., Subsection 1. [NOTE: Subsection 2 evaluates additional demand that might be captured from non African-American household demand at the regional level, and from the tourist market.]

Selected other successful or potentially successful African-American focused shopping districts were also explored, in order to provide context for looking at 35th Street. From the case studies mentioned below, it appears that public investment, often in a use that attracts area patrons rather than just tourists, may provide the anchor needed to leverage the retail potential of the areas.

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In Washington, D.C., the U Street area in the Shaw neighborhood is perhaps the most direct model (as Adams-Morgan is a multi-ethnic shopping district). In the late 1980s, the only "anchor" of the area was the Ben's Chili Bowl restaurant and Egber's Liquors. While the construction of a nearby METRO station has harmed many area businesses, retail development in this area has reacted positively to public investment in the Reeves Municipal Center about 10 years ago and the Lincoln Theater (\$9 million investment and February 1994 re-opening). 50 commercial businesses are now operating on the eight blocks. Independent operators dominate the retail scene, including a variety of "niche" restaurants (Webb's Southern Fish and Ribs, Kokeb Ethiopian restaurant, and the U-Topia restaurant), coffee houses (Kaffa Coffee House, Morgan's Coffee Cafe), and apparel shops (Mood Indigo Vintage Clothing, Nana Kittoe's Clothing, and House of Zam-Zam). 22,000 square feet of additional space is currently planned.

In Philadelphia, the construction of the Apollo complex (that will serve as Temple University's Convocation Center) and the relocation of several university departments is expected to lead revitalization on Cecil B. Moore Avenue. The plans have generated spin-off development of restaurants in this area that was known in the 1930s as the "Jump Street" of Philadelphia, and there are pending plans for development of housing. In Harlem, the Apollo Theatre and Sylvia's serve as "magnets" for area residents. Within the last two years, the operator of Artworks Chicago told us, a two-block Afrocentric retail district has developed around a renovated theatre (owned now by the actress Marla Gibbs) in Los Angeles.

"Anchor" functions oriented strictly towards the tourist market have failed to yield as many retail spin-off benefits. Atlanta's Auburn Avenue has failed to capitalize on the nearby location of the Martin Luther King Center and regain some measure of the activity level that it experienced prior to de-segregation and the construction of I-75/85 (though the Olympics may well change this). The only "destination" retail use along this street at present is the Auburn Avenue Rib Shack. Similarly, the Frederick Douglass Boyhood Home in the Anacostia section of Washington, D.C. has not generated much spin-off activity.

C. Definition of Local Market Area

The local market area for 35th Street must be narrowly defined, due to the nature of both retail offerings in the area (limited) and demographic differences between the area in relation to other nearby areas. The railroad tracks running east-west just south of the southern edge of the market area have been mentioned by both client representatives and members of the community as representing a "dividing line" that is rarely crossed by the consumer.

The 35th Street local market area is outlined on Map 2. The southern boundary of the market area is 26th Street (or Route 247) from Hampton Blvd. in the west to the western bank of the Lafayette River in the east. The eastern and northern boundary would be the bank of the Lafayette all the way around to the western boundary of the market area (Hampton Blvd.).

D. Economic/ Demographic Overview and Inflow/Outflow Analysis: Local Market Area

The demographics for the local 35th Street market area do not indicate strong demand for additional retail space (confirmed below by the local area inflow/outflow analysis).

Key points from general demographic and economic analysis of the market area are as follows:

Population Characteristics (Table 15)

- The population of the 35th Street market area for 1995 (14,183) represents only 6 percent of Norfolk's estimated 1995 population of 239,184 (see Table 15).
- The population in the market area has declined faster than the declining population base in Norfolk since 1980. Population declined 8.6 percent between 1980 and 1990, compared to a 2.2 percent decline in Norfolk. The market area percentage of population decline has accelerated, on a diminishing base, in the last five years, to 10.8 percent, though Norfolk's rate of decline has accelerated even more, to 8.4 percent. The market area's projected 11.5 percent decline in population from 1995-2000 in the market area would leave the population at 12,555 (from 17,386 in 1980).
- The decline in the number of families in the market area, a potential indicator of area instability and declining consumer demand for most goods types, has been even more pronounced. The number of families in the market area is expected to decline at a faster rate (12.5 percent decline) than population (11.5 percent decline) over the 1995-2000 period. This rate of decline exceeds that expected for Norfolk, where a 9.0 percent decline in the number of families is expected for the 1995-2000 period. Real growth in the number of families is expected for both South Hampton Roads and the Norfolk MSA as a whole. The average household size for the 35th Street market area is 2.55 for 1995 compared to 2.53 for Norfolk and 2.65 for South Hampton Roads. Also notable is the high percentage (44 percent compared with 35 percent for Norfolk and 27 percent for

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the region as a whole) of households classified by the Bureau of the Census as "non-family". This high percentage is explained by the high number of single-parent households (aggregated under "non-family" by the Census) that is evident in census tract data for Park Place.

- The relatively high proportion of the population over the age of 45 also would not be perceived as an indicator of strong local demand for retail. Approximately 26.3 percent of the market area population is older than 45, compared to 25.1 percent of the South Hampton Roads population, and just 24.7 percent of the Norfolk population. The 29.2 percent of the market area's population aged 25-44 is lower than the relative percentage of "adult middle-aged" population in any of the reference areas. While the percentage of the population aged 15-25, however, is high relative to reference areas, at 25.5 percent compared to 15.6 at the MSA level, these consumers do not have sufficient incomes or the purchasing patterns to effectively support much new retail space.
- The racial mix in the 35th Street market area is quite different from the overall racial mix for Norfolk, and dramatically divergent from that seen for the South Hampton Roads and Norfolk MSA areas. The percentage of total population represented by blacks is much higher (at 64 percent compared to 40 percent in Norfolk and 28 percent in South Hampton Roads). The population is also not as diverse ethnically as that of Norfolk as a whole, as there are few Asian and Hispanic market area residents

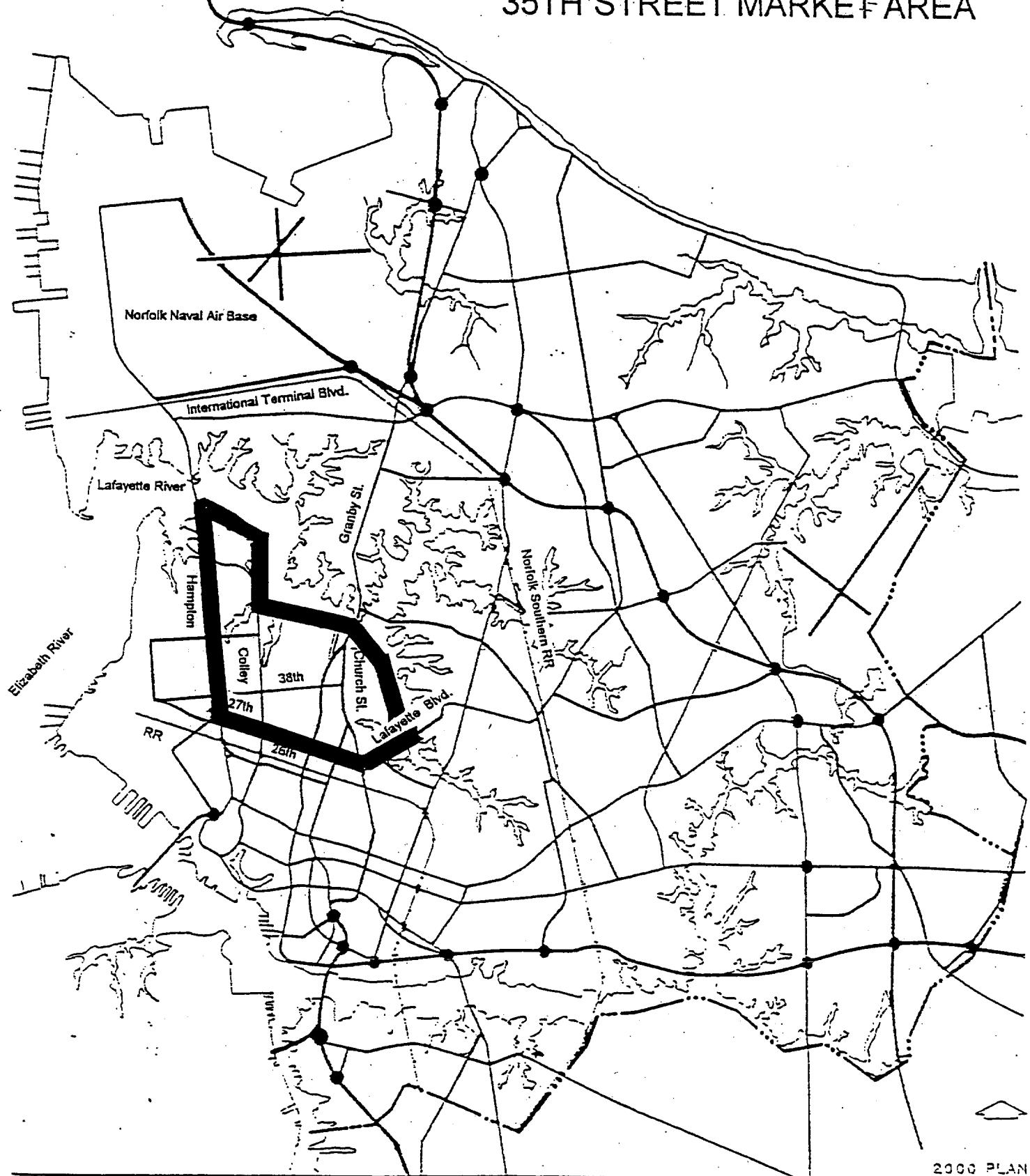
Income Characteristics (Table 16)

A comparative look at income levels in the market area creates additional concerns w.r.t. the potential for the market area to support additional retail by means of internally generated demand. Key points of our analysis (as illustrated by Table 16) are the following:

- Per capita incomes in the 35th Street market area were significantly lower in both 1989 (at \$9,246) and 1995 (at \$12,227) than in any of the reference areas. While per capita incomes are growing at a relatively fast rate in the market area, this phenomenon (as in the Riverview Village area) is likely more the result of declining population than an indicator of growing strength in income levels

MAP 2

35TH STREET MARKET AREA



- Freeway
- Arterial
- Interchange



MARKET AREA

TABLE 15
SUMMARY POPULATION DATA AND PROJECTIONS
35TH STREET TRADE AREA AND REFERENCE AREAS

Key Summary Pop. Variables	Comparative Areas			
	Norfolk MSA	South Hampton Roads	Norfolk City	35th Street Trade Area
<u>Population</u>				
*1980	1,368,375	681,376	266,979	17,386
*1990	1,621,790	810,346	261,229	15,892
% Change 1980-90	18.5%	18.9%	-2.2%	-8.6%
*1995	1,732,947	834,827	239,184	14,183
% Change 1990-95	6.9%	3.0%	-8.4%	-10.8%
*2000	1,846,162	861,160	220,167	12,555
% Change 1995-00	6.5%	3.2%	-8.0%	-11.5%
% Change 1990-00	13.8%	6.3%	-15.7%	-21.0%
<u>Average HH Size (Persons)</u>				
*1990	2.68	2.7	2.55	2.59
*1995	2.66	2.68	2.53	2.55
*2000	2.63	2.65	2.49	2.5
<u>Percent Population by Race (1995)</u>				
White (Not Hispanic)	65.4%	64.9%	53.0%	31.6%
Black (Not Hispanic)	29.4%	28.2%	40.4%	64.0%
Asian (Not Hispanic)	2.5%	3.5%	3.0%	2.6%
All Other (Not Hispanic)	0.4%	0.4%	0.5%	0.4%
Hispanic	2.3%	3.0%	3.1%	1.3%
<u>Families</u>				
*1990	420,290	201,502	57,640	3,183
*1995	452,181	209,329	53,660	2,835
% Change 1990-95	7.6%	3.9%	-6.9%	-10.9%
*2000	483,635	216,615	48,837	2,482
% Change 1995-00	7.0%	3.5%	-9.0%	-12.5%
% Change 1990-00	15.1%	7.5%	-15.3%	-22.0%
<u>1995 Percent Population By Age</u>				
0-5 years old	8.2%	8.6%	8.4%	7.5%
5-15 years old	14.8%	14.6%	12.4%	11.4%
15-25 years old	15.6%	17.3%	23.4%	25.5%
25-44 years old	33.5%	34.4%	30.9%	29.2%
45-64 years old	17.9%	16.2%	14.1%	15.7%
65 years old +	9.9%	8.9%	10.7%	10.6%
<u>1990 Percent Households by HH Type</u>				
Male No Wife No Child	1.8%	1.9%	2.2%	3.1%
Female No Husband No Child	5.2%	5.2%	6.4%	8.4%
Married-Couple Family	57.3%	55.6%	46.0%	29.6%
Other Family Hhold w/ Child	8.9%	9.2%	10.6%	14.9%
Non-Family	26.8%	28.0%	34.9%	43.9%

Source: Basile Baumann Prost and Associates: Claritas, Inc.

TABLE 16
SUMMARY INCOME DATA
35TH STREET TRADE AREA AND REFERENCE AREAS

Key Summary Variables	Comparative Areas			
	Norfolk MSA	South Hampton Roads	Norfolk City	35th Street Trade Area
<u>Per Capita Income</u>				
*1989	\$13,166	\$13,316	\$11,643	\$9,246
*1995	\$16,384	\$16,754	\$15,183	\$12,227
% Change 1989-1995	24.4%	25.8%	30.4%	32.2%
<u>Median HH Income</u>				
*1989	\$29,858	\$30,112	\$23,649	\$19,324
*1995	\$34,103	\$34,935	\$28,369	\$22,768
% Change 1989-1995	14.2%	16.0%	20.0%	17.8%
<u>1995 Median HH Wealth</u>	\$49,822	\$42,112	\$22,929	\$17,109
<u>1995 HH Income Distribution (%)</u>				
Less Than \$10,000	11.7%	10.5%	15.6%	24.6%
\$10,000-\$19,999	14.2%	13.6%	17.3%	18.8%
\$20,000-\$24,999	8.6%	8.8%	10.5%	10.8%
\$25,000-\$34,999	16.7%	17.2%	17.3%	15.5%
\$35,000-\$49,999	19.3%	19.7%	17.6%	12.7%
\$50,000-\$74,999	18.3%	18.5%	13.4%	10.4%
\$75,000-\$99,999	6.6%	6.8%	4.6%	4.1%
\$100,000+	4.6%	5.0%	3.6%	3.1%

Source: Basile Baumann Prost and Associates; Claritas, Inc.

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- Median household incomes were lower in the market area than those in all of the reference areas for both 1989 and 1995 (at \$19,234 and \$22,768 respectively). Median household wealth is, as is typical in lower-income neighborhoods, lower than median household income for 1995 (25 percent lower than for Norfolk--where the same phenomenon is present-- and roughly one-third the levels reported for the South Hampton Roads region and Norfolk MSA). Unlike the larger Riverview market area, the growth rate (in constant dollars) for median household income between 1989 and 1995 lagged those experienced in all reference areas.

Employment (Table 17)

Employment and educational data for the 35th Street market area are of most concern, in terms of perceptions of the area's ability to support the expanded retail of the area theme. The area has a low percentage of the well-employed and well-educated minority population that creates a large portion of the demand for ethnic-focused retail in areas like Washington, D.C.

- While the market area has a reasonably healthy percentage of its workforce in managerial and professional specialist occupations (24.5 percent compared to 23.3 percent) for Norfolk, this higher-income workforce segment is smaller than the relative regional and MSA levels.
- A very high 39.2 percent of the market area population over the age of 25 has no high school diploma, compared to 27.3 percent of the overall City population and 21.3 percent of the over-25 population in South Hampton Roads. On a positive note, there does appear to be a reasonably significant concentration of persons with bachelors and graduate degrees, and the marketing of ethnic retail (if this concept is pursued) will need to focus on this market segment.
- A very high percentage (29.1 percent) of market area households own no vehicles, compared to 17.7 percent at the City level and only 10.2 percent for the MSA as a whole. While this lack of mobility might enhance the capture rates that neighborhood retail in the area might reasonably be expected to obtain, it is a further indicator of low spending power in the area.
- The 1990 unemployment rate for the market area (11.3 percent) is over twice that reported for South Hampton Roads in the same year (5.1 percent).

TABLE 17
SUMMARY EMPLOYMENT-RELATED DATA
35TH STREET TRADE AREA AND REFERENCE AREAS

Key Summary Variables	Comparative Areas			
	Norfolk MSA	South Hampton Roads	Norfolk City	35th Street Trade Area
<i>1990 Unemployment Rate</i>	5.2%	5.1%	6.1%	11.3%
<i>1990 Emp. By Occupation (%)</i>				
Managerial/ Prof. Spec.	25.9%	26.7%	23.3%	24.5%
Tech/ Sales/ Admn. Support	31.3%	33.3%	31.6%	27.1%
Service Occupations	14.2%	14.5%	17.5%	23.0%
Farming/ Forestry/ Fishing	1.9%	1.2%	1.2%	1.9%
Precision Craft/ Repair	13.8%	12.6%	12.4%	6.7%
Operator/ Fabricator/ Laborer	12.8%	11.8%	14.1%	16.8%
<i>1990 Educational Attainment (%) 1/</i>				
No High School Diploma	23.1%	21.3%	27.3%	39.2%
High School Diploma Only	29.6%	29.4%	30.7%	20.3%
Some College	22.4%	23.5%	20.7%	18.9%
Associate Degree	6.0%	5.8%	4.5%	2.8%
Bachelors Degree	12.8%	13.7%	11.1%	12.4%
Graduate or Prof. Degree	6.1%	6.3%	5.8%	6.3%
<i>1990 Pop. By Transport to Work (%)</i>				
Driving Alone	72.5%	69.9%	56.0%	62.7%
Carpool	14.9%	13.7%	13.9%	13.3%
Public Transit	2.0%	2.4%	4.7%	8.8%
Walking Only	3.6%	4.0%	4.8%	10.2%
Other Means	1.9%	2.2%	2.5%	4.3%
Working at Home 2/	5.0%	7.8%	18.2%	0.7%
<i>1990 Households By # of Vehicles</i>				
0 Vehicles	10.2%	10.8%	17.7%	29.1%
1 Vehicle	33.4%	34.8%	41.6%	36.3%
2 or More Vehicles	56.4%	54.4%	40.7%	34.6%

1/ Population 25 years and over

2/ The 18.2 percent for Norfolk City may be a result of Census Bureau error

Source: Basile Baumann Prost and Associates; Claritas, Inc.

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E. Inflow/ Outflow Analysis/ Supportable Square Feet --Local Market Area Only

Given the demographics discussed above (relatively low incomes and low wealth), comparative analysis of retail sales and expenditures for the 35th Street market area indicates a very limited outflow of local area expenditures that might be captured to provide support for additional retail space. There appears to be only one major retail category (apparel) in which the outflow expenditures from the market area alone could support additional retail space

A summary of key findings of our analysis, fully detailed by Table 18, follows:

- Estimated 1995 sales for major store types in the market area are only \$60.7 million, but available consumer expenditures are even less, at \$47.7 million, connoting a net inflow of \$13 million in expenditures (or 21 percent).
- While several smaller retail categories (particularly miscellaneous retail like jewelry stores and camera stores) do reveal outflow, the dollar volume available for capture would not be likely to support a new store (see Table 19).
- The most significant outflows (\$32.9 and 26.8 million, respectively) are identified for "department stores" and apparel stores, at \$6.4 million and \$3.3 million, respectively. The character of the area (as in the case of Riverview Village) is unlikely to attract a department store, as most area consumers (to reports) would either make the journey to Ward's Corner to the recently opened Hills or "substitute" to an extent the goods available at the Dollar General.
- Some percentage of these apparel expenditures, however, could likely be captured by additional stores that fit into the targeted "Africa Town" concept. Application of a 15 percent capture rate to outflow expenditures (an aggressive rate, but possibly attainable with heavy marketing) could generate sales to support about 3,400 square feet of additional apparel space, the equivalent of 2-3 stores (see Table 19).
- Total estimated available outflow for the "grocery stores" store category is a relatively small amount, at \$846,000. However, a higher capture rate in this category is perhaps attainable given the general lack of mobility of neighborhood residents. Our initial market testing assumed a 30 percent capture rate for these expenditures, and found that perhaps a small market (could be configured to offer ethnic foods to fit into the "Africa Town" theme) may be supportable by local area demand.

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F. The Region's Potential to Serve as a Catalyst for 35th Street Retail Development

Given the modest available expenditures within the 35th Street market area, and the correlated inflow/outflow analysis, capture of consumer demand at the regional level will be necessary in order to "leverage" the development of the intensified ethnic retail offerings called for in the "Africa Town" theme.

Capture of a percentage of African-American household expenditures at the regional level will need to be the catalyst for development of additional retail on 35th Street. Building on this foundation (i.e. capture of regional ethnic demand), additional sources of demand could also be drawn on to provide incremental support for additional development :

- Given the additional supply supported by the regional demand base, incremental expenditures from all households (black and white) in the local market area (NOTE: The 35th Street market area includes Colonial Place and Riverview neighborhoods)
- With proper promotion and marketing, capture of demand from (1) non-African American households at the regional level and (2) tourist demand (black and white; zoo and non-zoo related)

As noted above, we perceive that a capture of the expenditures of African-American households at the regional level will provide the primary base for new retail development. Our estimates for the extent of that demand and of probable capture rates are presented below in Subsection 1. Subsection 2 then addresses other "residual" demand. Subsection 3 provides a summary of our estimates of supportable square feet.

1. Regional African-American Expenditures

Our preliminary analysis of the regional black consumer demographics and expenditure levels, as detailed below, appears to indicate that a large market (in terms of dollar volume) does exist in the Norfolk area, and that a very small capture rates of these expenditures could yield sufficient supportable square feet to make the "Africa Town" concept market supportable.

- There were 475,634 African-Americans in the Norfolk MSA in 1990, or about 30 percent of the total population (see Table 20). While the aggregate income of this population represented a far smaller percentage of the total (about 19 percent), owing to lower per capita income levels (\$8,477 for black consumers

TABLE 20

SUMMARY OF POPULATION AND INCOME CHARACTERISTICS BY RACE
 NORFOLK MSA, SOUTH HAMPTON ROADS, AND NORFOLK CITY
 1990 U.S. CENSUS

Variable	Norfolk MSA 1/				South Hampton Roads 2/				Norfolk City			
	Total	Black	Total	Black	Total	Black	Total	Black	Total	Black	Total	Black
Population	1,621,790	475,634	962,322	270,871	261,229	102,135						
Households	579,268	157,113	334,948	87,176	89,443	32,307						
Aggregate Income (\$Mil)	\$21,406	\$4,032	\$12,908	\$2,331	\$3,041	\$766						
Aggregate HH Income (\$Mil)	\$20,695	\$3,839	\$12,375	\$2,196	\$2,678	\$670						
Percent of Aggregate Inc.	96.7%	95.2%	95.9%	94.2%	88.1%	87.5%						
Per Capita Income	\$55,805	\$8,477	\$56,833	\$8,607	\$50,184	\$7,504						
Income Distribution	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less Than \$10,000	79,446	13.7%	42,704	27.2%	40,660	12.1%	22,523	25.8%	16,983	19.0%	10,404	32.2%
\$10,000-\$14,999	47,258	8.2%	18,408	11.7%	25,672	7.7%	10,010	11.5%	9,562	10.7%	4,182	12.9%
\$15,000-\$24,999	111,338	19.2%	33,541	21.3%	64,266	19.2%	18,875	21.7%	20,746	23.2%	7,557	23.4%
\$25,000-\$34,999	103,058	17.8%	25,225	16.1%	60,422	18.0%	14,099	16.2%	15,647	17.5%	4,780	14.8%
\$35,000-\$49,999	112,495	19.4%	21,675	13.8%	67,421	20.1%	12,416	14.2%	13,777	15.4%	3,216	10.0%
\$50,000-\$74,999	86,089	14.9%	12,163	7.7%	52,325	15.6%	7,164	8.2%	8,354	9.3%	1,668	5.2%
\$75,000-\$99,999	23,929	4.1%	2,298	1.5%	14,284	4.3%	1,396	1.6%	2,373	2.7%	298	0.9%
\$100,000+	15,655	2.7%	1,099	0.7%	9,898	3.0%	693	0.8%	2,001	2.2%	202	0.6%
TOTAL	579,268		157,113		334,948		87,176		89,443		32,307	

1/ South Hampton Roads and the Peninsula

2/ South Hampton Roads is defined here as the independent cities of Norfolk, Virginia Beach, Chesapeake, Portsmouth, and Suffolk

Source: Basile Baumann Prost and Associates; Bureau of the Census; Claritas, Inc.

Basile Baumann Prost & Associates, Inc.

compared to \$55,805 for the total), this market segment still has an aggregate income of \$4 billion, and aggregate household income of \$3.8 billion. Table 20 also indicates that there were 15,560 black households in the MSA with incomes of \$50,000 or more.

- There were an estimated 270,871 African-Americans in South Hampton Roads in 1990, representing 28 percent of total area population). While the aggregate black income for South Hampton Roads represents a slightly smaller percentage of total income (18 percent) given the lower relative percentage of the population base, these consumers represent a large market (\$2.3 billion) that would be potentially accessible to ethnic retail along 35th Street.
- The African-American population in Norfolk for 1990 (estimated 102,135) represents a much higher percentage (almost 40 percent) of the total population for the jurisdiction, and almost 38 percent of the total black population for South Hampton Roads. However, the gap between black and white income widens in Norfolk, as available African-American income was an estimated \$766 million, or 25 percent of the total (compared to the 10-12 percent "gaps" between percentages of population and percentages of aggregate income seen at the South Hampton Roads and Norfolk MSA levels). A smaller percentage (87 percent) of aggregate black income is found in black households at the City level than at the region and MSA levels (94 and 95 percent, respectively).

The significant levels of African-American income shown in the 1990 Census data, when viewed in combination with the Norfolk MSA's recent ranking as one of the fastest growing areas in the nation for suburban black population, speak to the potential current buying power of the regional African-American population.

The next step involved updating the foregoing analysis by estimating available expenditures (for 1995) for black consumers at the MSA, region (South Hampton Roads), and in Norfolk. The 1994-1995 Consumer Expenditure Survey provides data segmenting average expenditures (by product category) by the race ("white and other" or "black") of the household making the purchase. These data, as shown on Table 21, indicate significant differences between white and black spending patterns, which (a) needed to be taken into account in making estimates of black expenditures for Hampton Roads and (b) provide marketing information for any retailer that intends to target this market segment.

TABLE 18
35TH STREET LOCAL MARKET AREA
RETAIL SALES INFLOW/ (OUTFLOW) ANALYSIS

<u>Store Type</u>	1995 <u>Sales</u>	1995 <u>Expenditures</u>	Retail Inflow (Outflow)	Net <u>Inflow</u>
Building Materials and Supply	\$10,500,000	\$860,000	\$9,640,000	92%
Hardware Stores	\$1,500,000	\$279,000	\$1,221,000	81%
Lawn and Garden Supply	\$0	\$241,000	(\$241,000)	NA
Auto Supply	\$5,400,000	\$1,186,000	\$4,214,000	78%
Grocery Stores	\$16,900,000	\$17,746,000	(\$846,000)	-5%
Drug Stores	\$2,900,000	\$2,898,000	\$2,000	0%
Eating Establishments	\$10,800,000	\$8,325,000	\$2,475,000	23%
Drinking Establishments	\$100,000	\$438,000	(\$338,000)	-338%
 <i>Department Stores</i>				
* Non-Apparel	\$700,000	\$7,109,000	(\$6,409,000)	-916%
* Apparel (Aggregate) 1/	\$504,700	\$5,125,589	(\$4,620,889)	-916%
	\$195,300	\$1,983,411	(\$1,788,111)	-916%
 <i>Apparel Stores</i>				
* Men and Boys'	\$400,000	\$2,782,000	(\$1,613,560)	-303%
* Women's	\$0	\$1,613,560	(\$1,001,520)	NA
* Children's	\$0	\$1,001,520	(\$166,920)	NA
* Shoe Stores	\$0	\$166,920	(\$966,000)	NA
<i>Subtotal, Apparel Stores</i>	\$400,000	\$1,983,411	(\$3,348,000)	-837%
 Home Furnishings/ Furniture	\$600,000	\$634,000	(\$34,000)	-6%
Household Appliances	\$0	\$452,000	(\$452,000)	NA
Radio/ TV/ Music Stores	\$4,200,000	\$1,164,000	\$3,036,000	72%
 <i>Miscellaneous Retail</i>				
* Book Stores	\$2,100,000	\$305,428	\$1,794,572	NA
* Stationery Stores	\$0	\$9,516	(\$9,516)	NA
* Souvenir Stores	\$300,000	\$400,216	(\$100,216)	-33%
* Jewelry Stores	\$200,000	\$531,866	(\$331,866)	-166%
* Sporting Goods	\$2,100,000	\$479,206	\$1,620,794	77%
* Hobby, Toy, Game	\$1,700,000	\$463,408	\$1,236,592	N/A
* Camera/ Photo	\$0	\$163,246	(\$163,246)	N/A
* Luggage	\$0	\$52,660	(\$52,660)	N/A
* Florists	\$300,000	\$173,778	\$126,222	42%
<i>Subtotal, Misc. Retail</i>	\$6,700,000	\$2,579,324	\$4,120,676	62%
 TOTAL MARKET AREA	\$60,700,000	\$47,659,324	\$13,040,676	21%

BOLD TYPE INDICATES STORE TYPES WITH OUTFLOW

1/ 90% of the Apparel Expenditures Not Made in Apparel Stores

Source: Claritas; Bureau of Labor Statistics; BBP Associates

TABLE 19
35TH STREET LOCAL MARKET AREA
PRELIMINARY SUPPORTABLE SQUARE FEET ANALYSIS: SCENARIO 1

Store Type	Net Inflow (Outflow)	Est. Req. Sales PSF	Supportable GSF	Est. % Capture	Site Capture (SF)	NOTES
Building Materials and Supply	\$9,640,000					
Hardware Stores	\$1,221,000					
Lawn and Garden Supply	(\$241,000)					
Auto Supply	\$4,214,000	\$116.91	2,061	15%	309	Insufficient demand
Grocery Stores	(\$846,000)	\$301.41	2,807	30%	842	Possibility for Market*
Drug Stores	\$2,000					
Eating Establishments	\$2,475,000					
Drinking Establishments	(\$338,000)	\$137.36	2,461	15%	369	Insufficient demand
<i>Department Stores</i>	<i>(\$6,409,000)</i>					
* Non-Apparel	<i>(\$4,620,889)</i>					
* Apparel (Aggregate)	<i>(\$1,788,111)</i>					
			While outflow exists, location of store in area doubtful			
<i>Apparel Stores</i>						
* Men and Boys'	(\$1,213,560)	\$142.50	8,516	15%	1,277	
* Women's	(\$1,001,520)	\$150.71	6,645	15%	997	
* Children's	(\$166,920)	\$146.95	1,136	15%	170	
* Shoe Stores	(\$966,000)	\$153.16	6,307	15%	946	
<i>Subtotal, Apparel Stores</i>	<i>(\$3,348,000)</i>		22,605		3,391	Possibility for 2-3 stores
Home Furnishings/ Furniture	(\$34,000)	\$125.52	271	15%	41	Insufficient demand
Household Appliances	(\$452,000)	\$176.56	2,560	15%	384	Insufficient demand
Radio/ TV/ Music Stores	\$3,036,000					
<i>Miscellaneous Retail</i>						
* Book Stores	\$1,794,572					
* Stationery Stores	(\$9,516)	\$86.49	110	15%	17	Insufficient demand
* Souvenir Stores	(\$100,216)	\$102.20	981	15%	147	Insufficient demand
* Jewelry Stores	(\$331,866)	\$252.22	1,316	15%	197	Insufficient demand
* Sporting Goods	\$1,620,794					
* Hobby, Toy, Game	\$1,236,592					
* Camera/ Photo	(\$163,246)	\$245.45	665	15%	100	Insufficient demand
* Luggage	(\$52,660)	\$203.92	258	15%	39	Insufficient demand
* Florists	\$126,222					
<i>Subtotal, Misc. Retail</i>	<i>\$4,120,676</i>		3,330		499	Insufficient demand

Total Sq.Ft. Retail Demand* 5,835**

* Possible specialty retailer to serve neighborhood—could focus on ethnic foods

** Independent retailer w/o liquor is basis for the sales per square foot estimates

*** With application of various capture rates

Source: Claritas; Bureau of Labor Statistics; 1995 Dollars and Cents of Shopping Centers
 BBP Associates

TABLE 21
NATIONAL CONSUMER EXPENDITURE SURVEY: 1994-1995
COMPARATIVE DATA BY RACE

	Ave. HHold Expenditures <u>White</u>	Percent <u>HHold Expend</u>	Ave. HHold Expenditures <u>Black</u>	Percent <u>HHold Expend</u>	Percent White Expend
After-Tax Income	\$34,978	NA	\$23,444	NA	67.0%
Ave. Annual Exp.	\$32,935	NA	\$22,418	NA	68.1%
Percent AT Inc.	94.2%	NA	95.6%	NA	NA
<i>By Product Category</i>					
Food at Home	\$5,393	16.4%	\$3,017	13.5%	55.9%
Food Away from Home	\$1,788	5.4%	\$1,000	4.5%	55.9%
Restaurant Meals	\$1,367	4.2%	\$834	3.7%	61.0%
Alc. at Home	\$171	0.5%	\$121	0.5%	70.8%
Alc. Away from Home	\$124	0.4%	\$28	0.1%	22.6%
Personal Care Products	\$223	0.7%	\$188	0.8%	84.3%
Personal Care Services	\$178	0.5%	\$172	0.8%	96.6%
Nonprescrip. Drugs	\$80	0.2%	\$49	0.2%	61.3%
Women's Apparel	\$560	1.7%	\$494	2.2%	88.2%
Men's Apparel	\$309	0.9%	\$271	1.2%	87.7%
Girls' Apparel	\$97	0.3%	\$119	0.5%	122.7%
Boys' Apparel	\$90	0.3%	\$94	0.4%	104.4%
Infants' Apparel	\$80	0.2%	\$81	0.4%	101.3%
Footwear	\$250	0.8%	\$278	1.2%	111.2%
Housekeeping Supp.	\$409	1.2%	\$271	1.2%	66.3%
Lawn/ Garden Supplies	\$329	1.0%	\$191	0.9%	58.1%
Domestic Services	\$518	1.6%	\$267	1.2%	51.5%
HH Textiles	\$106	0.3%	\$52	0.2%	49.1%
Furniture	\$334	1.0%	\$198	0.9%	59.3%
Floor Coverings	\$128	0.4%	\$53	0.2%	41.4%
Major Appliances	\$156	0.5%	\$94	0.4%	60.3%
Small App. & Houesware	\$86	0.3%	\$41	0.2%	47.7%
TV, Radio, Sound Equip.	\$546	1.7%	\$433	1.9%	79.3%
Other Ent. Equip/ Serv	\$337	1.0%	\$62	0.3%	18.4%
Transportation	\$6,268	19.0%	\$4,271	19.1%	68.1%
TOTAL Expend	\$19,927	60.5%	\$12,679	56.6%	63.6%

Basile Baumann Prost & Associates, Inc.

Some selected points are as follows:

- The average annual expenditures for "black" household in the survey were \$22,418, or 68 percent of the average annual expenditures for other households.
- Expenditures across all categories for black households represent an even lower percentage of "white and other" expenditures, at 63.6 percent. This is not surprising, given that the burden of housing and medical costs is typically more severe for the black consumer.
- Expenditures on alcohol away from home (22.6 percent of "white" expenditures); other entertainment equipment/services (18.4 percent); and floor coverings (41.4 percent) are particularly low for the average black consumer.
- Within several product categories, however, black expenditures are significantly *higher* than those of whites. The average "black" household actually spends more on girls, boys, and infants' apparel than the average white household (even though the average black household has an after-tax income that is on average 67 percent lower). Expenditures on other product categories like men's and women's apparel (88.2 and 87.7 percent of "white") and personal care products and services (84.3 percent and 96.6 percent of "white"), while lower than the average "white" expenditure in the absolute sense, are much higher when one considers the relative income levels.

In order to make estimates of 1995 "black" expenditures in Norfolk, South Hampton Roads, and the Norfolk MSA, we applied the estimated number of black households in the relevant area for 1995 to the above data, making adjustments based on (1) the relationship between area per capita income and the average per capita income of the households in the national sample and (2) the relationship between housing tenure for black households in the area and the national sample. We obtained the following estimates:

- As shown on Table 22, the estimated 1995 expenditures made by blacks living in Norfolk on the selected product categories listed was \$289.9 million, or approximately 21.7 percent of the expenditures made on these product categories by all households in the city. We then adjust this estimate to account for black expenditures in the market area (methodology detailed on Table 22), yielding an estimated \$242.6 million.

TABLE 22
ESTIMATED 1995 EXPENDITURES 1/ FOR BLACK HOUSEHOLDS
IN THE CITY OF NORFOLK

Estimated Number Black Households 2/		30,576		
Area Income Adjustment Factor 3/		83.2%		
Area Housing Tenure Adjustment 4/		70.7%		
<i>By Product Category</i>				
Food at Home	\$3,017	\$76,769,440	28.0%	\$66,356,000
Food Away from Home	\$1,000	\$25,445,622	14.9%	\$19,576,182
Restaurant Meals	\$834	\$21,221,648	NA	
Alc. at Home	\$121	\$3,078,920	16.4%	\$2,380,040
Alc. Away from Home	\$28	\$712,477	5.9%	\$313,757
Personal Care Products	\$188	\$4,783,777	19.3%	\$3,873,057
Personal Care Services	\$172	\$4,376,647	18.7%	\$3,495,367
Nonprescrip. Drugs	\$49	\$1,246,835	13.3%	\$922,995
Women's Apparel	\$494	\$12,570,137	25.8%	\$10,868,377
Men's Apparel	\$271	\$6,895,763	25.1%	\$5,930,003
Girls' Apparel	\$119	\$3,028,029	59.4%	\$2,840,509
Boys' Apparel	\$94	\$2,391,888	30.6%	\$2,091,728
Infants' Apparel	\$81	\$2,061,095	29.1%	\$1,782,695
Footwear	\$278	\$7,073,883	27.2%	\$6,099,163
Housekeeping Supp.*	\$271	\$4,877,491	16.0%	\$3,817,011
Domestic Services*	\$267	\$4,805,499	13.3%	\$3,646,459
HH Textiles	\$52	\$1,323,172	14.3%	\$1,016,612
Furniture*	\$198	\$3,563,628	11.3%	\$2,444,908
Floor Coverings*	\$53	\$953,900	15.6%	\$775,980
Major Appliances*	\$94	\$1,691,824	12.8%	\$1,242,544
Small App.& Houseware	\$41	\$1,043,270	16.2%	\$824,390
TV, Radio, Sound Equip.	\$433	\$11,017,954	22.4%	\$9,248,354
Other Ent. Equip/ Serv	\$62	\$1,577,629	3.7%	\$223,389
Transportation	\$4,271	\$108,678,250	23.9%	\$92,826,730
TOTAL Expend	\$12,488	\$289,967,132	21.7%	\$242,596,252

* Applies homeowner/renter adjustment--see footnote /6

- 1/ Based on 1994-1995 Consumer Expenditure Survey data for expenditures by product category by race of householder
- 2/ Divides estimated Black (non-Hispanic) population for the City in 1995 (96,663) by 1990 average Black household size of 3.16 (for Norfolk City)
- 3/ 1990 Per Capita Black Income for Norfolk City (\$7,504) divided by 1990 per capita Black income for the U.S. (\$9,017)
- 4/ Adjusts for the disproportionate number of black renters in Norfolk City (70 percent of households compared with 59 percent at national level)
- 5/ National estimates for 1995
- 6/ This adjustment attempts to subtract out black expenditures in the market area to provide an estimate of black expenditures in Norfolk City exclusive of those in the area. The lack of data prevents a more accurate estimation method for black expenditures in the market area than an adjustment of the total expenditures based on population split. However, this approach is conservative in that it likely overestimates expenditures by blacks in the market area, and thus underestimates the amount of expenditures made by blacks elsewhere in Norfolk City.

Source: Basile Baumann Prost and Associates; Bureau of Labor Statistics;
Claritas, Inc.; Bureau of Economic Analysis

Basile Baumann Prost & Associates, Inc.

- Table 23 presents a similar estimate for the aggregated cities of South Hampton Roads. There was an estimated \$844.5 million of expenditures by black households on the selected product categories (15.5 percent of the region). When expenditures by black households in Norfolk are subtracted out from this total, the result is an estimated \$554.5 million in estimated black expenditures for the area in South Hampton Roads exclusive of Norfolk.
- Table 24 provides an estimate of black expenditures in the Norfolk MSA for 1995. Of the total estimated expenditures of \$1.8 million (again, in the selected product categories only), some \$844.5 million (as shown in Table 24) occur in South Hampton Roads. Thus the expenditure level for blacks in the Norfolk MSA net of South Hampton Roads are an estimated \$1 billion.

While there is inadequate support at the local market area level for significant expansion of retail in the 35th Street area, the above numbers suggests that marketing successfully to the region has the potential to yield positive results.

We applied capture rates to black expenditures for the selected product categories ("food away from home"; "personal care products, and apparel) that would most easily, in our judgment, "fit into" the "Africa Town" concept, to determine the square footage of retail space that could reasonably be supported (along 35th Street) by regional demand:

- A 5 percent capture rate was applied to the aforementioned product categories for black expenditures in Norfolk net of the market area. As shown by Table 25, a 5 percent capture of the expenditures of black households residing elsewhere in Norfolk could support almost 20,000 square feet in retail space for the selected product categories. Included could be 2 to 3 restaurants (8,700 square feet), 5-6 apparel stores (8,000), and a shoe store (2,000 square feet). Even adjusting this estimate downward by 50 percent, to account for (a) product expenditures for a given good not made in stores that primarily sell that good and (b) the desired narrow ethnic focus of area retail, one would still have enough support for about 10,000 square feet of new retail.
- A 2 percent capture rate was applied to the product categories for black expenditures in South Hampton Roads net of Norfolk. As shown by Table 26, this capture of the expenditures of black households residing elsewhere in S. Hampton Roads could support almost 18,000 square feet in retail space for the selected product categories. Included could be 2 restaurants (8,300 square feet),

TABLE 23
ESTIMATED 1995 EXPENDITURES 1/ FOR BLACK HOUSEHOLDS
IN SOUTH HAMPTON ROADS 2/

Estimated Number Black Households 3/	75,847
Regional Income Adjustment Factor 4/	95.5%
Regional Housing Tenure Adjustment 5/	101.2%

<i>By Product Category</i>	<u>Ave. Black Household Expenditures 6/</u>	<u>Total Est. SHR Black Expend</u>	<u>Percent of Total SHR Expend</u>	<u>Adjusted SHR Black Expend 7/</u>
Food at Home	\$3,017	\$218,425,718	20.8%	\$141,656,278
Food Away from Home	\$1,000	\$72,398,316	10.4%	\$46,952,694
Restaurant Meals	\$834	\$60,380,195	NA	\$39,158,547
Alc. at Home	\$121	\$8,760,196	12.4%	\$5,681,276
Alc. Away from Home	\$28	\$2,027,153	4.2%	\$1,314,675
Personal Care Products	\$188	\$13,610,883	14.0%	\$8,827,106
Personal Care Services	\$172	\$12,452,510	14.0%	\$8,075,863
Nonprescrip. Drugs	\$49	\$3,547,517	9.9%	\$2,300,682
Women's Apparel	\$494	\$35,764,768	18.0%	\$23,194,631
Men's Apparel	\$271	\$19,619,944	17.2%	\$12,724,180
Girls' Apparel	\$119	\$8,615,400	39.4%	\$5,587,371
Boys' Apparel	\$94	\$6,805,442	20.8%	\$4,413,553
Infants' Apparel	\$81	\$5,864,264	21.8%	\$3,803,168
Footwear	\$278	\$20,126,732	19.6%	\$13,052,849
Housekeeping Supp.*	\$271	\$19,859,211	16.3%	\$14,981,720
Domestic Services*	\$267	\$19,566,086	12.4%	\$14,760,588
HH Textiles	\$52	\$3,764,712	9.3%	\$2,441,540
Furniture*	\$198	\$14,509,682	10.7%	\$10,946,054
Floor Coverings*	\$53	\$3,883,905	12.3%	\$2,930,004
Major Appliances*	\$94	\$6,888,435	12.4%	\$5,196,611
Small App.& Houseware	\$41	\$2,968,331	11.1%	\$1,925,060
TV, Radio, Sound Equip.	\$433	\$31,348,471	15.9%	\$20,330,517
Other Ent. Equip/ Serv	\$62	\$4,488,696	2.3%	\$2,911,067
Transportation	\$4,271	\$309,213,206	16.3%	\$200,534,956
TOTAL Expend	\$12,488	\$844,509,576	15.5%	\$554,542,444

* Applies homeowner/renter adjustment—see footnote 6

1/ Based on 1994-1995 Consumer Expenditure Survey data for expenditures by product category by race of householder

2/ Defined here as independent cities of Norfolk, Va. Beach, Chesapeake, Suffolk, and Portsmouth.

3/ Divides estimated Black (non-Hispanic) population for S. Hampton Roads in 1995 (235,670) by 1990 average Black household size of 3.11 (for South Hampton Roads)

4/ 1990 Per Capita Black Income for S. Hampton Roads (\$8,607) divided by 1990 per capita Black income for the U.S. (\$9,017)

5/ Adjusts for the number of black homeowners in S. Hampton Roads (41.5 percent of households compared with 41 percent at national level)

6/ National estimates for 1995

7/ Subtracts out total estimated City of Norfolk black expenditures

Source: Basile Baumann Prost and Associates; Bureau of Labor Statistics; Claritas, Inc.; Bureau of Economic Analysis

TABLE 24

**ESTIMATED 1995 EXPENDITURES 1/ FOR BLACK HOUSEHOLDS
IN THE NORFOLK MSA 2/**

Estimated Number Black Households 3/	168,033
Regional Income Adjustment Factor 4/	94.0%
Regional Housing Tenure Adjustment 5/	109.8%

<i>By Product Category</i>	<u>Ave. Black Household Expenditures 6/</u>	<u>Total Est. MSA Black Expend</u>	<u>Percent of Total MSA Expend</u>	<u>Adjusted MSA 7/</u>
Food at Home	\$3,017	\$476,594,647	21.3%	\$258,168,929
Food Away from Home	\$1,000	\$157,969,721	11.0%	\$85,571,405
Restaurant Meals	\$834	\$131,746,747	NA	\$71,366,552
Alc. at Home	\$121	\$19,114,336	13.2%	\$10,354,140
Alc. Away from Home	\$28	\$4,423,152	4.6%	\$2,395,999
Personal Care Products	\$188	\$29,698,307	14.6%	\$16,087,424
Personal Care Services	\$172	\$27,170,792	14.7%	\$14,718,282
Nonprescrip. Drugs	\$49	\$7,740,516	10.0%	\$4,192,999
Women's Apparel	\$494	\$78,037,042	18.9%	\$42,272,274
Men's Apparel	\$271	\$42,809,794	18.2%	\$23,189,851
Girls' Apparel	\$119	\$18,798,397	40.9%	\$10,182,997
Boys' Apparel	\$94	\$14,849,154	21.6%	\$8,043,712
Infants' Apparel	\$81	\$12,795,547	23.0%	\$6,931,284
Footwear	\$278	\$43,915,582	20.4%	\$23,788,851
Housekeeping Supp.*	\$271	\$46,986,360	18.2%	\$27,127,148
Domestic Services*	\$267	\$46,292,834	14.6%	\$26,726,748
HH Textiles	\$52	\$8,214,425	9.7%	\$4,449,713
Furniture*	\$198	\$34,329,517	12.4%	\$19,819,835
Floor Coverings*	\$53	\$9,189,214	13.5%	\$5,305,309
Major Appliances*	\$94	\$16,297,852	13.7%	\$9,409,417
Small App. & Houseware	\$41	\$6,476,759	11.6%	\$3,508,428
TV, Radio, Sound Equip.	\$433	\$68,400,889	16.7%	\$37,052,418
Other Ent. Equip/ Serv	\$62	\$9,794,123	2.4%	\$5,305,427
Transportation	\$4,271	\$674,688,677	16.9%	\$365,475,471
TOTAL Expend	\$12,488	\$1,854,587,638	16.7%	\$1,010,078,062

* Applies homeowner/renter adjustment—see footnote 6/

1/ Based on 1994-1995 Consumer Expenditure Survey data for expenditures by product category by race of householder

2/ South Hampton Roads and the Peninsula

3/ Divides estimated Black (non-Hispanic) population for the MSA in 1995 (509,139) by 1990 average Black household size of 3.03 (for Norfolk MSA)

4/ 1990 Per Capita Black Income for Norfolk DMA (\$8,477) divided by 1990 per capita Black income for the U.S. (\$9,017)

5/ Adjusts for the disproportionate number of black homeowners in Norfolk MSA (45 percent of households compared with 41 percent at national level)

6/ National estimates for 1995

7/ Subtracts out estimated South Hampton Roads black expenditures

Source: Basile Baumann Prost and Associates; Bureau of Labor Statistics; Claritas, Inc.; Bureau of Economic Analysis

TABLE 25

HYPOTHETICAL CAPTURE SCENARIO 1: 35TH STREET AND
SELECTED BLACK EXPENDITURES IN NORFOLK CITY 1/

<i>By Product Category</i>	Total Est. Adjusted City 1/ Black Expend	Hypothetical Percent Capture of Black Expend	Captured Expenditures	Average Sales PSF 2/	Supportable Store SF
Food at Home	\$66,356,000				
Food Away from Home	\$19,576,182	5%	\$978,809	\$112.37	8,711
Restaurant Meals	\$21,221,648				
Alc. at Home	\$2,380,040				
Alc. Away from Home	\$313,757				
Personal Care Products	\$3,873,057	5%	\$193,653	\$205.19	944
Personal Care Services	\$3,495,367				
Nonprescrip. Drugs	\$922,995				
Subtotal, Apparel	\$23,513,313	5%	\$543,419	\$142.50	3,813
Women's Apparel	\$10,868,377	5%	\$296,500	\$150.71	1,967
Men's Apparel	\$5,930,003	5%	\$142,025	\$146.95	967
Girls' Apparel	\$2,840,509	5%	\$104,586	\$146.95	712
Boys' Apparel	\$2,091,728	5%	\$89,135	\$146.95	607
Infants' Apparel	\$1,782,695	5%			
Subtotal, Footwear	\$6,099,163	5%	\$304,958	\$153.16	1,991
Housekeeping Supp.	\$3,817,011				
Domestic Services	\$3,646,459				
HH Textiles	\$1,016,612				
Furniture	\$2,444,908				
Floor Coverings	\$775,980				
Major Appliances	\$1,242,544				
Small App. & Houseware	\$824,390				
TV, Radio, Sound Equip.	\$9,248,354				
Other Ent. Equip/ Serv	\$223,389				
Transportation	\$92,826,730				
TOTALS	\$242,596,252		\$2,653,086		19,711
		Percent of Total Adjusted 1/ Black Expend	1.09%		

1/ Subtracts out estimated expenditures made by blacks in the 35th Street market area

2/ As shown on inflow/outflow tables for the market area

Source: Basile Baumann Prost and Associates

TABLE 26

HYPOTHETICAL CAPTURE SCENARIO 1: 35TH STREET AND
SELECTED BLACK EXPENDITURES IN SOUTH HAMPTON ROADS EXCLUSIVE OF NORFOLK CITY

<i>By Product Category</i>	<u>Total Est. Adj. SHR 1/ Black Expend</u>	<u>Percent of SHR Expend</u>	<u>Hypothetical Percent Capture of Black Expend</u>	<u>Captured Expenditures</u>	<u>Average Sales PSR 2/</u>	<u>Supportable Store SF</u>
Food at Home	\$141,656,278	20.8%				
Food Away from Home	\$46,952,694	10.4%				
Restaurant Meals	\$39,158,547	NA				
Alc. at Home	\$5,681,276	12.4%				
Alc. Away from Home	\$1,314,675	4.2%				
Personal Care Products	\$8,827,106	14.0%				
Personal Care Services	\$8,075,863	14.0%				
Nonprescrip. Drugs	\$2,300,682	9.9%				
Subtotal, Apparel	\$23,194,631	18.0%	2%	\$463,893	\$142.50	3,255
Men's Apparel	\$12,724,180	17.2%	2%	\$254,484	\$150.71	1,689
Girls' Apparel	\$5,587,371	39.4%	2%	\$111,747	\$146.95	760
Boys' Apparel	\$4,413,553	20.8%	2%	\$88,271	\$146.95	601
Infants' Apparel	\$3,803,168	21.8%	2%	\$76,063	\$146.95	518
Subtotal, Apparel	\$49,722,903			\$994,458		6,823
Footwear	\$13,052,849	19.6%	2%	\$261,057	\$153.16	1,704
Housekeeping Supp.	\$14,981,720	16.3%				
Domestic Services	\$14,760,588	12.4%				
HH Textiles	\$2,441,540	9.3%				
Furniture	\$10,946,054	10.7%				
Floor Coverings	\$2,930,004	12.3%				
Major Appliances	\$5,196,611	12.4%				
Small App. & Houseware	\$1,925,060	11.1%				
TV, Radio, Sound Equip.	\$20,330,517	15.9%				
Other Ent. Equip/ Serv	\$2,911,067	2.3%				
Transportation	\$200,534,956	16.3%				
TOTALS	\$554,542,444	15.5%		\$2,371,111		17,744
			Percent of Total Region Black Expend 3/	0.43%		

1/ Subtracts out the City of Norfolk (thus estimate is for Virginia Beach, Chesapeake, Suffolk, and Portsmouth)

2/ As shown on inflow/outflow tables

3/ Of all selected expenditure categories

Source: Basile Baumann Prost and Associates

Basile Baumann Prost & Associates, Inc.

4-5 apparel stores (6,800 square feet), and a shoe store (1,700 square feet). Again adjusting this estimate downward by 50 percent, to account for the variables mentioned above, such a capture of expenditures from this area would support about 9,000 square feet of new retail.

- Finally, as shown by Table 27, if 35th Street were to capture only 0.5 percent of the expenditures of black households living outside of South Hampton Roads in the Norfolk MSA, an additional 8,000 square feet would be supportable (4,000 with the 50 percent adjustment mentioned above). The 8,000 square feet estimate includes 3,800 square feet of restaurant space and 3,100 square feet of apparel stores.

2. Additional Sources of Demand

As discussed previously, the local market area cannot leverage development of a significant amount of retail space on its own (only 1-2 apparel stores). However, should other sources of demand (in this case, the regional African-American market as discussed above) "leverage" retail development, it is probable that some of the present expenditure outflow (from all households) from the area would be "re-captured" by the new development. Table 28 assumes a 10 percent capture of expenditures made in the market area in the selected product categories, and translates this expenditure volume into possible additional supportable square footage on 35th Street. The table indicates that about 7,000 additional square feet (in the selected product categories) may be supportable from this local demand.

A unique concentration of retail offerings could become available on 35th Street if the "Africa Town" theme is implemented. We perceive that these offerings could capture a moderate level of additional demand from both (a) the non- African American population at the regional level and (b) spin-off tourist demand, coming primarily from the Virginia Zoological Park.

In order to estimate the extent of (a), we conducted a phone survey of selected clothing, jewelry shops, and eating establishments in "Afrocentric retail clusters". The results of the survey are presented in full on Table 29. We asked these businesses (most of which were located in major cities with significant tourist traffic) "what general percentage of your customer base is non-black"? Among the businesses offering primarily Afrocentric merchandise, responses ranged from "...less than one percent..." in the case of the "Self-Improvement Educational Bookstore" at Newport and 35th in Norfolk to a high of 30 percent for "Artware Chicago" . "15 percent" was the ratio most frequently reported. It is notable that business owners indicated that a significant portion of this non-black" demand came from European tourists.

TABLE 27
**HYPOTHETICAL CAPTURE SCENARIO 1: 35TH STREET AND
SELECTED BLACK EXPENDITURES IN THE NORFOLK MSA**

<i>By Product Category</i>	<u>Total Est. Adj. MSA 1/ Black Expend</u>	<u>Hypothetical Percent Capture of Black Expend</u>	<u>Captured Expenditures</u>	<u>Average Sales PSF 1/</u>	<u>Supportable Store SF</u>
Food at Home	\$258,168,929				
Food Away from Home	\$85,571,405				
Restaurant Meals	\$71,366,552				
Alc. at Home	\$10,354,140				
Alc. Away from Home	\$2,395,999				
Personal Care Products	\$16,087,424				
Personal Care Services	\$14,718,282				
Nonprescrip. Drugs	\$4,192,999				
Subtotal, Apparel					
Women's Apparel	\$42,272,274	0.50%	\$211,361	\$142.50	1,483
Men's Apparel	\$23,189,851	0.50%	\$115,949	\$150.71	769
Girls' Apparel	\$10,182,997	0.50%	\$50,915	\$146.95	346
Boys' Apparel	\$8,043,712	0.50%	\$40,219	\$146.95	274
Infants' Apparel	\$6,931,284	0.50%	\$34,656	\$146.95	236
Footwear	\$90,620,118		\$453,101		3,109
Subtotal, Housekeeping Supp.					
Housekeeping Supp.	\$27,127,148				
Domestic Services	\$26,726,748				
Subtotal, HH Textiles					
HH Textiles	\$4,449,713				
Furniture	\$19,819,835				
Floor Coverings	\$5,305,309				
Major Appliances	\$9,409,417				
Small App.& Houseware	\$3,508,428				
TV, Radio, Sound Equip.	\$37,052,418				
Other Ent. Equip/ Serv	\$5,305,427				
Transportation	\$365,475,471				
TOTALS	\$1,010,078,062		\$1,080,339		8,085
		Percent of Total Regional Black Expend 3/	0.11%		

1/ Subtracts out South Hampton Roads

2/ As shown on inflow/outflow tables

3/ Of all selected expenditure categories

Source: Basile Baumann Prost and Associates

TABLE 28
HYPOTHETICAL CAPTURE SCENARIO 1: 35TH STREET
SELECTED HOUSEHOLD EXPENDITURES IN MARKET AREA

<i>By Product Category</i>	<u>Total Estimated Area HH Expenditures</u>	<u>Hypothetical Percent Capture of Expend.</u>	<u>Captured Expenditures</u>	<u>Average Sales PSF 2/</u>	<u>Unadjusted Supportable Store SF</u>	<u>Adjusted Supportable Store SF 3/</u>
Food at Home	\$16,271,000					
Food Away from Home	\$9,171,000					
Alc. at Home	\$1,092,000					
Alc. Away from Home	\$623,000					
Personal Care Products	\$1,423,000					
Personal Care Services	\$1,377,000					
Nonprescrip. Drugs	\$506,000					
Women's Apparel	\$2,659,000	10%	\$265,900	\$142.50	1,866	933
Men's Apparel	\$1,509,000	10%	\$150,900	\$150.71	1,001	501
Girls' Apparel	\$293,000	10%	\$29,300	\$146.95	199	100
Boys' Apparel	\$469,000	10%	\$46,900	\$146.95	319	160
Infants' Apparel	\$435,000	10%	\$43,500	\$146.95	296	148
<i>Subtotal, Apparel</i>	<i>\$5,365,000</i>		<i>\$536,500</i>		<i>3,682</i>	<i>1,841</i>
Footwear	\$1,523,000	10%	\$152,300	\$153.16	994	497
Housekeeping Supp.	\$1,657,000					
Domestic Services	\$254,000					
HH Textiles	\$479,000					
Furniture	\$1,748,000					
Floor Coverings	\$278,000					
Major Appliances	\$702,000					
Small App. & Houseware	\$342,000					
TV, Radio, Sound Equip.	\$2,765,000					
Other Ent. Equip/ Serv	\$2,116,000					
Transportation	\$24,768,000					
TOTALS	\$118,371,619		\$1,748,200		13,531	6,766
		Percent of Total Area Expend 4/	1.5%			

1/ Subtracts out the City of Norfolk (thus estimate is for Virginia Beach, Chesapeake, Suffolk, and Portsmouth)

2/ As shown on inflow/outflow tables

3/ 50 percent downward adjustment to account for expenditures on product category not made
in selected store types

4/ Of all selected expenditure categories

Source: Basile Baumann Prost and Associates

TABLE 29
 SELECTED NATIONAL SURVEY DATA
 PERCENTAGE OF TOTAL DEMAND PROVIDED BY "NON-AFRICAN AMERICAN" CUSTOMERS

<u>Business</u>	<u>Location</u>	<u>Retail Focus</u>	<u>Estimated Percentage of Customer Base "Non-African-American"</u>
Densua's	Atlanta, GA	Afrocentric Clothing Handmade Crafts	15 to 20 percent
Boutique Mikuba	Washington, DC	African Arts/ Painting Handmade Crafts	15 percent
Kaffa Coffee House	Washington, DC	Coffee/ Light Food	15 percent
House of Zam-Zam	Washington, DC	Afrocentric Clothing	5 percent
Awareness	New York, NY	Afrocentric Clothing Books/ Music Crafts	10 percent 1/
Self-Educational Improvement Bookstore	Norfolk, VA	Afrocentric Books	< 1 percent
Mood Indigo	Washington, DC	Vintage Clothing	50 percent
Artware Chicago	Chicago, IL	Afrocentric Art Paintings; Crafts	30 percent 2/

Source: Basile Baumann Prost and Associates

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The Hampton Roads region represents a smaller market than most of the market areas for which case study information was gathered, and attracts a lower volume of tourists (both foreign and national). Accordingly, we perceive that the typical percentage of total demand from non-African-American consumers would be somewhat lower along 35th Street than in the case studies. For input into our model, we decided to use the "average" of 15 percent (i.e. adjust the supportable square footage from regional African-American expenditures up by 15 percent) to account for both (a) non-African American regional demand and demand from tourists.

3. Summary Estimates: Supportable Square Feet

Table 30 provides a summary of the square footage that might be supported by all of the possible demand sources discussed above. We estimate that an additional 33,340 square feet of retail space in the four selected product categories (restaurants, personal care products, apparel, and footwear) may be supportable on 35th Street. Approximately 85 percent of this total space (about 28,000 square feet) would be either restaurant or apparel space.

The table also provides subtotals for the space supportable from regional African-American demand (23,160) and the space that might be supported by additional demand sources (10,190).

G. Summary Findings

Field surveys indicate that there is a very small retail core along 35th Street (the two-block area between Gosnold and Colonial) that will likely be the focus of any retail revitalization efforts.

The infrastructure for, and positive area image for intensified retail development appears to be lacking at present. Our analysis of local market area demographics and expenditure inflows and outflows indicates that local consumer demand alone will not support the construction of new retail space. Even with the application of somewhat optimistic capture rates, we could identify local market area support for only 1-2 apparel stores and a small market is identified.

However, the 35th Street Merchants Association and other key community groups are focusing on a retail niche that they feel could draw substantially, with adequate marketing, on both regional household demand and from the tourist market.

TABLE 30

ESTIMATED DEMAND BY MARKET SEGMENT
EXPANSION OF 35TH STREET RETAIL CORE

Market Segments	MARKET TEST CATEGORY							
	Restaurants		Personal Care Products		Apparel		Footwear	
	Square Feet	% Total	Square Feet	% Total	Square Feet	% Total	Square Feet	% Total
I. Regional African-American Demand								
Norfolk African-American Market 1/	4,355	27.1%	472	30.4%	4,033	33.1%	996	28.3%
South Hampton Roads African-American Market 2/	4,178	26.0%	430	27.7%	3,411	28.0%	852	24.2%
Norfolk MSA African-American Market 3/	1,904	11.8%	196	12.6%	1,554	12.7%	777	22.1%
<i>Subtotal, by Category (Square Feet/ Percent)</i>	<i>10,437</i>	<i>64.9%</i>	<i>1,098</i>	<i>70.6%</i>	<i>8,998</i>	<i>73.8%</i>	<i>2,625</i>	<i>74.7%</i>
<i>Overall Subtotal, Square Feet</i>	<i>23,160</i>							
II. Other Additional Demand								
Local Market Area Consumers 4/	4,081	25.4%	347	22.3%	1,841	15.1%	497	14.1%
Other 5/	1,566	9.7%	110	7.1%	1,350	11.1%	394	11.2%
<i>Subtotal, by Category (Square Feet/ Percent)</i>	<i>5,647</i>	<i>35.1%</i>	<i>457</i>	<i>29.4%</i>	<i>3,191</i>	<i>26.2%</i>	<i>891</i>	<i>25.3%</i>
<i>Overall Subtotal, Square Feet</i>	<i>10,190</i>							
CATEGORY TOTALS (Square Feet/ Percent) 6/	16,084	100%	1,555	100%	12,189	100%	3,516	100%
GRAND TOTAL (Square Feet)	33,340							

1/ Square feet supportable (adjusted), based on assumed five percent (5%) capture of available African-American expenditures in these categories

2/ Square feet supportable (adjusted), based on assumed two percent (2%) capture of available African-American expenditures in these categories

3/ Square feet supportable (adjusted), based on assumed one-half percent (0.5%) capture of available African-American expenditures in these categories

4/ Square feet supportable (adjusted), based on assumed ten percent (10%) capture of all available household expenditures in these categories

5/ An estimated 15 percent of the sum of 1/ 2/ and 3/ (i.e. regional markets) for all product categories except personal care (10 %). Includes regional non-African-American and tourist demand. See text for further explanation.

6/ The sum of subtotals for I and II

Source: Basile Baumann Prost and Associates

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Our discussions with area operators of stores that do sell "Afrocentric" merchandise, as well as those that sell more general apparel accessories, indicate that area shops even now draw a significant percentage of their customers from a regional base. While the majority of patrons at Afrocentric shops has been, and will continue to be, African-Americans, additional conversations with store owners have revealed that a small but significant percentage of their customer base typically comes from non- African Americans at the regional level and from tourists.

Attraction of regional African-American demand would likely be the foundation for intensification of 35th Street retail, with other market segments (e.g. "re-capture" of local area expenditures, regional non African-American demand, tourist dollars) providing additional sources of demand.

Community representatives have identified restaurants and apparel stores as two distinct uses that they would like to target. From our experience and evidence from case studies, it appears that such uses have led retail revitalization in other ethnic shopping districts. Application of potential capture rates to the available regional African-American and additional (households in the market area and tourists) expenditures for "food away from home" and "apparel" indicates that there could be adequate support for new retail development of this type, an estimated total of about 28,000 square feet.

Marketing strategies and public policy directives (e.g. "groundwork" projects like restoration of the Newport Theatre, new linkages to the community center) will be required to enhance the "regional appeal" of 35th Street. Such marketing strategies and policy directives are needed to enable the area to capitalize on the demand that may exist in the region for "Afrocentric" merchandise.

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V. UPPER COLLEY

Efforts concerning the Upper Colley area have focused on the following:

- A. Field surveys and interviews: Field surveys to inventory area businesses and define geographic relationships between uses; interviews of area merchants and local officials to get a sense of area business concerns;
- B. Concept Development: Consideration of Possible Themes for the Area in Relationship to Other Midtown Areas and Desired Developments in Those Areas; Decision to Preliminarily Focus on Intensification of Service Sector (Business and Personal Service) Uses in the Area; and
- C. Data Analysis: Initial analysis of trends in Norfolk's service sector in relation to similar trends in neighboring jurisdictions in South Hampton Roads.

A. Field Surveys and Interviews

Field surveys indicate that the Upper Colley area from 35th Street northward to the bridge plays host to a large variety of uses. Successful destination restaurants (e.g. Fellini's and O'Sullivan's) are located adjacent to marginal strip retail (in the case of Fellini's) and a vacant bread thrift shop and glass etching retailer (in the case of O'Sullivan's). This mixture of uses has prevented a coherent theme from emerging, although overall sales in the financial district of Upper Colley have not suffered (see Table 31--a repeat of Table 6). The economic health of this corridor, in fact, far surpasses that of both Riverview Village and 35th Street.

Interviews with a diverse lot of area merchants (from successful restaurateurs like Mr. Cavish and Mr. Caramillo at Fellini's and O'Sullivan's to service business operators like Michael Glass and Bill Benton at LeRoy's Cleaners and Boone's TV) have provided evidence as to why such a "theme" has not emerged: all of the businesses are satisfied with the way things are going, with the exception of those calling for improvements to the curbs and better drainage. ".

Each business, and in particular the service businesses like Boone's TV and Seeley's Florist, has a client base that truly cannot be isolated into any distinct trade area, though anecdotal evidence appears to indicate that a far larger portion of the demand for most

TABLE 31

SELECTED FINANCIAL DISTRICTS: CITY OF NORFOLK; CITY; REGION
TAXABLE TOTAL AND RETAIL SALES: 1994-1995

1995 Data								
Area	Total Sales	Retail Sales	Retail as % Tot. Sales	Other Sales	Restaurant Sales	Rest. as % of Retail Sales	Non-Rest. Retail	Non-Rest. Retail as % Ret. Sales
21st Street	\$179,601,097	\$66,516,506	37.0%	\$113,086,591	\$15,949,855	24.0%	\$50,566,651	76.0%
Colley Village*	\$6,152,263	\$5,987,513	97.3%	\$164,750	\$548,309	9.2%	\$5,439,204	90.8%
Ward's Corner	\$105,338,808	\$92,370,187	87.7%	\$12,968,621	\$8,521,582	9.2%	\$83,848,605	90.8%
Upper Colley**	\$30,068,046	\$10,704,527	35.6%	\$19,363,519	\$4,698,618	43.9%	\$6,005,909	56.1%
Riverview Village	\$19,051,201	\$7,771,299	40.8%	\$11,279,902	\$1,126,127	14.5%	\$6,645,172	85.5%
35th Street	\$2,581,617	\$732,230	28.4%	\$1,849,387	\$75,618	10.3%	\$656,612	89.7%
Redevelopment Areas	\$51,700,864	\$19,208,056	37.2%	\$32,492,808	\$5,900,364	30.7%	\$13,307,692	69.3%

---Percent City	1.0%	2.2%
Norfolk City	\$1,925,763,253	\$264,045,509
---Percent SIR	27.1%	
S. Hampton Roads	\$7,097,701,454	

* Segmented out in 1995

** aka "Highland Park"

1994 Data								
Area	Total Sales	Retail Sales	Retail as % Tot. Sales	Other Sales	Restaurant Sales	Rest. as % of Retail Sales	Non-Rest. Retail	Non-Rest. Retail as % Ret. Sales
21st Street/ Colley Vill	\$185,756,777	\$72,624,936	39.1%	\$113,131,841	\$16,090,945	22.2%	\$56,533,991	77.8%
Ward's Corner	\$111,159,655	\$92,363,440	83.1%	\$18,796,515	\$8,521,582	9.2%	\$83,841,558	90.8%
Upper Colley**	\$27,799,074	\$8,914,771	32.1%	\$18,884,303	\$2,898,618	32.5%	\$6,016,153	67.5%
Riverview Village	\$19,021,201	\$7,741,299	40.7%	\$11,279,902	\$1,126,127	14.5%	\$6,615,172	85.5%
35th Street	\$2,577,495	\$732,230	28.4%	\$1,845,265	\$75,618	10.3%	\$656,612	89.7%
Redevelopment Areas	\$49,397,770	\$17,388,300	35.2%	\$32,009,470	\$4,100,364	23.6%	\$13,287,936	76.4%

---Percent City	0.9%	1.7%
Norfolk City	\$1,831,167,711	\$240,964,727
---Percent SIR	27.2%	
S. Hampton Roads	\$6,743,516,831	

Source: BPP Associates; Norfolk Commissioner of Revenue (1994; 1995)

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businesses comes from Old Dominion University than even proximity would suggest. The general lack of a common marketing focus has resulted in the business community coming together very rarely and often just in response to a problem. In fact, the most recent meeting was to advocate for the closing of the Big Easy Nightclub in the extreme northwestern corner of the area (a closing which occurred approximately two weeks after the meeting).

Local officials that were interviewed believe in general that the area should have some sort of theme: "...the area should not simply keep on being a mish-mash...", but did not offer any particular suggestions on possible themes.

B. Concept Development

Based on discussions with area businesses, it appears that most are doing reasonably well, relative to those in the 35th Street and Riverview Village areas.

The Upper Colley corridor, as the other two Midtown areas that are the focus of this study, is not viable for traditional retail (e.g. apparel, department stores, and the like)--- certainly because of parking and traffic issues, but more importantly because of perception. As most retail in the area is more service-oriented (frame shops, sewing shops, etc.) a traditional retail orientation would have to basically "start from scratch". As for niche retail, there appears to be no interest group able or willing to implement the effective marketing that will be required for targeting businesses and customers.

A restaurant focus similar to that contemplated for Riverview Village might be a viable "theme" for the area if marketing efforts built on the existing strength of restaurants in the area (which are presently more viable than restaurants in Riverview Village). However, the pursuit of such a theme would effectively nullify (in our opinion) the chances for the Riverview Village area to carve out its niche in the "restaurant" area. For Riverview Village, competing with Fellini's and O'Sullivan's will be challenge enough.

It is our opinion (given all of these factors) that the revitalization strategy for the Upper Colley area should focus on the "service sector". The service sector as defined by the Bureau of Labor includes a wide variety of uses, e.g. personal services, business services, auto repair, and social services, (for instance, a worker at Savin and MacKendree would be a service sector employee, but a server at Fellini's would be a retail employee).

Initiatives should seek to enhance the solid market niche that the area has built in the Norfolk service retail market. By promoting the location of new service industries in the Upper Colley area (perhaps through space incubation, etc.), Norfolk would achieve three important things:

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- Riverview Village would have the opportunity to pursue intensification of retail (and in particular restaurants) without fear of being undermined by competition from a nearby area;
- The relative equilibrium of business profitability in the Upper Colley area would not be jeopardized by attempting to force a "theme" onto the area;
- Only incremental investment in improved infrastructure and streetscaping would be necessary, and funds needed in the other areas would be spread less thinly;
- Opportunities for drawing demand from the planned Old Dominion University R&D space development might be capitalized on; possible residential development along the waterfront in the Riverview Village area could provide an additional source of demand;
- Focusing on the service sector in Upper Colley would serve to "diversify" the city's revitalization efforts. Norfolk has chosen to act to rebuild its declining retail base through developments like MacArthur Center, and may choose to do so again (at a smaller scale) by supporting a Riverview Village "restaurant row"-- Norfolk could pursue another arena of economic development deficiency by implementing a service-sector strategy in the Upper Colley area.

C. The Need for a Service Sector Focus: Data Analysis

Analysis of data from County Business Patterns on number of employees and number of service firms for the five independent cities of South Hampton Roads for the 1981-1993 period shows graphically the declining role that the Norfolk service sector has played in the region. The following key points, drawn from Tables 32-38, should be emphasized:

- In 1981, the employees of the Norfolk service sector comprised almost 50 percent of total service employment in the cities of South Hampton Roads, and 40 percent of the firms. The next largest jurisdiction was Virginia Beach, with only 28 percent of total employment and 33 percent of the firms (see Table 32).
- By 1987 (see Table 33), the situation had already changed dramatically. While Norfolk City did manage to maintain the highest jurisdictional percentage of total service employment (at 39.6 percent), the city of Virginia Beach now had 41 percent of all service sector firms, compared to 30 percent for Norfolk.

TABLE 32

1981 SERVICE EMPLOYMENT, FIRM NUMBER AND SIZE FOR SELECTED CATEGORIES
NORFOLK AND OTHER S. HAMPTON ROADS JURISDICTIONS

<u>Selected Categories</u>	<u>Norfolk</u>	<u>Va. Beach</u>	<u>Chesapeake</u>	<u>Portsmouth</u>	<u>Suffolk</u>	
Personal Services						
—Employees	1,731	1,173	180	861	145	
—Firms	230	217	56	97	40	
1 to 4 Employees	130	133	42	55	28	
5 to 19 Employees	90	80	14	36	12	
20 to 50 Employees	6	3	0	1	0	
50+ Employees	4	1	0	5	0	
Percent All Service Emp	6.2%	7.5%	5.0%	12.3%	6.9%	
Percent All Service Firms	13.4%	15.1%	14.3%	17.3%	19.7%	
Business Services						
—Employees	6240	2815	844	381	79	
—Firms	232	223	44	20	12	
1 to 4 Employees	105	128	28	11	9	
5 to 19 Employees	42	63	7	5	3	
20 to 49 Employees	61	19	6	3	0	
50+ Employees	24	13	3	1	0	
Percent All Service Emp	22.4%	17.9%	23.5%	5.4%	3.8%	
Percent All Service Firms	13.5%	15.5%	11.2%	3.6%	5.9%	
Auto and Other Repair						
—Employees	1668	726	428	443	NA	
—Firms	203	121	74	79	NA	
1 to 4 Employees	115	71	48	48	NA	
5 to 19 Employees	72	46	22	26	NA	
20 to 49 Employees	10	2	4	5	NA	
50+ Employees	6	0	0	0	NA	
Percent All Service Emp	6.0%	4.6%	11.9%	6.3%	NA	
Percent All Service Firms	11.3%	8.4%	18.9%	14.1%	NA	
Health Services						
—Employees	9048	4759	840	3700	1126	
—Firms	369	321	83	155	48	
1 to 4 Employees	227	195	51	93	29	
5 to 19 Employees	113	110	27	49	15	
20 to 50 Employees	13	5	2	7	3	
50+ Employees	16	11	3	6	1	
Percent All Service Emp	32.5%	30.3%	23.4%	52.9%	53.6%	
Percent All Service Firms	21.4%	22.3%	21.2%	27.7%	23.6%	
Legal Services						
—Employees	913	361	84	178		
—Firms	127	91	24	40		
1 to 4 Employees	82	73	20	27		
5 to 19 Employees	35	16	4	11		
20 to 50 Employees	9	2	0	2		
50+ Employees	1	0	0	0		
Percent All Service Emp	3.3%	2.3%	2.3%	2.5%	0.0%	
Percent All Service Firms	7.4%	6.3%	6.1%	7.1%	0.0%	
Educ. and Social Services						
—Employees	2353	617	152	517	305	
—Firms	113	60	17	41	14	
1 to 4 Employees	37	27	9	13	5	
5 to 19 Employees	49	25	6	22	6	
20 to 50 Employees	15	6	2	4	2	
50+ Employees	12	2	0	2	1	
Percent All Service Emp	8.5%	3.9%	4.2%	7.4%	14.5%	
Percent All Service Firms	6.6%	4.2%	4.3%	7.3%	6.9%	
TOTAL SERVICES						TOTAL
—Employees	27,806	15,724	3,588	6,991	2,101	56,210
—Firms	1,722	1,438	392	560	203	4,315
% All Employees	49.5%	23.0%	6.4%	12.4%	3.7%	
% All Employees	39.9%	33.3%	9.1%	13.0%	4.7%	

TABLE 33

1987 SERVICE EMPLOYMENT, FIRM NUMBER AND SIZE FOR SELECTED CATEGORIES
NORFOLK AND OTHER S. HAMPTON ROADS JURISDICTIONS

<u>Selected Categories</u>	<u>Norfolk</u>	<u>Va. Beach</u>	<u>Chesapeake</u>	<u>Portsmouth</u>	<u>Suffolk</u>	
Personal Services						
---Employees	1,965	2,825	561	1,037	216	
---Firms	231	396	100	109	43	
1 to 4 Employees	135	218	51	60	23	
5 to 19 Employees	80	158	47	42	20	
20 to 50 Employees	9	18	2	1	0	
50+ Employees	7	2	0	6	0	
Percent All Service Emp	5.8%	8.6%	7.6%	11.9%	7.7%	
Percent All Service Firms	11.4%	14.5%	12.2%	15.2%	13.8%	
Business Services						
---Employees	6,323	7,985	1,883	861	162	
---Firms	301	516	117	59	37	
1 to 4 Employees	144	293	64	31	30	
5 to 19 Employees	107	151	28	20	6	
20 to 49 Employees	26	41	12	4	0	
50+ Employees	24	31	13	4	1	
Percent All Service Emp	18.7%	24.3%	25.4%	9.9%	5.8%	
Percent All Service Firms	14.9%	18.9%	14.3%	8.2%	11.9%	
Auto and Other Repair						
---Employees	1,832	1,515	684	550	94	
---Firms	253	234	120	93	27	
1 to 4 Employees	132	142	75	54	18	
5 to 19 Employees	64	85	39	35	9	
20 to 49 Employees	18	5	5	4	0	
50+ Employees	3	2	1	0	0	
Percent All Service Emp	5.4%	4.6%	9.2%	6.3%	3.4%	
Percent All Service Firms	12.5%	8.6%	14.7%	12.9%	8.7%	
Health Services						
---Employees	11,555	6,614	1,501	3,784	1,377	
---Firms	395	541	173	170	60	
1 to 4 Employees	211	298	93	91	35	
5 to 19 Employees	134	212	67	63	18	
20 to 50 Employees	29	17	7	8	4	
50+ Employees	21	14	6	8	3	
Percent All Service Emp	34.1%	20.1%	20.2%	43.5%	49.2%	
Percent All Service Firms	19.6%	19.8%	21.1%	23.6%	19.2%	
Legal Services						
---Employees	1,338	874	189	232	73	
---Firms	141	145	36	50	22	
1 to 4 Employees	80	96	25	35	15	
5 to 19 Employees	41	42	9	13	7	
20 to 50 Employees	17	3	2	2	0	
50+ Employees	3	4	0	0	0	
Percent All Service Emp	3.9%	2.7%	2.5%	2.7%	2.6%	
Percent All Service Firms	7.0%	5.3%	4.4%	7.0%	7.1%	
Educ. and Social Services						
---Employees	2,993	2,241	621	575	133	
---Firms	150	135	59	51	13	
1 to 4 Employees	52	79	23	19	8	
5 to 19 Employees	66	34	28	24	3	
20 to 50 Employees	19	15	7	7	2	
50+ Employees	10	7	1	1	0	
Percent All Service Emp	8.8%	6.8%	8.4%	6.6%	4.8%	
Percent All Service Firms	7.4%	4.9%	7.2%	7.1%	4.2%	
TOTAL SERVICES						TOTAL
---Employees	33,903	32,835	7,416	8,693	2,800	85,647
---Firms	2,018	2,730	819	719	312	6,598
% All Employees*	39.6%	38.3%	8.7%	10.1%	3.3%	
% All Employees*	30.6%	41.4%	12.4%	10.9%	4.7%	

* From Aggregated Cities (roughly equivalent to S. Hampton Roads)

Source: Basile Baumgardt and Associates; Bureau of Economic Analysis

Basile Baumann Prost & Associates, Inc.

Total service sector employment in Norfolk grew only 22 percent in Norfolk over the period, compared to 52 percent growth in the region (see Table 34).

- By 1993, Norfolk's share of regional service employment had fallen to 36 percent, and its share of regional service firms to 27 percent (see Table 35). Service employment grew by only 21 percent over the period from 1987-1993, while the growth rate of service employment in the region was 32 percent (see Table 36).
- Over the twelve-year period from 1981-1993, service sector employment in Norfolk increased only 47 percent, compared to 102 percent in the region. Norfolk's low growth in number of firms is of more concern, as the 24 percent increase for the period is almost 4 times less than the region's 82 percent (see Table 37).
- The absence of recent growth in Norfolk's business services sector (actual decline in employment in this sector between 1981 and 1993--see Table 38), in particular, is cause for concern in terms of the City's capacity to compete for future job growth. At the national level, the services sector is the only major industry category in which net new jobs are expected over the 1995-2020 period. At the regional level, the Virginia Department of Employment Security projected in 1991 that, of the 512,521 jobs to be created by the State economy over the 1990-2005 period, 52 percent would be Service sector jobs, and some 85,000 would be jobs in the business services portion of this sector.

TABLE 34

1981-1987 PERCENT CHANGE IN SERVICE EMPLOYMENT AND FIRMS BY SIZE CLASS FOR SELECTED CATEGORIES
NORFOLK AND OTHER S. HAMPTON ROADS JURISDICTIONS

	<u>Norfolk</u>	<u>Va. Beach</u>	<u>Chesapeake</u>	<u>Portsmouth</u>	<u>Suffolk</u>
Personal Services					
—Employees	13.5%	140.8%	211.7%	20.4%	49.0%
—Firms	0.4%	82.5%	78.6%	12.4%	7.5%
1 to 4 Employees	3.8%	63.9%	21.4%	9.1%	-17.9%
5 to 19 Employees	-11.1%	97.5%	235.7%	16.7%	66.7%
20 to 50 Employees	50.0%	500.0%	NA	0.0%	NA
50+ Employees	75.0%	100.0%	NA	20.0%	NA
Business Services					
—Employees	1.3%	183.7%	123.1%	126.0%	105.1%
—Firms	29.7%	131.4%	165.9%	195.0%	208.3%
1 to 4 Employees	37.1%	128.9%	128.6%	181.8%	233.3%
5 to 19 Employees	154.8%	139.7%	300.0%	300.0%	100.0%
20 to 49 Employees	-57.4%	115.8%	100.0%	33.3%	NA
50+ Employees	0.0%	138.5%	333.3%	300.0%	NA
Auto and Other Repair					
—Employees	9.8%	108.7%	59.8%	24.2%	
—Firms	24.6%	93.4%	62.2%	17.7%	
1 to 4 Employees	14.8%	100.0%	56.3%	12.5%	
5 to 19 Employees	-11.1%	84.8%	77.3%	34.6%	
20 to 49 Employees	80.0%	150.0%	25.0%	-20.0%	
50+ Employees	-50.0%	NA	NA	NA	
Health Services					
—Employees	27.7%	39.0%	78.7%	2.3%	22.3%
—Firms	7.0%	68.5%	108.4%	9.7%	25.0%
1 to 4 Employees	-7.0%	52.8%	82.4%	-2.2%	20.7%
5 to 19 Employees	18.6%	92.7%	148.1%	28.6%	20.0%
20 to 50 Employees	123.1%	240.0%	250.0%	14.3%	33.3%
50+ Employees	31.3%	27.3%	100.0%	33.3%	200.0%
Legal Services					
—Employees	46.5%	142.1%	125.0%	30.3%	
—Firms	11.0%	59.3%	50.0%	25.0%	
1 to 4 Employees	-2.4%	31.5%	25.0%	29.6%	
5 to 19 Employees	17.1%	162.5%	125.0%	18.2%	
20 to 50 Employees	88.9%	50.0%	NA	0.0%	
50+ Employees	200.0%	NA	NA	NA	
Educ. and Social Services					
—Employees	27.2%	263.2%	308.6%	11.2%	-56.4%
—Firms	32.7%	125.0%	247.1%	24.4%	-7.1%
1 to 4 Employees	40.5%	192.6%	155.6%	46.2%	60.0%
5 to 19 Employees	34.7%	36.0%	366.7%	9.1%	-50.0%
20 to 50 Employees	26.7%	150.0%	250.0%	75.0%	0.0%
50+ Employees	-16.7%	250.0%	NA	-50.0%	-100.0%
TOTAL SERVICES					
—Employees	21.9%	108.8%	106.7%	24.3%	33.3%
—Firms	17.2%	89.3%	108.9%	28.4%	53.7%
					TOTAL
					52.4%
					52.9%

Source: Basile Baumann Prost and Associates; Census of Service Industries

TABLE 35

1993 SERVICE EMPLOYMENT, FIRM NUMBER AND SIZE FOR SELECTED CATEGORIES
NORFOLK AND OTHER S. HAMPTON ROADS JURISDICTIONS

	<u>Norfolk</u>	<u>Va. Beach</u>	<u>Chesapeake</u>	<u>Portsmouth</u>	<u>Suffolk</u>	
Personal Services						
—Employees	1,767	3,096	860	983	234	
—Firms	223	439	135	89	44	
1 to 4 Employees	139	246	79	51	25	
5 to 19 Employees	68	171	50	29	19	
20 to 50 Employees	10	13	4	4	0	
50+ Employees	6	9	2	5	0	
Percent All Service Emp	4.3%	7.6%	6.0%	7.2%	6.2%	
Percent All Service Firms	10.5%	12.8%	10.9%	12.6%	12.6%	
Business Services						
—Employees	6222	8552	3078	718	161	
—Firms	277	565	186	57	25	
1 to 4 Employees	134	91	95	31	11	
5 to 19 Employees	79	96	60	18	13	
20 to 49 Employees	35	22	16	5	1	
50+ Employees	29	24	15	3	0	
Percent All Service Emp	15.2%	20.9%	21.6%	5.3%	4.3%	
Percent All Service Firms	13.0%	16.4%	15.1%	8.1%	7.2%	
Auto and Other Repair						
—Employees	2257	2148	1475	528	106	
—Firms	262	337	168	100	32	
1 to 4 Employees	148	200	92	87	25	
5 to 19 Employees	91	128	53	8	7	
20 to 49 Employees	16	6	10	5	0	
50+ Employees	7	3	2	0	0	
Percent All Service Emp	5.5%	5.2%	10.4%	3.9%	2.8%	
Percent All Service Firms	12.3%	9.8%	13.6%	14.2%	9.2%	
Health Services						
—Employees	13852	7748	3708	8680	1979	
—Firms	402	690	239	150	81	
1 to 4 Employees	180	355	117	63	41	
5 to 19 Employees	150	279	102	66	30	
20 to 50 Employees	43	32	12	9	4	
50+ Employees	29	24	8	12	6	
Percent All Service Emp	33.8%	18.9%	26.0%	63.7%	52.8%	
Percent All Service Firms	18.9%	20.1%	19.4%	21.3%	23.2%	
Legal Services						
—Employees	1512	1209	222	317		
—Firms	147	181	42	47		
1 to 4 Employees	83	118	28	32		
5 to 19 Employees	47	51	12	12		
20 to 50 Employees	9	8	2	2		
50+ Employees	7	4	0	1		
Percent All Service Emp	3.7%	3.0%	1.6%	2.3%	0.0%	
Percent All Service Firms	6.9%	5.3%	3.4%	6.7%	0.0%	
Educ. and Social Services						
—Employees	4204	3919	1350	584	328	
—Firms	174	224	102	52	22	
1 to 4 Employees	65	130	46	19	13	
5 to 19 Employees	66	48	36	23	6	
20 to 50 Employees	27	35	15	9	1	
50+ Employees	16	11	5	1	1	
Percent All Service Emp	10.3%	9.6%	9.5%	4.3%	8.7%	
Percent All Service Firms	8.2%	6.5%	8.3%	7.4%	6.3%	
TOTAL SERVICES						TOTAL
—Employees	40,953	40,947	14,236	13,627	3,750	113,513
—Firms	2,127	3,440	1,235	704	349	7,855
% All Employees*	36.1%	36.1%	12.5%	12.0%	3.3%	
% All Employees*	27.1%	43.8%	15.7%	9.0%	4.4%	

TABLE 36

1987-1993 PERCENT CHANGE IN SERVICE EMPLOYMENT AND FIRMS BY SIZE CLASS FOR SELECTED CATEGORIES
NORFOLK AND OTHER S. HAMPTON ROADS JURISDICTIONS

	<u>Norfolk</u>	<u>Va. Beach</u>	<u>Chesapeake</u>	<u>Portsmouth</u>	<u>Suffolk</u>	
Personal Services						
—Employees	-10.1%	9.6%	53.3%	-5.2%	8.3%	
—Firms	-3.5%	10.9%	35.0%	-18.3%	2.3%	
1 to 4 Employees	3.0%	12.8%	54.9%	-15.0%	8.7%	
5 to 19 Employees	-15.0%	8.2%	6.4%	-31.0%	-5.0%	
20 to 50 Employees	11.1%	-27.8%	100.0%	300.0%	NA	
50+ Employees	-14.3%	350.0%	NA	-16.7%	NA	
Business Services						
—Employees	-1.6%	7.1%	63.5%	-16.6%	-0.6%	
—Firms	-8.0%	9.5%	59.0%	-3.4%	-32.4%	
1 to 4 Employees	-6.9%	-68.9%	48.4%	0.0%	-63.3%	
5 to 19 Employees	-26.2%	-36.4%	114.3%	-10.0%	116.7%	
20 to 49 Employees	34.6%	-46.3%	33.3%	25.0%	NA	
50+ Employees	20.8%	-22.6%	15.4%	-25.0%	-100.0%	
Auto and Other Repair						
—Employees	23.7%	41.8%	115.6%	-4.0%		
—Firms	3.6%	44.0%	40.0%	7.5%		
1 to 4 Employees	12.1%	40.8%	22.7%	61.1%		
5 to 19 Employees	42.2%	50.6%	35.9%	-77.1%		
20 to 49 Employees	-11.1%	20.0%	100.0%	25.0%		
50+ Employees	133.3%	50.0%	100.0%	NA		
Health Services						
—Employees	19.9%	17.1%	147.0%	129.4%	43.7%	
—Firms	1.8%	27.5%	38.2%	-11.8%	35.0%	
1 to 4 Employees	-14.7%	19.1%	25.8%	-30.8%	17.1%	
5 to 19 Employees	11.9%	31.6%	52.2%	4.8%	66.7%	
20 to 50 Employees	48.3%	88.2%	71.4%	12.5%	0.0%	
50+ Employees	38.1%	71.4%	33.3%	50.0%	100.0%	
Legal Services						
—Employees	13.0%	38.3%	17.5%	36.6%		
—Firms	4.3%	24.8%	16.7%	-6.0%		
1 to 4 Employees	3.8%	22.9%	12.0%	-8.6%		
5 to 19 Employees	14.6%	21.4%	33.3%	-7.7%		
20 to 50 Employees	-47.1%	166.7%	0.0%	0.0%		
50+ Employees	133.3%	0.0%	NA	NA		
Educ. and Social Services						
—Employees	40.5%	74.9%	117.4%	1.6%	146.6%	
—Firms	16.0%	65.9%	72.9%	2.0%	69.2%	
1 to 4 Employees	25.0%	64.6%	100.0%	0.0%	62.5%	
5 to 19 Employees	0.0%	41.2%	28.6%	-4.2%	100.0%	
20 to 50 Employees	42.1%	133.3%	114.3%	28.6%	-50.0%	
50+ Employees	60.0%	57.1%	400.0%	0.0%	NA	
TOTAL SERVICES						
—Employees	20.8%	24.7%	92.0%	56.8%	33.9%	32.5%
—Firms	5.4%	26.0%	50.8%	-2.1%	11.9%	19.1%

Source: Basile Baumann Prost and Associates; County Business Patterns

TABLE 37

1981-1993 PERCENT CHANGE IN SERVICE EMPLOYMENT AND FIRMS BY SIZE CLASS FOR SELECTED CATEGORIES
NORFOLK AND OTHER S. HAMPTON ROADS JURISDICTIONS

	<u>Norfolk</u>	<u>Va. Beach</u>	<u>Chesapeake</u>	<u>Portsmouth</u>	<u>Suffolk</u>
Personal Services					
—Employees	2.1%	163.9%	377.8%	14.2%	61.4%
—Firms	-3.0%	102.3%	141.1%	-8.2%	10.0%
1 to 4 Employees	6.9%	85.0%	88.1%	-7.3%	-10.7%
5 to 19 Employees	-24.4%	113.8%	257.1%	-19.4%	58.3%
20 to 50 Employees	66.7%	333.3%	NA	300.0%	NA
50+ Employees	50.0%	800.0%	NA	0.0%	NA
Business Services					
—Employees	-0.3%	203.8%	264.7%	88.5%	103.8%
—Firms	19.4%	153.4%	322.7%	185.0%	108.3%
1 to 4 Employees	27.6%	-28.9%	239.3%	181.8%	22.2%
5 to 19 Employees	88.1%	52.4%	757.1%	260.0%	333.3%
20 to 49 Employees	-42.6%	15.8%	166.7%	66.7%	NA
50+ Employees	20.8%	84.6%	400.0%	200.0%	NA
Auto and Other Repair					
—Employees	35.9%	195.9%	244.6%	19.2%	
—Firms	29.1%	178.5%	127.0%	26.6%	
1 to 4 Employees	28.7%	181.7%	91.7%	81.3%	
5 to 19 Employees	26.4%	178.3%	140.9%	-69.2%	
20 to 49 Employees	60.0%	200.0%	150.0%	0.0%	
50+ Employees	16.7%	NA	NA	NA	
Health Services					
—Employees	53.1%	62.8%	341.4%	134.6%	75.8%
—Firms	8.9%	115.0%	188.0%	-3.2%	68.8%
1 to 4 Employees	-20.7%	82.1%	129.4%	-32.3%	41.4%
5 to 19 Employees	32.7%	153.6%	277.8%	34.7%	100.0%
20 to 50 Employees	230.8%	540.0%	500.0%	28.6%	33.3%
50+ Employees	81.3%	118.2%	166.7%	100.0%	500.0%
Legal Services					
—Employees	65.6%	234.9%	164.3%	78.1%	
—Firms	15.7%	98.9%	75.0%	17.5%	
1 to 4 Employees	1.2%	61.6%	40.0%	18.5%	
5 to 19 Employees	34.3%	218.8%	200.0%	9.1%	
20 to 50 Employees	0.0%	300.0%	NA	0.0%	
50+ Employees	600.0%	NA	NA	NA	
Educ. and Social Services					
—Employees	78.7%	535.2%	788.2%	13.0%	7.5%
—Firms	54.0%	273.3%	500.0%	26.8%	57.1%
1 to 4 Employees	75.7%	381.5%	411.1%	46.2%	160.0%
5 to 19 Employees	34.7%	92.0%	500.0%	4.5%	0.0%
20 to 50 Employees	80.0%	483.3%	650.0%	125.0%	-50.0%
50+ Employees	33.3%	450.0%	NA	-50.0%	0.0%
TOTAL SERVICES					TOTAL
—Employees	47.3%	160.4%	296.8%	94.9%	78.5%
—Firms	23.5%	139.2%	215.1%	25.7%	71.9%
					82.0%

Source: Basile Baumann Prost and Associates; Census of Service Industries

TABLE 38

1981-1993 NUMERIC CHANGE IN SERVICE EMPLOYMENT AND FIRMS BY SIZE CLASS FOR SELECTED CATEGORIES
NORFOLK AND OTHER S. HAMPTON ROADS JURISDICTIONS

	<u>Norfolk</u>	<u>Va. Beach</u>	<u>Chesapeake</u>	<u>Portsmouth</u>	<u>Suffolk</u>	
Personal Services						
—Employees	36	1,923	680	122	89	
—Firms	-7	222	79	-8	4	
1 to 4 Employees	9	113	37	-4	-3	
5 to 19 Employees	-22	91	36	-7	7	
20 to 50 Employees	4	10	4	3	0	
50+ Employees	2	8	2	0	0	
Business Services						
—Employees	-18	5,737	2,234	337	82	
—Firms	45	342	142	37	13	
1 to 4 Employees	29	-37	67	20	2	
5 to 19 Employees	37	33	53	13	10	
20 to 49 Employees	-26	3	10	2	1	
50+ Employees	5	11	12	2	0	
Auto and Other Repair						
—Employees	599	1,422	1,047	85	NA	
—Firms	59	216	94	21	NA	
1 to 4 Employees	33	129	44	39	NA	
5 to 19 Employees	19	82	31	-18	NA	
20 to 49 Employees	6	4	6	0	NA	
50+ Employees	1	3	2	0	NA	
Health Services						
—Employees	4,804	2,989	2,868	4,980	853	
—Firms	33	369	156	-5	33	
1 to 4 Employees	-47	160	66	-30	12	
5 to 19 Employees	37	169	75	17	15	
20 to 50 Employees	30	27	10	2	1	
50+ Employees	13	13	5	6	5	
Legal Services						
—Employees	599	848	138	139		
—Firms	20	90	18	7		
1 to 4 Employees	1	45	8	5		
5 to 19 Employees	12	35	8	1		
20 to 50 Employees	0	6	2	0		
50+ Employees	6	4	0	1		
Educ. and Social Services						
—Employees	1,851	3,302	1,198	67	23	
—Firms	61	164	85	11	8	
1 to 4 Employees	28	103	37	6	8	
5 to 19 Employees	17	23	30	1	0	
20 to 50 Employees	12	29	13	5	-1	
50+ Employees	4	9	5	-1	0	
TOTAL SERVICES						TOTAL
—Employees	13,147	25,223	10,648	6,636	1,649	57,303
—Firms	405	2,002	843	144	146	3,540

Source: Basile Baumann Prost and Associates; Census of Service Industries

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Summary

Considering the "degree of difficulty" (vv. public investment and large-scale dislocation of current business owners) and in the interests of not advocating more retail development in an area where filling additional retail space is likely to continue to require intensive marketing, we would recommend that redevelopment efforts in Upper Colley focus on intensification of service sector uses. It should be noted that the area might serve as a "landing zone" for businesses that might choose to relocate from Riverview Village and/or 35th Street should retail-focused redevelopment be pursued there, and Old Dominion University's expansion may provide an additional source of customers.

Next steps in exploration of this concept could include meetings with representatives from both the Departments of City Planning and Department of Development to confirm the appropriateness of the concept. Marketing strategies and public policy directives to encourage service sector development in the Upper Colley area might then be delineated and implemented.

VI. IMPLEMENTATION STRATEGIES

A. Introduction

BBP Associates' market study identifies the presence of the additional consumer demand needed to support the theming efforts of 35th Street and Riverview Village, and enable intensification of specialty retail and restaurant development. Intensification of service uses is recommended for the Upper Colley area, to eliminate competition with retail development in the other two areas.

In order to quantify the extent of this potential demand, however, the market analysis assumed capture rates of identified expenditures. Due primarily to the current or future presence of significantly larger and more diverse retail nodes in the area (e.g. 21st and Colley, Ward's Corner, MacArthur Center, Military Circle, etc.), each area's ability to intensify its retail base by simply increasing capture of local market expenditures will be limited. To position themselves to capture adequate market share, both areas must focus on defining a niche market through implementation of theming concepts that will enhance appeal to the broader base of consumers. Without implementation of such concepts, it will be difficult for either area to extend its customer base to the regional sphere.

The Riverview Village and 35th Street areas must take a number of steps to enhance the attractiveness of the area to tenants and consumers. The implementation strategies below outline the recommended actions that the respective areas should take, in combination and cooperation with the City and relevant agencies, to cause incremental revitalization that effectively builds on the positive results of the market study. Defined tasks for "phases" of work activity are offered for Riverview Village and 35th Street, with more general implementation suggestions provided for the Upper Colley area.

As is evident from the number and complexity of the tasks presented on Tables 39-41 and 42-44, and on the tables A-1 through A-12 in the appendix, revitalization of all areas will require the creation of a strong organizational structure, along with a dedicated, cooperative effort from community, private, and public sector representatives comprising this structure.

While implementation of these strategies could result in significant progress in the near-term, a full-scale theme-based revitalization of any area takes time. The "visions" for an ethnic "restaurant row" and "Africa Town" can be achieved, but only with persistence on the part of all those involved.

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B. Organization

We begin discussion of the implementation strategy by outlining the "big picture"--i.e. listing the specific near-term developments and/or initiatives that we perceive will work together to serve as catalysts for area revitalization. These projects, for Riverview and 35th Street, are supportive of those identified in the March 1995 Midtown Revitalization Strategy. Additional detail and commentary on phasing and interrelationships between projects has been provided.

We also provide recommendations on the type of organizational structure needed to implement the plan. In both areas, the complexity and interrelationship of the redevelopment tasks to be undertaken necessitates the formation of a number of issue-specific subcommittees. These subcommittees, however, would be created and would operate under the supervision and monitoring of already-existing groups, so that the process would build on the existing organizational strength in the communities rather than attempting to create new organizations and "start from scratch".

Next, we present, for each subcommittee, specific recommendations on the action steps (or "tasks") that could be taken to achieve incremental yet visible progress on overall goals over three phases of work activity. Tables are provided in the appendix that, again for each subcommittee, (a) list the tasks in the order of initiation, (b) address the goals of each task (where applicable), (c) provides a timeframe for completion of the task, and (d) suggest agencies and/or other subcommittees that would assist the relevant subcommittee in work performance. Text in the main body of the report outlines key subcommittee tasks by phase.

As a final step, for both the Riverview Village and 35th Street areas, the recommended tasks are brought together on an integrated matrix (i.e. a single matrix for each area), displayed in the main body of the report's text, that presents prioritization and phasing for the tasks of each subcommittee. These tables, when read across (i.e. from left to right), can be used to review how individual tasks will "feed into" the tasks of other subcommittees, as well as build on tasks completed previously.

A final subsection provides suggestions for implementation of the recommended "service sector strategy" for the Upper Colley area.

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C. Riverview Village Implementation Strategy

1. Recommended Near-Term Plan

As initial steps, (a) the Steering Committee and relevant subcommittees should be formed and (b) a brochure should be produced. This brochure should summarize key results of the market analysis, and provide a preliminary tool to use in marketing the Corridor. Next, the community, city agencies, and the private sector must begin to plan and work together on redevelopment of the Lafayette Yacht Club site. Redevelopment of the Yacht Club site, or of a larger site that could encompass the Yacht Club, the Lafayette Motor Hotel, the Mobil gas station, and Burger King property (involving closure of Llewelyn), as high-quality residential use is the single development that would have the capacity by itself to remake the image of the Corridor. "In and out" traffic to the area would increase, and "through" traffic would slow over the bridge.

Yet waterfront redevelopment will take time, and steps can be taken in the mean time to position the area to capture additional consumer traffic. While traffic calming solutions are a nearer term solution to enhance the health of businesses near the bridge, immediate marketing initiatives can be put in place to attract businesses to the Corridor. The recently-formed Restaurant Association can be utilized to maximize efforts to market the Corridor as an international/ ethnic "restaurant row". The nature of current daily traffic flow on Granby Street positions retailers on the west side of the road to market heavily to morning users, and users on the east side of the road to market heavily to afternoon/ evening users.

As for specific near-term property development, a re-use must be identified and installed in the IronWorks Restaurant building. The Riverview Theater should serve as an "activity center" that could be a catalyst for additional occupancy of vacant space and /or redevelopment of the area south of 41st Street along Granby as a specialty retail core (e.g. specialty apparel, antiques, deli-type uses). Specialty stores like Futures Antiques and Duce 2 offer "mini-anchors" that can be marketed as a "magnet" to other small, independent retailers, and proximity to the zoo could make a re-tenanted area an "economic engine" of sorts for the corridor in a few years. Incremental progress on establishing a gateway at the southern border of the area should be another near-term focus, followed by improved landscaping and signage.

A key ingredient to the success of such an effort will be the conversion of the BP Gas Station site to a parking lot, as was recommended by the March 1995 Revitalization Strategy. Such an undertaking can be an expensive one, and businesses in the area face a parking shortage only at certain defined times during the week. However, this specialty retail core will

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serve as an "anchor" of sorts that links activity on the Corridor to the area of the zoo. We perceive that any appreciable increase in demand at the stores in this area (likely with the zoo expansion) will require additional, convenient parking. Incremental streetscape improvements (planters, etc.) to business frontage between 39th and 41st will also be needed to enhance the pedestrian link between the parking area (and evolving specialty retail core) and the restaurant uses just to the north of 41st (NOTE: W. 39th Street intersects Granby Street about one-half block south of Granby's intersection with E. 39th Street. In this discussion of implementation strategies, references to 39th Street as a border should be construed to mean (a) W. 39th Street on the west side of Granby and (b) the northern boundary of the 7-11 property on the east side of Granby).

A community event focused on this area of the corridor could then be held at the end of Phase 1 to mark substantial progress towards completion of the above efforts, and provide immediate marketing leverage for the vacant properties south of 41st Street. This event could take the form of a "Taste of Riverview" Day (building on already-formed Restaurant Association), a specialty retail sidewalk sale, a neighborhood fair, community fundraiser, or some combination thereof. Contacts made previously with area and regional chambers of commerce, as well as newspapers and radio stations, could enable the solicitation of corporate/media sponsorship for the event.

In Phase 2, following completion of parking lot development and streetscaping between 39th and 41st, attention can then turn to marketing specific properties further north from 41st Street. Possible investment/ expansion by store owners may be motivated by the success of activity to the south and by private sector interest and investment near the bridge, as well as by updated promotional materials. A key step in evaluating the level of this interest will involve making personal visits to businesses to the north of 41st. Care must be taken, however, to monitor the needs of businesses in the evolving specialty retail core and not lose the momentum generated in Phase I. Updated promotional materials should be developed for the use not only of the Marketing Subcommittee in attracting businesses from elsewhere, but for the use of existing merchants in expanding their customer base.

Combined with continued progress on waterfront development, the effective marketing of these spaces will set the stage for a second event that could focus more on the entire corridor. Such an event would provide new incentives for efforts to expand corridor-wide marketing efforts. Also, possible investment/ expansion by store owners may be motivated by the success of activity to the south and by private sector interest and investment near the bridge, and the expansion of streetscape improvements to the area north of 41st Street may become viable in later phases. Future festivals and events may then be planned based on the specific nature, timing, and location of future development.

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2. Recommended Organization and Subcommittee Roles/ Actions

We suggest that the Riverview Village Business Association lead the revitalization. We suggest that two merchant members of the Association and two resident members of the Association each represent the organization on a project Steering Committee (NOTE: A merchant that is also a resident could serve as a representative for both groups). The Steering Committee would also be comprised of members from public sector agencies. One of the public sector representatives would be the "project liaison", and would be responsible for facilitating contact between the subcommittees and relevant public agencies.

The Steering Committee would then be responsible for the creation of the following subcommittees:

- Marketing Subcommittee,
- Property/ Infrastructure Subcommittee, and a
- Business Development/ Support Subcommittee

Support would be provided by the strong civic league in the area, particularly in terms of (a) serving as liaisons to the residential areas to east and west and (b) communicating security concerns to the police department and/or Crime Prevention Bureau. Additional membership could be drawn from the commercial realtor community, area colleges and universities, and financial institutions.

The recommended organizational structure for Riverview Village is illustrated by Chart A included as the next page in the report. The recommended tasks for each subcommittee and goals for each defined task are described in detail on the tables provided in the appendix and cited below.

Overview descriptions of subcommittee tasks and roles follow:

- **Marketing:** The first task of this subcommittee during Phase I of the implementation process will be to work with the recently formed Restaurant Association to establish a co-operative advertising arrangement to begin marketing the area as a restaurant "cluster".

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The subcommittee will be responsible for making rapid contact with the zoo and local/ regional chambers of commerce to "let them know we're here", communicating plans, and getting suggestions on event programming. A close, cooperative working relationship should also be developed with the area civic league.

The tasks of (1) publicizing marketing efforts in the neighborhoods and (2) conveying resident security/ buffering concerns should be delegated in part to these groups when feasible.

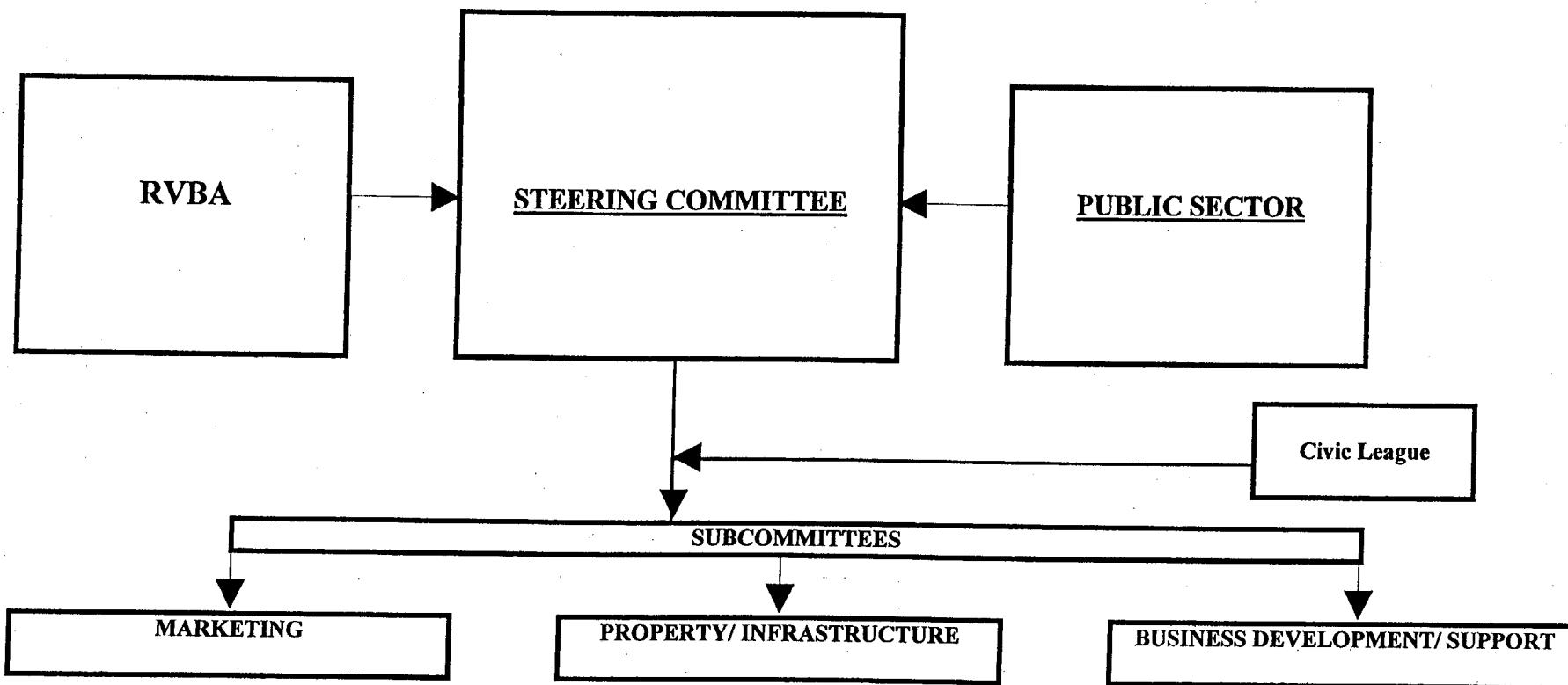
A second near-term task will involve working to develop "comment cards" that could be distributed (along with preliminary brochures for display) to area businesses and be used to gather information that can be combined with that of the market study in guiding subcommittee (and cooperating city departments) tenant recruitment efforts.

Planning for the first event should also begin almost immediately, with all other subcommittees providing input. This first event could take the form of a "Taste of Riverview" Day (building on already-formed Restaurant Association), a specialty retail sidewalk sale, a neighborhood fair, community fundraiser, or some combination thereof (NOTE: This subcommittee will be responsible for the organization and implementation of both the first and second events).

Later in Phase I, the group will work with media in the area to arrange for advertising (upon referral from the Marketing Committee) and publicize redevelopment efforts as they occur. The group will also actively scout the competition in the city and region, identify target users, and (as activity in the area increases and new promotional materials are developed) market the Riverview Village area to those users as an expansion/ relocation site, and make referrals to local brokers and the Property Development Committee as necessary.

Other tasks will include target marketing to the daytime corridor office population (e.g. 4100 Commonwealth building tenants, Goodman Segar employees, and other service users) once cooperative advertising is implemented. See Table A-1 in the appendix for a detailed description of Phase I marketing subcommittee tasks.

CHART A
RECOMMENDED ORGANIZATIONAL STRUCTURE
RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY



Source: Basile Baumann Prost and Associates, Inc.

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Early in Phase 2, after the first event is held, the subcommittee will have primary responsibility for the updating of promotional material. Other Phase 2 and 3 tasks will include follow-up visits to prospects, the planning and organization of a second event, and extension of marketing efforts to focus on consumers at the regional level. Table A-2 in the appendix provides more detail on these recommended strategies.

- Property/ Infrastructure: This subcommittee should develop a close working relationship with the Dept. of Public Works, City Planning, and the Department of Development, in order to serve as a resource to other subcommittees. Initial development responsibilities of this subcommittee will include working with the Department of Development on defined targeted developments (e.g. Lafayette Yacht Club, IronWorks re-use).

In terms of infrastructure/ streetscape improvements, the subcommittee should manage planning for the southern gateway and parking lot, and should work to complete (1) incremental but highly visible streetscape improvements between 39th and 41st Streets in the nearer-term and (2) to encourage improvements north from 41st Street to the bridge in the longer-term. The development of a property brochure (for use by the marketing subcommittee and business development subcommittee) should also be a near-term focus. Please see the appendix Table A-3 for more task detail for Phase I of this subcommittee's efforts.

Early in Phase 2, the subcommittee should initially concentrate on completing the parking lot and streetscape improvements from 39th to 41st. Then, the subcommittee should work with area brokers and the Department of Development to capitalize on both of the above investments as well as the activity/ publicity generated. While initial efforts should focus on filling vacancies in retail bays south of 41st Street and strengthening the "specialty retail core", attention later in the phase could turn to filling vacancies nearer the bridge (e.g. Ho-Si-Ki, E&K Appliance, etc.).

Later Phase 3 activities should seek to build momentum for increased occupancy by implementation of traffic calming solutions and exploration of infrastructure needs. The installation of users for vacant space north of 41st Street would then make viable (when funds are available) the extension of streetscape improvements to this area in later phases. Table A-4 in the Appendix provides more information on suggested steps in Phases 2, 3, and later phases.

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- **Business Development/ Support:** The primary function of this subcommittee will be to work with existing businesses to identify mechanisms (e.g. loan monies, facade improvement grants, agreed-upon design guidelines, etc.) to facilitate business retention and encourage expansion. The subcommittee's activities should be timed with marketing efforts and property/ infrastructure improvements for maximum impact.

In Phase I, the subcommittee should meet with corridor businesses, focusing on those located between 41st and 39th Streets to maximize other subcommittee efforts. The development, distribution, and processing of a business survey will yield information about merchant needs that will prove invaluable as possible mechanisms to address those needs (e.g. SBA, City loan programs) are accessed and explored. See Table A-5 in the appendix for more detail on the recommended Phase I tasks for this subcommittee.

Phase 2 tasks will include specific visitation to businesses in the area north of 41st Street, assisting in production of promotional material, and ongoing monitoring of the concerns of the businesses located between 39th and 41st Street. Phase 3 efforts could then turn to follow-up with businesses to the north of 41st Street to build on process momentum, and communicate marketing and funding mechanisms to encourage expansion. Activity in later phases would simply seek to address needs of long-time and new corridor merchants as they might arise. Please see Table A-6 in the appendix for more information on the tasks of Phases 2 and 3, as well as those of later phases.

The level of coordination between committees would be high, as many tasks are interrelated. However, to assure coordination, monthly meetings of the Steering Committee would be held, at which each subcommittee would deliver a report on progress made on its various tasks during that month.

3. Integrated Prioritization and Phasing Plan

Tables 39-41 on the following pages present matrices that, when read across, show the way in which (a) the initiation of proposed tasks, by Steering Committee subcommittee, are meant to interrelate and (b) the completion of tasks is designed to "enable" subsequent tasks to be performed more effectively, throughout all recommended phases of work.

For example, we recommend that the first phase of the gateway, initial streetscape improvements between 39th and 41st Streets, and parking lot construction be complete or well underway by the time of the first event. Also by the date of the first event, brochures should have been given to members of the business community for distribution out of their shops, the results of "comment card" and "business survey" processed, and initial efforts made to generate interest in the area from potential tenants.

TABLE 39
PROPOSED RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY
INTEGRATED PRIORITIZATION AND PHASING PLAN—PHASE 1 DETAIL
SUGGESTED ACTIONS FOR RIVERVIEW VILLAGE BUSINESS ASSOCIATION SUBCOMMITTEES

NOTE: Please read across the columns to track suggested timing for initiation and completion of each subcommittee's actions, relative to actions of the other subcommittee.

SUBCOMMITTEES			
TIMEFRAME	MARKETING	PROPERTY/ INFRASTRUCTURE	BUSINESS DEVELOPMENT/ SUPPORT
PREP WORK	STEERING COMMITTEE AND SUBCOMMITTEE FORMATION PRELIMINARY BROCHURE PREPARATION		
PHASE 1	<ul style="list-style-type: none"> *Develop Co-Operative Advertising *Meet with Zoo, Local and Regional Chambers of Commerce (e.g. Forward Hampton Roads) *Begin Planning 1st Event *Distribution of Brochures, Comment Cards *Organize 1st Event *Field Surveys: Competition/ Prospects *Target Marketing to Office/ Service Users *Collect Comment Cards *Meet with Newspapers, Radio Stations *Visitation/ Mail Contact User Prospects 	<ul style="list-style-type: none"> * Meet with City Planning, City Transp., DOT, Dept. of Dev. * Initiate Study of Traffic Calming Solutions * Monitor IronWorks and Riverview Develop. * Initiate Yacht Club Discussions (Participate with Dept. of Development ; Developer) * Develop Property Brochure * Plan Southern Gateway * Initiate Parking Lot Development * Complete Gateway—Phase I (signage) * Initiate Streetscape Improvements from 39th to 41st 2/ 	<ul style="list-style-type: none"> * Meet with Businesses—Focus on those between 39th St. and 41st Street (see below) * Develop Survey * Distribute Survey * Access Small Business Admin. programs * Interface with City Loan Programs 1/ * Process Survey
MILESTONE	*Implement 1st Event	*Implement 1st Event	*Implement 1st Event

1/ e.g. NRHA programs for financial/ organizational support

2/ W. 39th Street intersects Granby about 1/2 block south of Granby's intersection with E. 39th Street;

in this strategy, references to 39th Street should be construed to mean "to W. 39th Street on the west side of Granby, and to the northern boundary of the 7-11 property to the east side of Granby". Streetscape improvements to include plantings, lighting, and sidewalk repair as necessary

Source: Basile Baumann Prost and Associates

TABLE 40
PROPOSED RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY
INTEGRATED PRIORITIZATION AND PHASING PLAN--PHASE 2 DETAIL
SUGGESTED ACTIONS FOR RIVERVIEW VILLAGE BUSINESS ASSOCIATION SUBCOMMITTEES

NOTE: Please read across the columns to track suggested timing for initiation and completion of each subcommittee's actions, relative to actions of the other subcommittee.

TIMEFRAME	SUBCOMMITTEES		
	MARKETING	PROPERTY/ INFRASTRUCTURE	BUSINESS DEVELOPMENT/ SUPPORT
PHASE 2	<ul style="list-style-type: none"> *Begin Planning Second Event *Update Promotional Material 	<ul style="list-style-type: none"> * Complete Parking Lot Development * Complete First Phase Streetscape S of 41st & Granby 3/ 	<ul style="list-style-type: none"> *Visitation to Businesses in Northern part of Corridor * Assist in Promotional Material Update
	<ul style="list-style-type: none"> *Organize Second Event 	<ul style="list-style-type: none"> *Focus on Filling Vacancies to South of 41st Street & Granby * Focus on Re-Use of Ho-Si-Ki, E &K Appliance--Other Identified Re-Use 	<ul style="list-style-type: none"> *Monitor Southern Area Business Needs-- focus on identifying expansion/ reconfiguration needs utilize information from comment cards and surveys
MILESTONE	*Implement Second Event	*Implement Second Event	*Implement Second Event

3/ Both sides of Granby between 41st and E. 39th Street (northern border of 7-11 parking lot)

Source: Basile Baumann Prost and Associates

TABLE 41
PROPOSED RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY
INTEGRATED PRIORITIZATION AND PHASING PLAN-PHASE 3 AND LATER PHASE DETAIL
SUGGESTED ACTIONS FOR RIVERVIEW VILLAGE BUSINESS ASSOCIATION SUBCOMMITTEES

NOTE: Please read across the columns to track suggested timing for initiation and completion of each subcommittee's actions, relative to actions of the other subcommittee.

SUBCOMMITTEES			
TIMEFRAME	MARKETING	PROPERTY/ INFRASTRUCTURE	BUSINESS DEVELOPMENT/ SUPPORT
PHASE			
3	* Expand Marketing Efforts to Region 4/ 	* Explore Streetscape Impvs. N of 41st Street * Implement Traffic Calming Solutions * Complete Gateway (S)	* Initiate Focus on Expansion/ Re-Merchandising of stores in Northern part of Corridor
LATER PHASES	* Plan Future Festivals/ Events	* Initiate Streetscape Impvs. N of 41st Street * Evaluate Gateway (N)	* Continue expansion/ retention efforts

4/ i.e. explore viability of booths and/ or brochures with directions, at local malls, visitor centers, etc.; focus on attracting consumers from broader area

Source: Basile Baumann Prost and Associates

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D. 35th Street Implementation Strategy

1. Recommended Near-Term Plan

We recommend that all property redevelopment efforts for the near-term focus on the defined retail core of the area between Colonial and Gosnold, and in particular at and around the intersection of Newport and 35th. An additional near-term emphasis should be on improving the "arrival experience" to this core coming west from Granby Street rather than traveling east from Hampton Blvd.

In order for the 35th Street core to capture the demand that analysis has indicated is present, the area must attract a critical mass and mix of stores (e.g. additional apparel retailers, specialty food market, ethnic restaurants) that will draw this demand, while simultaneously increasing the marketing strength and profitability of the stores (e.g. Africa House, Joy Boy Orbit) that are at the core already.

The area will not transform overnight. The consumer at the regional level will not make a special trip to the area unless there are either additional uses to visit, special events to attend, or unique classes to take. While marketing itself "to the outside" to attract more "destination" uses, the area must also focus efforts on growing business "from the inside". The subcommittees must leverage the NRHA's community building efforts that are presently underway.

We recommend that the following developments and /or initiatives be the focus of Phases 1 and 2 of the implementation process:

Phase 1

- Formation of Steering Committee and establishment of subcommittees
- Production of initial marketing brochure (results of market study, key area opportunities)
- Initiate extensive marketing efforts to build internal marketing strength among existing retailers (co-operative advertising); promote the area to potential tenants "from the outside"; and formulate programs to leverage "homegrown" business

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- Sidewalk and lighting infrastructure treatments in the core area between Colonial and Gosnold (both northern and southern sides of the street) to expand on the investment made to date
- Production of a property profile for vacant space, buildings, and land along 35th Street between Granby and Hampton, with a focus on properties near the Newport/ 35th intersection.
- Improved Gateway Signage at Granby and 35th Street
- Streetscape improvements (first Phase--plantings) to enhance route between Granby and Colonial and entryway to the commercial core
- Initiate conversion of portions of the Newport Theater complex (including residential and theater space) into a "destination use" venue that will serve as a "magnet" for the area; possibilities include a film screening room in the present theatre space (with Newport frontage) with attached exhibit/meeting space in the present residential space with 35th Street frontage or upper floor rental space for professional office users (e.g. lawyers, doctors) that would serve the neighborhood.

Milestone

- First neighborhood-wide event (possible African/ Caribbean festival); event should be diverse enough to have broad market appeal (i.e. "introduce" people to 35th Street); event should come at a time when significant progress towards infrastructure improvements in the core can be demonstrated.

Phase 2

- Develop updated promotional material, building on early successes.
- Concentrate on improving and marketing vacant buildings to east and west of the Newport/ 35th intersection to tenants from outside the community, as well as for expansion space for already-existing businesses
- Access funding and training resources to encourage expansion of markets, space usage, and employment

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- Identify location for and begin planning of "Electronic Business Center" to further enhance abilities of existing business to expand
- Involve residential and business community in "Adopt-a-Block" program to maintain and build on initial infrastructure investments
- Complete conversion of upstairs of Newport Apartments and theatre space into "destination use".

Milestone

- Second Event (expand scope to city, and market to region's consumers)

Phase 3 and later phases of work would focus primarily on opening and expanding the scope of the Electronic Business Center and on extending the reach of marketing efforts. A secondary focus would be on further leveraging previous investments in infrastructure and community capacity through implementation of the Adopt a Block Program and exploration of an "apprenticeship" program for area youth, respectively (NOTE: Such a program might allow owners to open longer hours and serve as a catalyst for area entrepreneurship; the program would likely coordinate with existing efforts such as "Norfolk Works").

2. Recommended Organization and Subcommittee Roles/ Actions

We suggest that the 35th Street Merchants Association lead the revitalization of the area, with the assistance of other community organizations as appropriate. We suggest that two merchants and two area residents drawn from these organizations represent the community on a Steering Committee that would also be comprised of representatives from city agencies (NOTE: A merchant that is also a resident could serve as a representative for both groups). One of the public sector representatives would serve as "project liaison", and would be responsible for facilitating contact between the subcommittees and relevant public agencies.

The Steering Committee would then create the following subcommittees:

- Marketing Subcommittee
- Property/ Infrastructure Subcommittee, and a
- Business Development/ Support Subcommittee

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A strong interface must be built to leverage the developing capacity of the civic organizations in the area. As in the case of Riverview Village, the civic league could serve most efficiently as liaisons to the Park Place neighborhood, Block Security Program, and First Blue Sector programs (PACE). In the case of the 35th Street area, the civic organizations should play an especially significant role in promoting area businesses to residents and in encouraging participation in the Adopt-a-Block program. Additional subcommittee membership could be drawn from the commercial realtor community, area colleges and universities, and financial institutions.

The recommended organizational structure for 35th Street is illustrated by Chart B. The recommended tasks for each subcommittee and goals for each defined task are described in detail on the tables provided. Overview descriptions of subcommittee tasks and roles follow:

- **Marketing:** The initial task in Phase 1, for this subcommittee, will involve communicating with the key parties outside the community (e.g. the Zoo, the City Chamber of Commerce, and eventually regional Chambers of Commerce, and State Tourism) with whom effective cooperation could lead to expansion of the 35th Street customer base.

A key role of the subcommittee, beginning in the first phase and continuing through Phases 2 and 3, will be to work with existing businesses in the community, then with new businesses and/or start-ups to develop strategic marketing plans that could assist in expanding the area consumer base. Efforts should be made early in the implementation process to reach out to church groups and colleges in the area to create linkages and marketing opportunities for existing businesses, as well as to solicit church co-sponsorship of events. As community capacity is built to host the first event, and plans for that event evolve, the group should work with the media in the area to arrange for advertising of the event and to publicize other revitalization efforts as they occur. Please see Table A-7 in the appendix for more detail on Phase I tasks.

During Phase 2, the subcommittee will be responsible for updating promotional material (with the update including the development of a products and services directory) and planning the second event. The group will also be actively involved in identifying target users for vacant buildings near the core.

Phase 3 and later phase efforts will focus on extending marketing efforts to the regional level (visitation of prospects and additional event planning) and on further developing the ability of area businesses to reach new product markets (through promotion of an Electronic Business Center). Ultimately, the scope of this electronic center could be expanded to include area residents (i.e. a "Networked Neighborhood Learning Center). Table A-8 in the appendix gives more information.

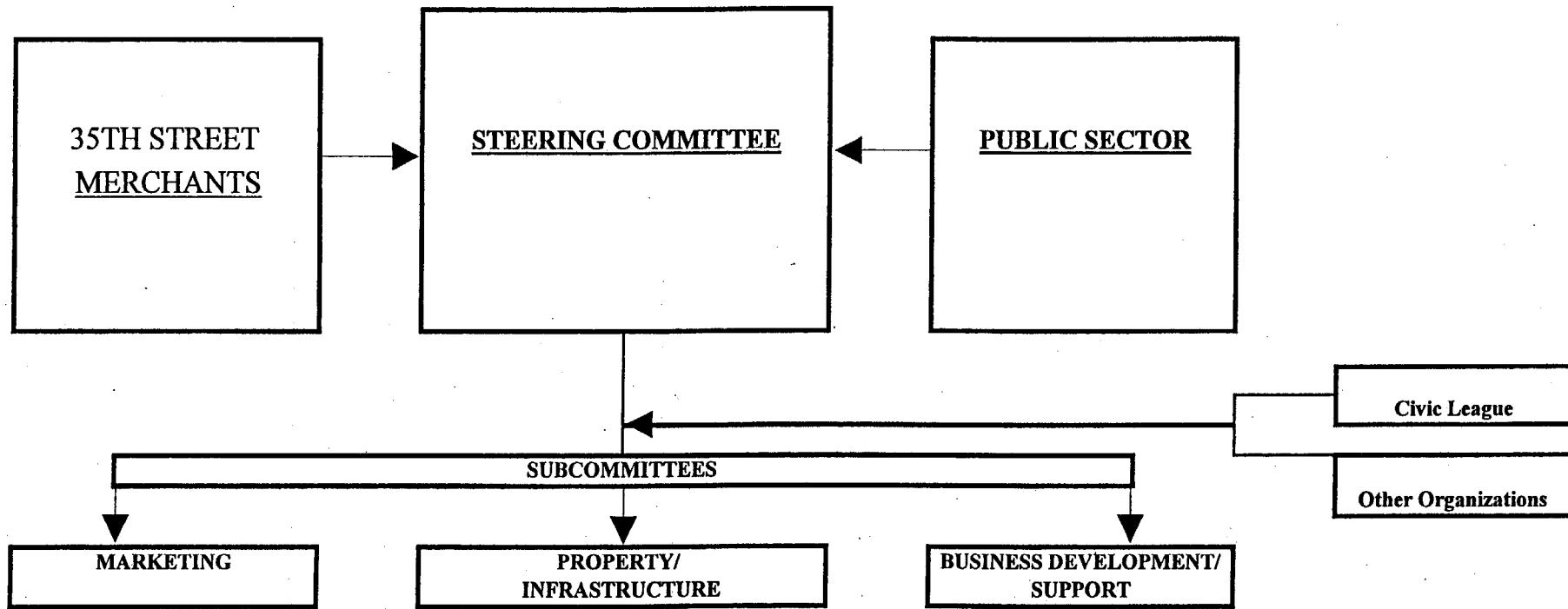
- Property/ Infrastructure: In terms of infrastructure, this subcommittee will develop a close working relationship with the Dept. of Public Works and City Planning, in order to serve as a resource to other subcommittees. The subcommittee will work with the Department of Public Works on completion of streetscape improvements at the Newport core (building on that Department's planned temporary re-paving of 35th-38th Streets), manage planning for the eastern gateway signage improvements and initiate incremental improvements to the streetscape between Granby and Colonial.

The primary Phase 1 development responsibilities of this subcommittee will include working with the Department of Development and NRHA on defined near-term development projects (e.g. Newport Apartments conversion), as well as on development of a property brochure to encourage targeted occupancy/ redevelopment. Please refer to Table A-9 in the appendix for additional detail on specific Phase I tasks for this subcommittee.

Phase 2 efforts (after first event is held) should focus first on making lighting and streetscape improvements to the vacant buildings adjacent to the Newport core, while the conversion of the apartments is ongoing. An Adopt-a-Block program should be implemented to maximize these and other infrastructure investments, and efforts should be made to identify a location for the "Electronic Business Center".

In Phase 3, the subcommittee will focus on completing the property development, marketing, and infrastructure improvements that were made in Phases 1 and 2, while later phases may make the evaluation of a Local Development Corporation viable (NOTE: Such a corporation should likely focus on implementation of "bricks and mortar" projects). Table A-10 in the Appendix outlines the above tasks and provides more information.

CHART B
RECOMMENDED ORGANIZATIONAL STRUCTURE
35TH STREET IMPLEMENTATION ACTION STRATEGY



Source: Basile Baumann Prost and Associates, Inc.

Basile Baumann Prost & Associates, Inc.

- **Business Support/ Development**: This subcommittee will be responsible for laying the groundwork for internal and external growth of the business community. It will take the primary lead in helping to address the capital and labor needs of those area businesses in need of such assistance, and in making appropriate contacts with the Small Business Administration, area Entrepreneurial Assistance Centers, and city agencies. The subcommittee will also work with merchants that are considering expansion, and assist in promoting the Electronic Business Center to existing businesses.

Tables A-11 and A-12 in the appendix provide task detail for (a) Phase 1 and (b) Phases 2,3, and later phase activities, respectively.

The level of coordination between committees would be high, as many tasks are interrelated. However, to assure coordination, monthly meetings of the Steering Committee would be held, at which each subcommittee would deliver a report on progress made on its various tasks during that month.

3. Integrated Prioritization and Phasing Plan

Tables 42-44 on the following pages present matrices that, when read across (i.e. from left to right), shows the way in which (a) the initiation of proposed tasks, by subcommittee, are meant to interrelate and (b) the completion of tasks is designed to "enable" subsequent tasks to be performed more effectively, throughout all phases of work.

For example, consider the following two examples:

- **Core infrastructure**, the first phase of gateway improvements, and initial streetscape improvements between Granby and Colonial are phased to allow significant progress to have occurred by the time of the first event.
- The Property/ Infrastructure Subcommittee develops a property brochure in time for use by the Marketing Subcommittee in discussing opportunities with targeted tenants that were being identified while the brochure was being developed.

TABLE 42
PROPOSED 35th STREET IMPLEMENTATION ACTION STRATEGY
INTEGRATED PRIORITIZATION AND PHASING PLAN—PHASE 1 DETAIL
SUGGESTED ACTIONS FOR STEERING COMMITTEE SUBCOMMITTEES

NOTE: Please read across the columns to track suggested timing for initiation and completion of each subcommittee's actions, relative to actions of the other subcommittee.

Timeframe	SUBCOMMITTEES		
	MARKETING	PROPERTY/ INFRASTRUCTURE	BUSINESS DEVELOPMENT/ SUPPORT
PREP WORK	STEERING COMMITTEE AND SUBCOMMITTEE FORMATION PRELIMINARY BROCHURE PREPARATION		
PHASE 1	<ul style="list-style-type: none"> *Meet with CP, Dept. of Dev., Local Chambers for Training *Meet with Local Businesses 2/ *Meet with Church Groups *Begin Planning 1st Event *Initiate Field Surveys: Competition/ Prospects *Begin Organizing 1st Event <ul style="list-style-type: none"> *Implement Co-Operative Advertising *Contact Colleges 3/ *Build Database of National Resources 4/ *Meet with Police, Crime Prev. Bureau *Meet with Newspapers, Radio Stations *Initiate Visitation/ Mail Contact User Prospects 	<ul style="list-style-type: none"> * Meet with CP, City Transp, Dept. of Dev. * Initiate Sidewalk and Lighting @ Newport 1/ * Initiate Property Brochure * Initiate Eastern Gateway * Streetscape Improvements between Granby and Colonial * Complete Sidewalk and Lighting at Newport * Complete Property Brochure * Complete Gateway Phase I (Signage) 5/ * Complete Phase I Streetscape Granby/ Colonial 5/ * Initiate Newport Apts/ Theatre conversion 	<ul style="list-style-type: none"> * Meet with CP, Dept. of Development, NRHA * Participate in Meeting with Local Businesses * Develop Survey * Distribute Survey * Process Survey * Access Small Business Admin. programs * Meet with Norfolk, ODU Entrep. Assistance Centers 6/ * Interface with City Loan Programs
MILESTONE	* Implement First Event	* Implement First Event	* Implement First Event

NOTE: CP= Department of City Planning

Dept. of Dev. = Department of Development

1/ Building on existing investments made to date

2/ Distribute brochures, also meet with zoo and Duce 2 to explore possibility of reciprocal "satellite stores"

3/ To get event ideas, distribute brochure, assess interest in educational programs (faculty and staff)

4/ Would involve contacting ethnic retailers at the national level to acquaint them with effort, build relationship, secure tenant leads

5/ "Phase I" defined as signage installation/ improvement and beautification

6/ Key goals include exploring available assistance to existing businesses and/or start-ups in the way of business plan development

Source: Basile Baumann Prost and Associates

TABLE 43
PROPOSED 35th STREET IMPLEMENTATION ACTION STRATEGY
INTEGRATED PRIORITIZATION AND PHASING PLAN--PHASE 2 DETAIL
SUGGESTED ACTIONS FOR STEERING COMMITTEE SUBCOMMITTEES

NOTE: Please read across the columns to track suggested timing for initiation and completion of each subcommittee's actions, relative to actions of the other subcommittee.

SUBCOMMITTEES			
Timeframe	MARKETING	PROPERTY/ INFRASTRUCTURE	BUSINESS DEVELOPMENT/ SUPPORT
PHASE 2	<ul style="list-style-type: none"> * Begin planning 2nd Event * Update Promotional Material (Products & Services Directory) * Expand Participation by Merchants * Begin to organize Second Event * Complete Promotional Material Update * External Recruitment * Work on Referrals from BSD--Assist in Developing Marketing Strategies for Entrepreneurs 	<ul style="list-style-type: none"> * Start to Enhance Lighting and Streetscape in Properties Adjacent to Newport Apts. * Initiate Adopt-a-Block Program * Identify location for "Electronic Business Center" * Complete Apts/ Theater Conversion 	<ul style="list-style-type: none"> * Facilitate SBA training programs/ formation of support network * Identify sources of capital for product development to enhance store niches * Encourage Business Expansion
MILESTONE	*Implement Second Event	*Implement Second Event	*Implement Second Event

Source: Basile Baumann Prost and Associates

TABLE 44
PROPOSED 35th STREET IMPLEMENTATION ACTION STRATEGY
INTEGRATED PRIORITIZATION AND PHASING PLAN—PHASE 3 AND LATER PHASE DETAIL
SUGGESTED ACTIONS FOR STEERING COMMITTEE SUBCOMMITTEES

NOTE: Please read across the columns to track suggested timing for initiation and completion of each subcommittee's actions, relative to actions of the other subcommittee.

Timeframe	SUBCOMMITTEES		
	MARKETING	PROPERTY/ INFRASTRUCTURE	BUSINESS DEVELOPMENT/ SUPPORT
PHASE 3	<ul style="list-style-type: none"> * Meet with Regional Chambers, State * Explore Possibility of Booth/ Brochure Placement at Area Malls/ Shopping Centers * Promote Electronic Business Center * Plan Future Festivals/ Events * Linkages with Universities, Agencies for Center 	<ul style="list-style-type: none"> * Open Electronic Business Center * Work to identify and prepare vacant buildings for business expansion * Implement Adopt-A-Block Program * Complete Gateway (E) * Evaluate Gateway (W) * Complete Improvements Granby to Colonial 	<ul style="list-style-type: none"> * Integrate private sector banking community * Promote Internet Links to Community Businesses * Continue to monitor existing and new tenants for transfer to vacant buildings * Continue to Monitor Needs of Existing Businesses
LATER PHASES	<ul style="list-style-type: none"> * Implement "Networked Neighborhood Learning Center"--Grand Opening 	<ul style="list-style-type: none"> * Evaluate possible spin-off to Local Development Corporation 	<ul style="list-style-type: none"> * Explore Apprenticeship Program with Evolving Business Base

Source: Basile Baumann Prost and Associates

Basile Baumann Prost & Associates, Inc.

E. Upper Colley Implementation Suggestions

Why Not Retail?

The Upper Colley area should have a lower priority for the City, in terms of retail revitalization, than either the Riverview or 35th Street study areas.

As we stated previously in Chapter V of this report, retail supply in Norfolk will increase exponentially with the addition of MacArthur Center to the marketplace. There is likely to be room for some additional retail in the city, but we perceive that it will be a relatively small amount. Population is a major "driver" for retail construction, and recent population trends (i.e. declining or slow growth population in the city) are unlikely to reverse in the near-term.

The City of Norfolk has invested significantly in assisting the re-positioning of areas like Ghent and Ward's Corner to compete successfully in the changing retail market, as well as in attracting more entertainment-oriented retail to the downtown (e.g. Waterside and MacArthur Center). These revitalization efforts have focused on creating a "destination-rich" environment that defines a special niche for a given area.

We see no distinct possibilities of establishing a retail niche in the Upper Colley area. It is true that the restaurants in the area (e.g. O'Sullivan's and Fellini's) have a dedicated clientele, but they are too geographically dispersed to provide a focus for a unified theme. An attempt at "theming" Upper Colley would be destined to overlap with the "themes" of existing area, or with those contemplated for Riverview Village and 35th Street. For these reasons, we believe that focusing on retail revitalization in the area would likely give "everyone a smaller slice of the same pie", and by intruding on another area's niche: "rob from Peter to pay Paul".

The Alternative: A Service-Sector Strategy

We perceive that pursuit of our recommended "service sector strategy" for the Upper Colley area, on the other hand, could create additional cross-traffic for the nearby existing and planned retail development.

We suggest that primary recruitment efforts focus on the following two types of services firms:

- **Health Services:** Driven by an aging population across the state, the number of jobs in this segment of the service sector is expected to increase by 36 percent (source: Virginia Employment Commission) over the 1990-2005 period. The area may have a comparative advantage in accessing this population, as almost 15 percent of the Riverview trade area population (as defined for this study (which includes the Upper Colley, Larchmont, etc.--see Map 1 in Chapter III) is over 65, compared to just over 10 percent for Norfolk as a whole. Within "health services", "home health care" is experiencing particularly rapid growth, and firms of this type could reach clients in target neighborhoods to the east and west in a matter of minutes.
- **Business Services:** In particular, (a) architecture/ engineering/ management services; (b) photo studios/ laboratories; and (c) medical equipment leasing and/or wholesale. The first two categories should be targeted because of the suitability of existing space along the Corridor for operations of their type, as well as for the relatively high-paying jobs provided. The last category (medical equipment) could prosper for the same reasons as those identified above under "Health Services", as well as benefit from the proximity of the Eastern Virginia Medical Center.

"Nuisance uses" of all types should be discouraged. Obviously, such uses such as the recently shut-down "Big Easy" damage trade for everyone but themselves and should be heavily regulated. Industrial uses (whose exodus from the Corridor is responsible for much of the vacancy along this stretch of Colley) should be discouraged, as not only are such uses incompatible with the nearby residential neighborhoods, but incompatible with any service uses that generate consumer traffic. Auto repair uses should also be discouraged as there are (a) enough of them already in the area and (b) (as in the case of industrial uses) they are generally incompatible with nearby residential neighborhoods.

Recommendations for Implementation

The strategy will need to be driven largely by the public sector in the near-term. The mixture of businesses in the area, the general satisfaction of most of the businesses with the business climate in the area, and the lack of a unifying theme defined by these owners and tenants will in all likelihood limit private sector interest to infrastructure issues (e.g. curbing, drainage, and other maintenance) in the near-term.

During Phase I of the effort, we suggest that the Department of Development representatives define recruitment strategies for the area. Old Dominion University

representatives should be brought to the table early in the process to provide input on the perceived service sector needs for the tenants in the office/ research and development space that is planned for the area west of Hampton to Killam.

As for initial geographic foci for area revitalization efforts, acting on the primary desire of many of those business owners interviewed , i.e. providing streetscaping improvements between 38th and 21st Street, is not likely to be cost-effective. We would recommend that initial targeting of service businesses as well as any infrastructure improvements (end of Phase 1 and most of Phase 2) focus on the area between 42nd and 46th Street. There is at present a strong cluster of service businesses in the area (e.g. Savin/ MacKendree, Abouiness, Cross, and Bradshaw), ample available vacant properties (e.g. Mary Jane Thrift Shop at 42nd, the former Mid-Atlantic Auto at 43rd, and a vacant building to the west side of the road at 44th), and less chance of incurring negative impacts on surrounding residential neighborhoods. Finally, improvements in this area (either vv. increased occupancy, infrastructure improvements, or correlated leveraging of private investment) would have the greatest positive impact on some of the most viable uses in the entire corridor (e.g. Fellini's, O'Sullivan's Wharf, Seeley's Florist).

In the longer term (i.e. Phase 3) , after similar tenants have been attracted to the corridor, the feasibility of a business association could be re-evaluated.

TABLE A-1
MARKETING SUBCOMMITTEE TASK DETAIL--PHASE 1
PROPOSED RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY

TASK	ACTIONS/ GOALS	IMPLEMENTATION
		ASSISTANCE (AGENCY)
Develop Co-Op Advertising	* Increase traffic flow, maximize current potential	* City Planning
Meet with Zoo, Local and Regional Chambers of Commerce (e.g. Forward Hampton Roads)	* Review Market Study/ Plans * Assure Brochure Placement * Ideas for Field Survey	* City Planning * Dept. of Development
Begin Planning First Event	* With Input from Chambers secured	* All Subcommittees
Distribution of Brochures, Comment Cards	* Take to Area Businesses	* No direct assistance required
Organize First Event		* All Subcommittees
Field Surveys: Competition/ Prospects	* Identify Competitor Locations * Evaluate Potential Attraction to Riverview--Target tenants	* No direct assistance required ---other subcommittees' input as needed
Target Marketing to Office/ Service Users	* e.g. 4100 Commonwealth, GSH * Lunch Promotions from Co-Op Advertising * Explore possibility of after-work functions	* No direct assistance required ---other subcommittees' input as needed
Collect Comment Cards	* Information on Customer Base	* No direct assistance required
Meet with Newspaper, Radio Stations	* Provide News Release/ Update on Plans * With Info from Internal Marketing, Explore Co-op Advertising Possibilities * Assure Publicity--1st Event	* Local Chambers of Commerce
Visitation/ Mail Contact: Prospective Users	* Send out/ Distribute Initial Promotional Material (Market Brochure, Property Brochure) to Targeted Users/ Competition * Issue Invitations to 1st Event	* Local Chambers of Commerce

END PRODUCT: FIRST EVENT

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

TABLE A-2
MARKETING SUBCOMMITTEE TASK DETAIL—PHASES 2, 3, AND LATER PHASES
PROPOSED RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY

PHASE 2		
TASK	ACTIONS/ GOALS	IMPLEMENTATION ASSISTANCE (AGENCY)
Begin Planning 2nd Event		* All Subcommittees
Update Promotional Material	* Integrate event pictures, survey results, initial user interest, progress in prop. develop	* All Subcommittees * City Planning
Organize Second Event		* Other Subcommittees as Needed
Follow-Up Visits to Targeted Prospects	* Follow-up on initial visitation * Utilize updated promotional material	* No direct assistance required
END PRODUCT: SECOND EVENT		

PHASE 3		
TASK	ACTIONS/ GOALS	IMPLEMENTATION ASSISTANCE (AGENCY)
Expand Marketing Efforts to Regional Level	* Meet with regional chambers, State Tourism * Utilize updated promotional material * Enlist help in store attraction	* Local Chambers * Dept. of Development
Explore Possibility of Booth and /or Brochure Placement at Local Centers/ Malls (Ward's Corner, Military Circle, Ghent, etc.)	* Expand pool of potential consumers based on higher activity in area * Capture maximum cross-traffic	* Local Chambers * Dept. of Development

LATER PHASES		
Plan Future Festivals/ Events	* Build on and publicize area improvement	* All Subcommittees to assist as needed

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

PROPERTY/ INFRASTRUCTURE SUBCOMMITTEE TASK DETAIL--PHASE 1
PROPOSED RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY

<u>TASK</u>	<u>ACTIONS/ GOALS</u>	<u>IMPLEMENTATION ASSISTANCE (AGENCY)</u>
Meet with City Planning, City Dept. of Public Works, Division of Transportation (DOT); Dept. of Development	* Review scope of effort and plans/ initiatives * "Reality Check": funding and schedule	* City Planning
Initiate Study of Traffic Calming Solutions	* Maximize business viability near bridge	* City Planning
Monitor IronWorks and Riverview Theatre Development	* Capitalize on current activity and willingness to re-invest--work to complete by 1st Event * Liaison between owners and Planning/ Zoning	* Dept. of Development
Initiate Yacht Club Discussions	* Focal property to re-make Corridor image * Investigate viability of Llewelyn closure * Groundwork for possible expansion of Yacht Club redevelopment parcels	* City Planning * DOT * Dept. of Development
Develop Property Marketing Brochure	* Marketing tool for property re-use * Provide when complete to Marketing Subcommittee	* City Planning * Dept. of Development * Area Broker Contacts
Plan Southern Gateway	* Focus at 38th and LaValette (south of specialty retail core)	* All Subcommittees to assist as needed
Initiate Parking Lot Development	* Enhance viability of specialty retail core	* Dept. of Development
Complete 1st Phase--Gateway	* Implement signage--Complete Plan for Added Improvements	* City Planning * DOT
Initiate Streetscape Impvs from W. 39th St. (N of 7-11 on east side of Granby) to 41st Street	* Linkage from parking to restaurants * Complete incremental impvs. in time for 1st event	* City Planning * DOT

END PRODUCT: FIRST EVENT

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further descriptive summary of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

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TABLE A-4
PROPERTY/INFRASTRUCTURE SUBCOMMITTEE TASK DETAIL--PHASES 2, 3, AND LATER PHASES
PROPOSED RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY

PHASE 2		IMPLEMENTATION ASSISTANCE (AGENCY)
TASK	ACTIONS/ GOALS	
Complete Parking Lot Development	* Maximize utility with street crossing	* DOT
Complete Streetscape: 39th to 41st St.	* Linkage from parking to Restaurants * Complete incremental impvs. in time for 1st event	* City Dept. of Public Works * DOT
Focus on Filling Vacancies S of 41st Street	* Build on event/ parking momentum * Focus on speciality retail/ deli/ antique uses	* Dept. of Development * Area Broker Contacts
Focus on Re-Use of Ho-Si-Ki, E & K Appliance, Other Identified Re-Use	* Leverage initial streetscape impvs., progress with Yacht Club, updated marketing material * Focus on restaurant/ food market uses * Burger King site is possibility	* City Planning * Dept. of Development
END PRODUCT: SECOND EVENT		
PHASE 3		
TASK	ACTIONS/ GOALS	IMPLEMENTATION ASSISTANCE (AGENCY)
Initiate Streetscape Improvements N of 41st Street	* Explore possibilities for property owner participation * Build on event momentum	* DOT * City Dept. of Public Works
Implement Traffic Calming Solutions	* Facilitate leasing in northern area	* DOT
Complete Gateway (S)	* Enhancement to specialty retail core	* DOT
LATER PHASES		
Continue Streetscape Impvs. N of 41st	* Strengthen attractiveness of entire corridor	* City Dept. of Public Works * DOT
Evaluate Gateway (N)	* Time improvement of Gateway (N) with Lafayette Yacht Club development	* DOT * City Dept. of Public Works

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further descriptive summary of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

TABLE A-5
BUSINESS DEVELOPMENT/ SUPPORT SUBCOMMITTEE TASK DETAIL--PHASE 1
PROPOSED RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY

<u>TASK</u>	<u>ACTIONS/ GOALS</u>	<u>IMPLEMENTATION ASSISTANCE (AGENCY)</u>
Meet with Businesses	* Focus on those between 39th and 41st St. * Assess needs (anecdotal) * Secure survey ideas/ assistance	* City Planning
Develop Business Survey	* Evaluate business labor, capital needs * Collect other information for Marketing	* City Planning * Marketing Subcommittee
Distribute Survey		* Marketing Subcommittee
Access Small Business Admin. Programs	* Explore Mechanisms for Support of Existing Businesses	* Dept. of Development, NRHA
Interface with City Loan/ Other Grant Progs	* Begin to address needs through identified resources	* City Planning, Dept. of Development, NRHA
Process Survey	* Acquire more information on needs of businesses	* City Planning

END PRODUCT: FIRST EVENT

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

TABLE A-6
BUSINESS DEVELOP/ SUPPORT SUBCOMMITTEE TASK DETAIL--PHASES 2, 3, AND LATER PHASES
PROPOSED RIVERVIEW VILLAGE IMPLEMENTATION ACTION STRATEGY

PHASE 2		IMPLEMENTATION ASSISTANCE (AGENCY)
TASK	ACTIONS/ GOALS	
Visitation to Northern Sector Businesses (i.e. N of 41st Street)	<ul style="list-style-type: none"> * Solicit Participation on Infra. Improvements * Assess Needed Loan Assistance 	* City Planning
Assist in update promotional material		* Marketing (lead)
Monitor Southern area Business Needs	<ul style="list-style-type: none"> * Utilize information from surveys * Relay relevant information to other subcommittees, City agencies * Focus on expansion/ reconfiguration 	* No direct assistance required--provide input to other committees
END PRODUCT: SECOND EVENT		

PHASE 3		IMPLEMENTATION ASSISTANCE (AGENCY)
TASK	ACTIONS/ GOALS	
Initiate Focus on Expansion/ Re-Merchandising of stores N of 41st Street	<ul style="list-style-type: none"> * Utilize visitation information * Leverage Phase 2 activity of Property Development/ Infras. Subcommittee 	<ul style="list-style-type: none"> * Property Dev/ Infras. Subcommittee * Dept. of Development

LATER PHASES		
Continue Expansion/ Retention Efforts	<ul style="list-style-type: none"> * Direct efforts as needed by user interest 	

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

TABLE A-7
MARKETING SUBCOMMITTEE TASK DETAIL-PHASE 1
PROPOSED 35TH STREET IMPLEMENTATION ACTION STRATEGY

TASK	ACTIONS/ GOALS	IMPLEMENTATION ASSISTANCE (AGENCY/ROLE)
Meet with City Planning, Department of Development, Local Chambers	<ul style="list-style-type: none"> * Review of Scope of Effort * Training in Promotion Techniques 	* City Planning
Meet with Local Business Representatives (Including Duce 2, Zoo officials)	<ul style="list-style-type: none"> * Acquaint them with Mission/ Goals * Get Update on Plans * Explore Reciprocal "Satellite Store" Possibilities 	* City Planning
Meet with Church Groups	<ul style="list-style-type: none"> * Acquaint them with Mission/ Goals * Explore Co-Marketing Possibilities * Lay Groundwork for Participation in Adopt-a-Block, Apprenticeship Programs (later) 	* NRHA
Begin Planning 1st Event		* All Subcommittees (as needed)
Initiate Field Surveys: Competition/ Prospects (Focus: Ethnic, Afrocentric)	<ul style="list-style-type: none"> * Identify Competitor Locations * Evaluate Potential Attraction to 35th Street 	* Department of Development
Begin Organizing 1st Event		* All Subcommittees (as needed)
Implement Co-Op Advertising	<ul style="list-style-type: none"> * Solidify Existing Base 	<ul style="list-style-type: none"> * Churches * Area Merchants * Co-Op Advertising
Contact Colleges (e.g. Norfolk State, ODU, Hampton, etc.)	<ul style="list-style-type: none"> * Focus on Campus Activities/ PR * Distribute Brochures * Ideas for Events (Cooperative?) * Bckgrnd. on Student Shopping Patterns 	* City Planning
Build Database of National Resources (Focus: Ethnic, Afrocentric)	<ul style="list-style-type: none"> * Information on "Best Practices" * Build Relationships * Referrals for Expansion 	* Dept. of Development
Meet with Police, Crime Prev. Bureau	<ul style="list-style-type: none"> * Cooperation for Event * Liaison for Community Needs 	* City Planning
Meet with Newspaper, Radio Stations	<ul style="list-style-type: none"> * Provide News Release/ Update on Plans * With Info from Marketing, Explore Co-op Advertising Possibilities 	<ul style="list-style-type: none"> * City Planning * Dept. of Development * NRHA
Visitation/ Mail Contact: Prospective Users	<ul style="list-style-type: none"> * Send out/ Distribute Initial Promotional Material (Market Brochure, Property Brochure) to Targeted Users/ Competition * Invitations to 1st Event 	* City Planning

END PRODUCT: FIRST EVENT

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

TABLE A-8
MARKETING SUBCOMMITTEE TASK DETAIL-PHASES 2, 3, LATER PHASES
PROPOSED 35TH STREET IMPLEMENTATION ACTION STRATEGY

PHASE 2		IMPLEMENTATION ASSISTANCE (AGENCY)
TASK	ACTIONS/ GOALS	
Begin Planning 2nd Event	* Immediately build off momentum of 1st Event	* All Subcommittees (as needed)
Update Promotional Material	* Integrate Welcome Center, Event Pictures Survey Results, Initial User Interest, OA Plans	
Begin to Organize 2nd Event		* All Subcommittees (as needed)
External Recruitment	* Follow-up on Initial Visitation * Utilize Updated Promo Material	* Business Support/ Development Subcommittee
Assist in Marketing Strategy Development	* Leverage Entrepreneurial Development for Tenancy at Open-Air Market	* Business Support/ Development Subcommittee
END PRODUCT: SECOND EVENT		

PHASE 3		IMPLEMENTATION ASSISTANCE (AGENCY)
TASK	ACTIONS/ GOALS	
Meet with Regional Chambers, State	* Utilize Updated Promo Material * Enlist Help in Store Attraction	* Local Chambers * Dept. of Development
Explore Possibility of Booth and /or Brochure Placement at Local Malls	* Expand pool of potential consumers based on higher activity in area * Capture maximum cross-traffic	* Local Chambers * Dept. of Development
Promote Electronic Business Center	* Enhance Publicity and Delivery Systems for Individual Retailers	* Business Support/ Development Subcommittee
Plan Future Festivals/ Events	* Expand reach of marketing by making regional, state contacts	
Linkages with Universities, Agencies for Center	* Training/ Financing for Individual Retailers * Begin soliciting community involvement	* City Planning * Business Support/ Development Subcommittee

LATER PHASES		
Implement Networked Neighborhood Learning Center	* Consolidated one-stop shop for businesses and citizens	* Universities, Agencies

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

TABLE A-9
PROPERTY/ INFRASTRUCTURE SUBCOMMITTEE TASK DETAIL--PHASE 1
PROPOSED 35TH STREET IMPLEMENTATION ACTION STRATEGY

TASK	ACTIONS/ GOALS	IMPLEMENTATION ASSISTANCE (AGENCY)
Meet with City Planning, City Dept. of Public Works, Transportation, Dept. of Development	* Review of Scope of Effort and Plans * "Reality Check": Funding and Schedule	* City Planning
Sidewalk and Lighting @ Newport and 35th	* Completes work begun * Groundwork for core development	* City Dept. of Public Works
Initiate Property Marketing Brochure	* Marketing Tool	* City Planning ; Dept. of Development
Initiate Eastern Gateway--Phase I	* Implement Signage--Develop Plan for Arch	* All Subcommittees to assist
Streetscape Improvements between Granby and Colonial--Phase I	*Enhance Roadway from Granby to Core *Focus: Incremental But Visible Improvements	* City Dept. of Public Works
Complete Sidewalk and Lighting @ Newport and 35th	* "New Face" on Community for 1st Event	* City Dept. of Public Works
Complete Property Brochure	* Ready for Distribution at and after 1st Event	* City Planning ; Dept. of Development
Complete Phase I Streetscape: Granby to Colonial	* Improved "Arrival Experience" for Community	* City Dept. of Public Works
Newport Apts/ Theatre Conversion	*Stabilize Core Uses--Build on NRHA investment	*NRHA

END PRODUCT: FIRST EVENT

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

TABLE A-10
PROPERTY/ INFRASTRUCTURE SUBCOMMITTEE TASK DETAIL—PHASES 2, 3, AND LATER PHASES
PROPOSED 35TH STREET IMPLEMENTATION ACTION STRATEGY

PHASE 2		IMPLEMENTATION ASSISTANCE (AGENCY)
TASK	ACTIONS/ GOALS	
Initiate Enhancement of Lighting and Streetscape—Properties Adjacent to Newport Apts.	* Lay groundwork for spin-off development, expansion, and business attraction	* City Dept. of Public Works * NRHA
Initiate Adopt-a-Block Program	* Enhance/ Accelerate Impact of Investment * Assure Maintenance of Improvements	* Civic League (s)
Identify Location for "Electronic Business Center"	* Focal point for business community	* Dept. of Development, NRHA
Complete Apts/ Theatre Conversion	* "Destination" Use	* NRHA
END PRODUCT: SECOND EVENT		

PHASE 3		IMPLEMENTATION ASSISTANCE (AGENCY)
TASK	ACTIONS/ GOALS	
Open Electronic Business Center		* Business Development
Identify and Prepare Buildings for Business Expansion/ Attraction	* Update Business Development and Marketing on Options	* NRHA * Dept. of Development
Implement Adopt-a-Block Program		* Civic League (s)
Complete Gateway (E)	* Completes link to zoo	* All Subcommittees to assist as needed
Evaluate Gateway (W)	* Expand revitalization efforts west of core towards Hampton Blvd.	* City Planning * City Dept. of Public Works
Complete Streetscape Improvements: Granby to Colonial	* Completes entryway enhancement	* City Planning * City Dept. of Public Works

LATER PHASES		
Evaluate Possible Spin-off to Local Development Corporation	* Based on level of success to date/ availability of grant funding	* NRHA * Dept. of Development

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

TABLE A-11
BUSINESS DEVELOPMENT/ SUPPORT SUBCOMMITTEE TASK DETAIL--PHASE 1
PROPOSED 35TH STREET IMPLEMENTATION ACTION STRATEGY

TASK	ACTIONS/ GOALS	IMPLEMENTATION ASSISTANCE (AGENCY)
Meet with City Planning, Department of Development	* Program Organization Possibilities/ Mechanisms * Training/ Information on Avail. Programs * Survey Ideas/ Assistance	* City Planning
Develop Business Survey	* Evaluate Business Labor, Capital Needs * Assess Interest in Apprenticeship/ Educ. Progs. * Collect Other Information for Internal Marketing	* City Planning * Marketing Subcommittee
Distribute Survey		* Marketing Subcommittee
Process Survey		* City Planning
Meet with Norfolk State, ODU Entrepreneurial Assistance Centers	* Solicit Support/ Particip. in Initiatives * Information on Customer Desires	* City Planning * Dept. of Development; NRHA
Interface with City Loan/ Other Grant Progs	*Begin to address revealed needs through identified resources	* City Planning, Dept. of Development, NRHA, Entrep. Asst. Centers

END PRODUCT: FIRST EVENT

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees

See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.

TABLE A-12
BUSINESS DEVELOPMENT/ SUPPORT SUBCOMMITTEE TASK DETAIL-PHASES 2, 3, AND LATER PHASES
PROPOSED 35TH STREET IMPLEMENTATION ACTION STRATEGY

PHASE 2		
TASK	ACTIONS/ GOALS	IMPLEMENTATION ASSISTANCE (AGENCY)
Access SBA Programs	* Training for Area Businesses * Build support network	* Dept. of Development * NRHA * Entrep. Asst. Centers
Identify Sources of Short-Term Capital	* Possible re-merchandising, exploration of new markets (domestic and export)	* Dept. of Development * NRHA, Entrep. Asst. Centers * SBA
Encourage Business Expansion	* Build on training results, leverage identified capital sources	* No direct assistance
END PRODUCT: SECOND EVENT		
PHASE 3		
TASK	ACTIONS/ GOALS	IMPLEMENTATION ASSISTANCE (AGENCY)
Integrate Private Sector Banking Community	* Extend sources of capital for expansion/ redevelopment (i.e. longer-term capital)	* Dept. of Development * Area Businesses
Promote Internet Links to Existing Businesses	* Expand market share, attract new tenants	* Marketing Subcommittee
Monitor Existing and New Tenants for Transfer to Vacant Buildings	* Enable expansion within community, diversification of business base	* Property/ Infrastructure Subcommittee
Continue to Monitor Needs of Existing Business		* Other Subcommittee Input
LATER PHASES		
Explore Apprenticeship Program with Evolving Business Base	* Possible extension of store hours, build entrepreneurial skills, community-business linkages	* NRHA * Civic Leagues * Area Businesses

NOTE: Please see "Integrated Prioritization and Phasing Plan" for suggested coordination of activities with other subcommittees
 See text for further description of suggested action items

Source: Basile Baumann Prost and Associates, Inc.